

JUST TRANSITION BACKGROUNDER:

TOWARDS A GREEN ECONOMY AND AN INCLUSIVE SOCIETY FOR CANADA



January 2020

Climate change is a real and urgent crisis... Canada [must] commit to meeting its national emissions target under the Paris Agreement and to making deeper reductions in line with the Agreement's objective of holding global warming below two degrees Celsius and pursuing efforts to keep global warming below 1.5 degrees Celsius.

Climate Emergency Motion, House of Commons, June 2019

In June 2019, Canada declared a climate emergency. With it, Parliament recognized that we must work as a country to **meet** and **exceed** the current emissions-reduction target of reducing emissions 30 per cent below 2005 levels by 2030.

This is consistent with the urgent call issued by the [Intergovernmental Panel on Climate Change \(IPCC\)](#),^{1,2} in October 2018 when they asserted that the global community has until 2030 to dramatically change course and avoid serious climate consequences.

The scientific imperative of transformational climate action signaled by the IPCC, echoes Indigenous voices and builds on the knowledge and experience of First Nations, Métis, and Inuit peoples over generations.

It is clear that ambitious action is no longer optional. Still, the scale of change required can feel overwhelming. This is especially true for those who already struggle to get by. Those who are precariously employed, experience housing insecurity, or face discrimination in their day-to-day lives. It also presents particular challenges to those whose livelihoods and sense of security are tied to oil and gas, including those who work in industries servicing the fossil fuel sector.

The fossil fuel industry has played a central role in the national economy. Much of the infrastructure, communications, and transportation systems that Canadians rely on daily is powered by oil and gas. But we now know that these structures and systems are accelerating the global climate crisis. Forest fires, floods, and heatwaves are becoming more common coast to coast to coast.

In 2016, the government of Canada delivered the [Pan-Canadian Framework on Clean Growth and Climate Change \(PCF\)](#). With important commitments to carbon pricing, phasing-out coal-fired electricity, and historic investments in public transit, the PCF established a climate action baseline. However, it also included space for the expansion of the fossil fuel sector which has meant that Canadian emissions have continued to rise.

That is why *Give it up for the Earth!* is calling on the Canadian federal government to invest in a National Just Transition and Decarbonization Strategy.

Doing so would allow us to address climate change, as well as the additional crises in inequality and social exclusion. A modernized, diversified green 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.

¹ The IPCC report was commissioned by the UN, produced by over 90 climate scientists from 40 countries, and consolidates more than 6,000 scientific references. This is a global scientific consensus.

² If you are reading this as a hardcopy, see cpj.ca/for-the-earth for references.

What is a National Just Transition and Decarbonization Strategy? The concept of a “just transition” holds two central assumptions. First, that the transition is towards an environmentally sustainable economy and society. And second, that the burden of change—that benefits everyone—is shared across society. Decarbonization, in turn, refers to reducing, and ultimately eliminating, carbon emissions in order to hold global warming to 1.5 C.

In 2015, the International Labour Organization (ILO) reported that a just transition can act as a driver of a nation’s “job creation, job upgrading, social justice and poverty eradication.” In a just transition, low-carbon energy development is prioritized, as is funding for skills development and retraining programs for oil and gas workers, and those traditionally excluded from the energy sector. A just transition also incorporates a robust Employment Insurance program; it gives protection to the most vulnerable and leads to increased social justice for all. A just transition strives to ensure that green jobs enable people to thrive and obtain a good quality of life.

Canada and Climate Change. Canada is a prosperous, secure nation. Yet over five million people live in poverty. First Nations, Métis, and Inuit peoples, who are overrepresented among those living in poverty, continue to experience the impacts of colonization, and many communities are already experiencing damaging effects of global warming. Also, as the climate crisis advances around the world, there could be as many as 200 million environmental migrants by the year 2050, some of whom will seek refuge in Canada.

CPJ wants to ensure that all people in Canada are able to participate fully in society in recognition of their human dignity. This is the real key to flourishing communities.

A National Just Transition and Decarbonization Strategy for Canada.³ The ILO’s guiding principles of a just transition include the development of a strong social consensus, supported by ongoing consultation; accounting for the gendered 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.

Applied in the Canadian context, these 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 U.N. 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 the systemic barriers they face in 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.

To transition responsibly, we must consider every Canadian in the process and ensure we do not leave anybody behind. It means keeping our neighbours in mind and remembering that transition is easier for some than it is for others.

CPJ is calling on the Canadian federal government to:

- a. **Create a National Decarbonization Strategy.** Developed in consultation with the provinces and territories, First Nations, and others. Such a strategy would emphasize quality jobs and GHG emissions reductions.
- b. **Implement a Strategic Training Fund** to support workforce diversification by funding post-secondary training programs for historically marginalized populations in growth industries.

³ CPJ’s vision for Canada’s just transition is consistent with the framework being developed as “[The Pact for a Green New Deal](#).” In May 2019, CPJ signed on to support the call for a Green New Deal for Canada. This initiative “calls on workers, Indigenous communities, students, trade unions, migrants, community organizations and people across the country to define a plan for a safe future and more prosperous present that meets the demands of science and justice.”

- c. **Provide a Just Transition Transfer** for provinces and territories to support workers and communities most directly impacted by the move away from fossil fuels.

It is imperative that these strategies and funds be part of a **complete suite** of measures to address the climate crisis and move to decarbonization by 2050.

Additional measures include an amplification of the federal carbon pricing commitment, follow-through on the longstanding commitment to end subsidies to the fossil fuel sector, and a reallocation of funds towards renewable energy and efficiency measures.

A successful just transition for coal workers signals to everyone that there is a path forward as Canada takes action on climate change.

The Task Force on Just Transition for
Canadian Coal Power Workers and Communities, 2018

Lessons from the Coal Industry. Coal was once a significant part of Canada's natural resource extraction sector. But due to known health and environmental impacts, it is an industry that is now being phased out.

The closure of Ontario's coal plants between 2005 and 2014 resulted in the largest single reduction of greenhouse gas emissions in Canada. With an eye to further addressing health, environmental, and climate concerns, the federal government announced a full phase-out of coal-fired electricity by 2030, as part of the 2016 PCF.

In 2017 they established the Task Force on Just Transition for Canadian Coal Power Workers and Communities, which brought together civil society, union, government, and industry representatives. Based on a broad, national, community-based consultation, by late 2018 the Task Force had completed a major report and identified seven principles for a just transition that should be foundational in developing Canada's just transition.

1. Respect for workers, unions, communities, and families;
2. Worker participation at every stage of transition;
3. Transitioning to good jobs;
4. Sustainable and healthy communities;
5. Planning for the future, grounded in today's reality;
6. Nationally coherent, regionally driven, locally delivered actions; and,
7. Immediate yet durable support.

The Just Transition Task Force also developed several important recommendations that could serve as the basis for an expanded national just transition strategy. Key elements include upholding the defined just transition principles throughout the process; making available bridge funding and critical labour market information to support workers as they transition to long-term, sustainable employment; and investing in local infrastructure.

Action Towards Social Inclusion. Racialized Canadians, women, and Indigenous peoples historically have had more limited access to the labour force. Just transition policies must address these environmental and socio-economic inequalities. Fortunately, the move to a modern, green economy presents a tremendous opportunity to amplify 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. It is good that these workers are being supported. However, as we envision a new, green economy, it is essential that racialized Canadians,

women and Indigenous peoples (those with limited representation in oil and gas) also benefit from the tremendous long-term profits brought by a zero-carbon economy.

Racialized immigrants from the Global South face barriers to work 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.

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 in 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 green workforce.

There is good news. A green transition brings new employment opportunities for Indigenous workers who are often over-represented in construction -- one of the sectors that will benefit most from decarbonization.

But Indigenous workers are faced with a different set of barriers and difficulties in the transition process. 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 and secure diversified economy, an inclusive just transition means moving away from the systems of oppression that are central to Canada’s extractive industries. The federal government must invest in stronger initiatives on anti-oppressive work environments, diversify the skilled trades workforce, and implement an intersectional lens in policy frameworks. These actions will help to amplify the rights of marginalized workers and those excluded in the transitioning process.

New Employment Opportunities. Over the last five 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 jobs.

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. Research by the ILO suggests that globally we can expect to see an initial loss of 6 million jobs. Fortunately, global green transition strategies will result in an additional 24 million new jobs in renewable energy generation, electric transportation and energy efficiency. That’s net positive 18 million jobs. Effective training for a successful transition into a zero-emissions economy, relocation apprenticeships, increased income support, pension bridges for older workers and continued formal education programs all become key.

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, biofuel, 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 (such as algae and hemp-based plastics) will allow us to end our reliance on petroleum-based plastics. And while carbon sequestration

methods are not yet as cost effective or proficient as they could be, there is significant potential here that should not be neglected.

Conclusion. The implementation and resourcing of a National Just Transition and Decarbonization Strategy will effectively enable Canada to meet and exceed current commitments to the principles and temperature goals of the Paris Agreement on climate change. It will allow us to act on the scientific imperative outlined by the IPCC and respond to the knowledge and experience of Indigenous peoples in Canada.

The success of Canada's National Just Transition and Decarbonization Strategy is, of course, predicated on a commitment to forward-looking investment in low-carbon technologies, not high-carbon infrastructure. Funding for such investment can easily be found through a reallocation of the approximately \$2 billion in annual federal subsidies to the fossil fuel sector.

We are experiencing a climate crisis. It is time to seize the moment and build a green economy.

***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 citizens and residents, and the flourishing of the Earth.*

