

climate justice project

By Karen Cooling,
Marc Lee, Shannon
Daub and Jessie Singer

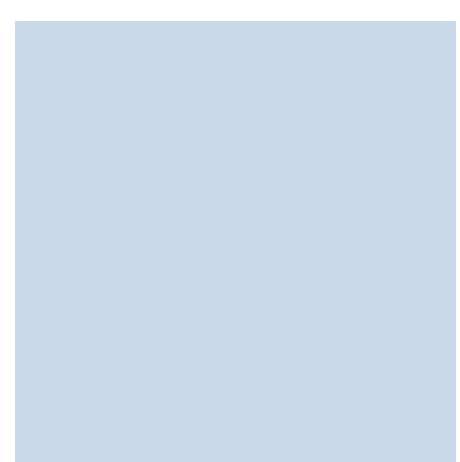
JANUARY 2015



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

Just Transition

Creating a green social contract
for BC's resource workers



JUST TRANSITION: CREATING A GREEN SOCIAL CONTRACT FOR BC'S RESOURCE WORKERS

By Karen Cooling, Marc Lee, Shannon Daub and Jessie Singer

January 2015

CLIMATE JUSTICE PROJECT

This paper is part of the Climate Justice Project, a five-year research project led by the CCPA-BC and the University of BC. The Climate Justice Project studies the social and economic impacts of climate change and develops innovative green policy solutions that are both effective and equitable. The project is supported primarily by a grant from the Social Sciences and Humanities Research Council through its Community-University Research Alliance program. Thanks also to Vancity and the Vancouver Foundation for their financial support of the Climate Justice Project.



Social Sciences and Humanities
Research Council of Canada

Conseil de recherches en
sciences humaines du Canada



vancouver
foundation



Pacific Institute
for Climate Solutions
Knowledge. Insight. Action.

Additional funding provided by the Pacific Institute for Climate Solutions.

The opinions and recommendations in this report, and any errors, are those of the authors, and do not necessarily reflect the views of the publishers or funders of this report.

This report is available under limited copyright protection. You may download, distribute, photocopy, cite, or excerpt this document provided it is properly and fully credited and not used for commercial purposes.

Cover photos (from top left): Tim Gage/Flickr (CC BY-SA 2.0), iStock, iStock

Copyedit: Maja Grip

Layout: Susan Purtell

ISBN: 978-1-77125-181-5



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

1400 – 207 West Hastings Street
Vancouver BC V6B 1H7
604.801.5121 | ccpabc@policyalternatives.ca

www.policyalternatives.ca

Contents

SUMMARY	5
PART 1 Introduction	9
PART 2 Perspectives from BC's resource workers	12
PART 3 Strategies for a just transition in BC	22
PART 4 Conclusion	27

A B O U T T H E A U T H O R S

KAREN COOLING

Karen Cooling recently retired from her position as a staff representative at the Communications, Energy and Paperworkers Union of Canada. Cooling is a researcher, educator and communicator specializing in resource issues and relationship building between resource workers and environmentalists. She spent 17 years working directly in the pulp and paper industry.

MARC LEE

Marc Lee is a senior economist with the BC Office of the Canadian Centre for Policy Alternatives and is co-director of the Climate Justice Project. He is the author of many CCPA and Climate Justice publications, including *Climate Justice, Green Jobs and Sustainable Production in BC* with Kenneth Carlaw (September 2010), *Fair and Effective Carbon Pricing: Lessons from BC* (February 2011) and *Enbridge Pipe Dreams and Nightmares: The Economic Costs and Benefits of the Proposed Northern Gateway Pipeline* (March 2012).

SHANNON DAUB

Shannon Daub is a researcher and director of communication with the BC Office of the Canadian Centre for Policy Alternatives. She is the author of *Negotiating Sustainability: Climate Change Framing in the Communications, Energy and Paperworkers' Union*, which is based on her research with energy sector workers about just transition. She is also the creator of *The Good Life, The Green Life* (www.goodlifegreenlife.ca), a documentary film about what it means to live a good, green life at the climate crossroads. Shannon holds an MA in Communication from Royal Roads University.

JESSIE SINGER

Jessie Singer was a master's candidate in Planning at the University of British Columbia at the time of this research, with an interest in finding ways to facilitate the transition to a green economy through partnerships with the resource sector.

A C K N O W L E D G E M E N T S

The authors would like to thank the advisory committee (Joe Barrett, Stuart Blundell, Lynn Bueckert and Scott Lunny) for their support in shaping this research project and hosting interviews with resource industry workers. We would also like to thank Kenneth Carlaw for early research project development, Jeremy Stone for help coding and interpreting the focus groups and Sorin Mitrea for contributing to the literature review, as well as four anonymous reviewers for their feedback on an earlier draft of this report.

SUMMARY

Just Transition Creating a green social contract for BC's resource workers

ACTION ON CLIMATE CHANGE demands that the world, starting with wealthy places like BC, make a deliberate shift away from fossil fuel industries and towards a zero-carbon economy. But for workers and communities who rely on the coal, oil and natural gas industries, climate action could mean the loss of well-paying jobs and key employers. In this paper we explore what can be done provincially to ensure that the shift to a zero-carbon economy is a just transition.

Just transition is an approach to environmental policy-making developed by the labour movement that aims to minimize the impact of environmental policies on workers in affected industries and communities and to involve workers in decisions about their livelihoods. Underlying the concept of just transition is the principle that the costs of environmental adjustments should be shared across society rather than shouldered alone by those most affected by them.

We engaged directly with resource workers in BC to learn from their experiences at a personal, family and community level and to inform the concept of just-transition policies. Our research team conducted seven focus groups with unionized resource-sector workers in six communities. The majority were from the forestry sector, where boom-and-bust cycles and mill closures have led to job losses and economic insecurity in the province's forest-dependent communities. We also met with members of the mining, oil and gas and construction industries as well as general tradespeople. We used this approach to better understand workers' experiences with job loss and economic disruptions and their vision of a just transition away from fossil fuels.

Just transition is an approach to environmental policy-making that aims to minimize the impact of environmental policies on workers in affected industries and communities.

PERSPECTIVES FROM BC'S RESOURCE WORKERS

Transitions in resource industries

Many participants discussed having made multiple moves within or between industries due to mill closures or downsizing. Laid-off workers usually applied to work at different plants in the region or moved to new communities. Some workers moved into government or union positions that utilized their industry expertise, while others were forced into the service industry or into early retirement.

Participants cited cases of families having faced extreme instability due to lost incomes, including drug and alcohol addiction, increased domestic violence, divorce and the impact of stranded assets (for instance, when a factory in a resource-dependent town closes, the local residential housing market becomes glutted with properties, which forces down property values).

The loss of rank and file workers means the loss of common community functions like volunteer firefighters, Little League sports coaches, etc.

The loss of rank and file workers means the loss of common community functions like volunteer firefighters, Little League sports coaches, etc. There are also ripple effects throughout the economy as reduced spending forces the closure of small businesses and service providers, leading to the collapse of municipal government budgets.

The lure of work in Alberta's tar sands was a refrain among participants, although there was also a feeling that high pay in Alberta did not correlate with a good quality of life. Workers would prefer to stay in their communities and united with their families.

Alternative employment

Workers seeking alternative employment reported multiple issues. Commuting long distances and displacement were identified as problems for not only individuals but families as well. The costs of commuting or relocating are high, and the strain on families that are separated is significant. When looking for work in new mills or plants, some individuals have also had to take pay cuts even when moving into an equivalent position, or shift to a junior position that paid less.

Many participants questioned whether service sector and tourism jobs would be sufficient to replace industrial jobs. However, developing a local value-added economy was seen as a way to transition to a lower-carbon economy by both greening the industrial processes involved and reducing dependence on high-carbon producers offshore.

Training

The consensus among participants was that industries no longer focus on training workers and enriching them with transferable job skills. They instead plug skill gaps with the cheapest labour available and teach only what is necessary for a worker to play a narrow role within the total operation. This has trickled down to the apprenticeship and training level, where hyper-specialization is being used to reduce wages and improve profit margins.

Participants discussed the need to have a robust, portable skill set for all workers. They reiterated that learning is never over and that workers need to continually pick up new, transferable skills so they won't get caught short when a mill closes or a plant downsizes.

Participants described two limiting aspects of training programs: skill mismatch and lack of employment opportunities after training. In terms of skill mismatch, there are often gaps between needed skills and current workforce skill sets. In some cases, the industry in question simply does not have the employment opportunities in place to hire newly trained workers as a result of changing market conditions. In other cases, the jobs exist, but the training is not enough to secure a job.

Early retirement

Transition for the older generation of workers presents a complex set of problems. Even though they are valuable to operations that need skilled tradespeople, if there is any up-skilling or training required, older workers can be passed over because of their shorter career potential within a company.

Pensions are important because they provide the stability that retiring workers need when they are no longer earning wages. Workers who leave early usually take a loss on their pension. Some transition programs have paid out full pensions to help workers leave the industry. However, participants reported that when companies declare bankruptcy the pensioners are in line behind other creditors and the government.

Another problem with institutionalized retirement programs is that they enable companies to downsize without job replacement. Some participants described government programs that were instituted to reduce the aging workforce so that new employees could enter but that companies used instead to reduce workforce numbers and not rehire.

Providing leadership

The provincial and federal levels of government were deemed unable or unwilling to provide the types of training and transition opportunities that are necessary for transitioning workers into new jobs or industries. Participants described past government efforts at transition as just “throwing money at the problem” with little planning or foresight.

Many participants suggested that planning and collaboration are critical for ensuring a just transition. Rather than waiting for each closure, government, industry and the unions need to take a proactive approach and work together to develop long-term plans that meet mutual needs.

Rather than waiting for each closure, government, industry and the unions need to take a proactive approach and work together to develop long-term plans that meet mutual needs.

STRATEGIES FOR A JUST TRANSITION IN BC

A true just transition must speak to fairness and high-quality employment in an economy based on sustainable production and infrastructure. Studies suggest that the transition to a low-carbon economy need not lead to massive displacement of workers overall, but this may be cold comfort to workers in carbon-extractive industries. Based on our interviews with workers, we argue that BC needs a new “green social contract” to ensure a smooth transition to a zero-carbon economy.

BC’s resource sector includes both renewable resources like timber and non-renewable ones like minerals and natural gas. There are key differences between these sectors, and we should be careful not to use one-size-fits-all approaches. The principal industrial area of concern for climate action is the natural gas industry. While this industry is relatively small in terms of number of workers, these jobs are of particular importance in the Northeast of BC.

Based on our interviews with workers, we argue that BC needs a new “green social contract” to ensure a smooth transition to a zero-carbon economy.

The broad parameters of a just transition for BC, and a new green social contract, include:

JUST TRANSITION FUND—Just as in Alberta, Alaska and Norway, a stand-alone fund can be created from resource revenues. In BC this could include revenue from forestry, mining, and oil and gas industries and/or from an enhanced carbon tax. BC’s royalty regime for natural gas needs to be reformed, as it paying very low royalties to the provincial treasury in spite of record high production levels.

EMBRACE ALTERNATIVE MODELS—Alternative models can support greater economic security, smooth out boom-and-bust cycles and ensure responsible resource development. Such approaches include increased public ownership in the natural gas sector, worker ownership and new partnerships with First Nations.

ADVANCED SKILLS TRAINING PROGRAMS—BC needs a process for long-range, collaborative planning for labour market adjustment that meets both economic and environmental/climate needs. Many of the focus groups expressed frustration over the lack of appropriate, accessible and forward-thinking training opportunities. The financial responsibility for training and the up-skilling of current workers should be shared between government, unions and employers. Stronger government involvement in funding training programs that lead to a recognized credential is needed.

INVESTING IN APPRENTICESHIPS—BC’s Resource Training Organization (part of the Industry Training Authority) should play a lead role in just transition through the training and up-skilling of tradespersons. Many industrialized countries have incorporated some form of training levy coupled with an exemption for employers who make a commitment to training. Quebec is a notable example in the Canadian context, with a 1 per cent training levy on payroll tax for companies that do not train employees at a level equal to 1 per cent of their payroll.

INCOME SECURITY—Workers transitioning from one workplace to another will require a secure source of income for a certain period of time, whether during unemployment or training. The Canadian Labour Congress supports the call for the protection of income from one to four years, with continued qualification for Employment Insurance (EI) and Canada Pension Plan/Quebec Pension Plan (CPP/QPP) where employment income is less than in the lost job or where there is no alternative work. In addition, further improvements are needed to CPP to ensure that older workers can retire with dignity and retire earlier with no significant loss of benefits.

WORKER AND FAMILY SUPPORTS—Our conversations with resource workers identified the need to look beyond narrow skills development to include things like counselling services. Since many families depend on dual incomes, just transition should take into account the challenges faced when one person loses his or her job but the other does not.

PART 1

Introduction

LOSING YOUR JOB through no fault of your own is terrible. However, when you lose your job through a plant closure in a small town, where options may be limited, it can be devastating. British Columbia has experienced several rounds of booms and busts in its resource sectors, and resource-based communities remain vulnerable to external shocks, such as the recent fall in world commodity prices.

Action on climate change demands that the world, starting with wealthy places like BC, make a deliberate shift away from fossil fuel industries (coal, oil and natural gas) and towards a zero-carbon economy. From the perspective of workers and resource-based communities, climate action risks exacerbating already high levels of economic insecurity. In this paper we ask the question: what can be done to best support workers and communities affected by this transition?

We spoke to resource workers to learn from their experiences at a personal, family and community level and to inform the concept of “just transition” policies (see sidebar). BC’s mill closures have generally been in forestry, rather than the oil and gas industry that is the challenge from a climate perspective. Nonetheless, the lived experiences of resource workers can help us develop a fair and equitable framework for transitioning away from industries that contribute to climate change. A true just transition, based a more coherent integration of labour market, climate and industrial policies, can break out of the polarizing “jobs versus environment” debate, create good jobs and support communities.

For BC, this is not about *whether* to develop natural resources but how to develop them in a way that supports decent livelihoods, healthy communities and other public benefits. Research from the Climate Justice Project argues, for example, that there are at least 20,000 green jobs linked to carbon stewardship and management that could be developed in BC’s forestry sector, while supporting decent work in resource communities.¹ Carbon-extractive industries pose a more fundamental challenge. Indeed, fear of job loss could undermine efforts to mitigate climate change, by withdrawing the support of resource industry workers and many BC communities.

A true just transition, based a more coherent integration of labour market, climate and industrial policies, can break out of the polarizing “jobs versus environment” debate, create good jobs and support communities.

¹ B. Parfitt. *Making the Case for a Carbon Focus and Green Jobs in BC’s Forestry Sector* (Vancouver: Canadian Centre for Policy Alternatives – BC Office, 2011). At: policyalternatives.ca/newsroom/news-releases/bc-missing-out-greener-more-sustainable-jobs-forest-industry-report-finds#sthash.40hsDdrZ.dpuf.

**Environmental
adjustments should
be shared across
society rather than
shouldered alone
by those most
affected by them.**

What is a just transition?

The concept of “just transition” has been developed by the labour movement to refer to public policy approaches that seek both to minimize the impact of environmental policies on workers in affected industries and communities and to involve workers in decisions about their livelihoods. Underlying the concept of just transition is the principle that the costs of environmental adjustments should be shared across society rather than shouldered alone by those most affected by them. Although this concept has been developed and supported by the labour movement, some union members have concerns that just-transition programs could be utilized to placate workers who have lost their jobs; therefore, developing a meaningful shift from concept to reality is critical.

The United Nations Environment Programme’s Green Jobs framework, for example, argues for a broader understanding of and approach to just transition, ranging from the global-societal level down to workplaces and local communities. It includes:

...issues of protection, retraining, and relocation of workers displaced from declining industries; the generation of good quality green jobs that are available to all communities; and the question of fair trade, technology transfer, and ensuring sufficient funds for adaptation to climate change. Meaningful worker and community participation is seen as an essential feature of the transition, as is social dialogue at all levels of decision-making.ⁱ

In the Canadian Labour Congress definition, just transition is “the fair treatment of workers and their communities when employers close facilities,” which includes an aim of “continuation of employment without loss of pay, benefits or seniority,” and where this is not possible provision of “just compensation.” This includes a vision of “quality employment in an economy based on sustainable production and infrastructure,...communities as centres of diverse, labour-intensive industries, with a strong public sector to support them [and is] above all, about alternative employment in a sustainable economy.”ⁱⁱ Just transition assumes a planning framework and specific programs.

The elaboration of a just-transition approach to climate change was central to the Canadian labour movement’s support for the Kyoto Protocol. A 2002 CCPA study by Dale Marshall, *Making Kyoto Work: A Transition Strategy for Canadian Energy Workers*,ⁱⁱⁱ considered just-transition programs for the Canadian energy sector. It analyzed potential job losses from the implementation of Kyoto while highlighting gains in other areas of the energy sector and the core elements of a transition plan to deal fairly with displaced energy workers. The report was co-published by the David Suzuki Foundation and the Communications, Energy and Paperworkers Union, and it played a role in garnering trade union support for Canada’s ratification of the Kyoto Protocol.

- i United Nations Environment Programme. 2008. Green jobs: Towards decent work in a sustainable, low-carbon world. At: unep.org/PDF/UNEPGreenjobs_report08.pdf.
- ii Canadian Labour Congress. 2000. Just transition for workers during environmental change. At: canadianlabour.ca/sites/default/files/pdfs/justransen.pdf.
- iii At: policyalternatives.ca/publications/reports/making-kyoto-work.

Transition policies may include income support, mobility allowances, co-ordination with education and training programs to ensure appropriate skills development, and early retirement provisions. While these elements are necessary, our conversations with resource workers highlight the need to look beyond a narrow focus on the workers themselves to the broader nature of resource communities. In the next section, we summarize our interviews with unionized resource industry workers from around BC. Then we shift back to policy implications and key directions towards the development of a just-transition planning framework and a new green social contract to ensure no workers are left behind.

PART 2

Perspectives from BC's resource workers

Almost all of the participants were long-term residents of resource-dependent communities and had first-hand experience with the boom-bust cycles of resource extraction industries.

OUR RESEARCH TEAM CONDUCTED seven focus groups with resource sector unions, each group consisting of two to 11 participants. One group met in Vancouver but was composed of representatives from across BC (Focus Group 1, or FG 1). The other groups met in six different BC communities: Prince George (FG 2), Mackenzie (FG 3), Fort St. John (FG 4), Castlegar (FG 5), Vancouver (FG 6) and Nanaimo (FG 7). Participants were primarily shop floor workers, with representation from six unions (five private sector and one public sector).² Most participants had many years if not decades of experience in their sector. Almost all of the participants were long-term residents of resource-dependent communities and had first-hand experience with the boom-bust cycles of resource extraction industries. Of the 46 participants in our study, most (80 per cent) were from the forestry sector, although we also met with members of the mining, oil and gas and construction industries as well as general tradespeople. Most participants were male.

Our interviews were semi-structured and covered several issue areas, such as: climate change and climate action; industrial change, plant closures and downsizing; effectiveness of transition programs (e.g. training, early retirement packages, etc.); the role of institutional actors (e.g. unions, government, employers, etc.); and processes of information gathering and opinion formation. We used this approach to better understand workers' perception of climate change, their experiences with job loss and transition and their vision of a just transition away from fossil fuels. The findings that follow represent a collection of personal insights into the struggles that workers and their families have faced through industrial change as well as the challenges in designing just-transition strategies for the future.

THE CLIMATE CONTEXT

To set the context for discussion, we asked participants about their thoughts on the environment and climate change. Many perceived dramatic changes in the local climate in their

2 BC Government and Service Employees' Union; Communications, Energy and Paperworkers Union (now Unifor); International Brotherhood of Electrical Workers; United Association of Plumbers and Pipefitters; Pulp, Paper and Woodworkers of Canada; and United Steelworkers.

lifetime: changes in snow levels, tree sizes, temperature, etc. Some changes—in particular, the mountain pine beetle infestation—were considered part of the larger global phenomenon of climate change.

However, there were different perspectives about the specific nature of the problem. Some participants articulated the issue in terms of efficiency and local industrial activity: companies have never managed the resources the right way, which created waste and long-term inefficiencies. Others articulated the issue as a historical problem: we should have reduced our carbon footprint years ago, but we just didn't understand the issues. Still others described our demand for natural resource extraction and its impact on further eroding local environments.

It was clear that participants have a genuine concern about a changing climate and the future impacts on their health, economy and children. However, forcing industries to change practices that affect climate change was seen to have the unintended consequence of pushing companies overseas or shutting them down due to higher costs associated with regulations or new technologies. Some workers felt that the environmental movement had taken extreme views or heightened the fear of climate change to advance the debate while undermining the “logic” or factual complexity of the discussion.

Participants said that government action is necessary, as industry is fixated on the short-term priorities of shareholders:

What's happening with the tar sands and with natural gas, there just seems to be this free-for-all. Like there's this race to get it out of the ground right now. So instead of thinking about how to make value-added or how to return to more value-added in the oil industry, well, that's not the trajectory. (FG 6)

Participants expressed serious doubts about whether climate action is systemically possible. Climate actions were often discussed in terms of trade-offs; a solution to one environmental problem often causes another environmental problem. Electric cars result in toxic batteries, wind turbines kill birds, etc. Moreover, environmental solutions may create costs in terms of dollars and jobs that put pressures on local families. Some participants said that climate action is simply a lesser priority than jobs and wages, and that the economics have to be right to support regulatory and industry changes.

This was contextualized within a broader perception that government is wholly inadequate to manage the response to climate change. Some found the government too bureaucratic to provide nuanced solutions that balance the needs of the environment and industry. Nonetheless, although the various levels of government were routinely found lacking, they were continually named as the entities that need to get involved to stop climate change. Consequently, participants identified collaboration between unions, industry, government and citizens as the primary way to bridge constituencies and reduce failures.

Participants identified collaboration between unions, industry, government and citizens as the primary way to bridge constituencies and reduce failures.

TRANSITIONS IN RESOURCE INDUSTRIES

Many focus group participants discussed having made multiple moves within or between industries due to mill closures or downsizing. Laid-off workers usually applied to work at different plants in the region or moved to new communities. Some workers moved into government or union positions that utilized their industry expertise, while others were forced into the service industry or into early retirement.

Participants in the forest industry provided numerous accounts of industrial collapse due to beetle kill, offshoring and other natural and economic factors. Changes in provincial regulatory requirements, such as the elimination of appurtenance clauses in forest licenses (which required that timber harvests be processed in regional mills), have exacerbated these changes. Stories of plant closures and downsizing were common, and the resulting displacement and income shocks for families were significant. However, the industry was still considered to be viable, partly due to a feeling that there would always be a need for forest products and partly due to the diversification happening within businesses. Energy generation was a noteworthy topic in this regard, with multiple participants mentioning fuel created from biomass as a core input or line of business for mills.

We heard dozens of stories about job loss and transition, but the following narrative particularly captures the challenges that families in BC have faced when enduring traditional, and often unjust, transitions:

Some workers moved into government or union positions that utilized their industry expertise, while others were forced into the service industry or into early retirement.

Petro-Canada wanted to increase their profit line, so they decided to shut down the refinery in Taylor, which is just out of Fort St. John. I think there [were] 120 people working there. They guaranteed employment and they also own the gas plant right next door. So they said, "Either we'll fit you into the gas plant or you can come down to Port Moody and we'll offer early incentives for retirement for people to go, to fit you in the slot." So about fifty people came down, sold everything they had up there, came down here. Eight months later, Petro-Canada in its wisdom announced the downsizing of Port Moody.

These people were, needless to say, absolutely devastated.... When they came down, obviously the real estate prices were a lot higher, so Petro-Canada gave them a mortgage for down here. [But then they said] "Oh yeah, remember on your last day of employment we're calling your loan."

But at the same time, you know, there [were] people that lost their job...and some of them said, "Hey, there's life after Petro-Can, I'm happy and I moved on and yeah, it was a bit of a struggle for a little while but life does go on." But there always seems to be a little core group that just has such a difficult time getting over that hurdle and you've got to feel for them because they keep thinking, "Well, what did I do wrong to—?" You know, they sort of beat themselves up. (FG 6)

Downsizing creates a short-term labour market saturation of workers with similar skill sets. Those without portable skills across industries are left in a highly competitive market with fewer jobs, which then precipitates displacement or exit from the labour market altogether.

The consequent impacts of these transitions have often been broad and severe. Participants cited cases of families having faced extreme instability due to lost incomes, including drug and alcohol addiction and increased domestic violence. Divorce is reportedly common, and many family structures have fractured. Participants also described the impact of stranded assets. When a factory closes, the residential housing market becomes glutted with properties, which forces down property values. With no new residents entering the community to buy homes, some families are left paying a mortgage while also paying rent on a separate property in a new town.

Various forms of community decay were described as typical outcomes of major layoffs or plant closures. The loss of rank and file workers means the loss of common community functions like volunteer firefighters, Little League sports coaches, teachers, etc. As these people leave town, there are ripple effects throughout the economy as reduced spending forces the closure of small

businesses and service providers. This is especially hard on senior citizens, who can neither sell their retirement “nest eggs” nor access basic services like health care because doctors and other providers follow the major employers out of town. Similarly, young people can no longer get quality jobs and decent wages in the communities they were born in. As one focus group member poignantly stated:

That's why we export our children. We export our rocks, we export our logs, and we export our children. Because there's no future here for the younger people. For us old guys, yeah, we'll hang on. We'll be around...[but] the only future for young people here is doctors and nurses to look after us old guys when we get retired. (FG 3)

The lure of work in Alberta’s tar sands was frequently mentioned by participants, although there was also a feeling that high pay in Alberta did not correlate with a good quality of life. Workers would prefer to stay in their communities and united with their families, but when work is no longer available in the local community (or the only available work is for low pay), workers have had to leave their families behind for extended periods. Higher wages in Alberta can draw skilled workers out of communities even in the absence of downsizing:

Our apprenticeship program in B.C. is so abysmal at this point, my son, who's a welder, he's working in Alberta. He went to Alberta because he couldn't get work in B.C. as an apprentice. He went over to Alberta, he's making more than I make, working as an apprentice. (FG 2)

Participants also discussed the impacts of eroding tax bases and the collapse of municipal budgets as companies and workers relocated. The loss of one major employer in a rural BC town was reported to have cost the local government 40 per cent of the tax base. Consequently, the town couldn’t afford road paving and other essential services for two years. Tax issues were also viewed in the context of retention strategies whereby municipalities cut taxes in a “race to the bottom” to keep the employers in town.

The lure of work in Alberta’s tar sands was frequently mentioned by participants, although there was also a feeling that high pay in Alberta did not correlate with a good quality of life.

ALTERNATIVE EMPLOYMENT

Workers who searched for alternative employment faced multiple issues. Commuting and displacement were identified as problems not only for individuals but for families as well. The costs of commuting or relocating are high, and the strain on families that are separated is significant. Some participants felt that a just transition is one that provides new jobs within communities to keep residents close to home and maintain social support networks for families and the community at large.

Education and skills transfer were also discussed. Participants felt that companies are putting into place arbitrary requirements that disadvantage transitioning workers. Some companies, such as Canfor and Catalyst, have made rule changes mandating basic GED or college requirements that keep individuals from securing new employment even when they have the appropriate industry experience. In terms of required skills, some participants felt that tradespeople, such as electricians, steam engineers and first-aid specialists, had an advantage in that their skills were generally transferable across industries. However, industry-specific jobs were limiting because their skills could not be transferred as readily, or at all:

A just transition is one that provides new jobs within communities to keep residents close to home and maintain social support networks for families and the community at large.

Yeah, so you couldn't get a job in forestry with a gas-processing ticket or course. But the power engineering, I mean, you can transfer to forestry. You can transfer to pulp mills, hospitals, anywhere that's got a boiler. So some of those are portable skills, but like I said, you don't need any skills to get into the actual gas plant. And [there are] labour positions as well, which [is] kind of the bottom, starting position. (FG 4)

Due to the uncertainty related to specialized jobs in modern economies, workers find more security in trades or portable employment roles. As one participant said:

If you'd asked me in 1980, I'd always tell you I was going to be in the forest industry for sixty years. You talk to these guys now, they're saying, "Yeah, I'm going to get a trade because I don't know where I'm going to be in ten years." (FG 7)

Participants also raised a related problem of down-waging. When looking for work in new mills or plants, some individuals have to take pay cuts at their current position or shift to a junior position that pays less. Moreover, some workers cannot leave to pursue higher-paying jobs, so they must take pay cuts to stay in the community they live in. Those who switch industries may have to acquire new skills or lose seniority when they join a new company and thus have to accept a reduction in pay. Well-paying jobs, where their level of wages and benefits was not dramatically reduced, was a critical aspect of participants' view of just transition.

While the availability of alternate jobs is critical to the survival of rural communities, many participants questioned whether service sector and tourism jobs would be sufficient to replace industrial jobs:

Transitioning from an industrial-based economy to a service-based economy, with the wage scales, it just doesn't work for most families. I mean, it'll put everybody below the poverty line. (FG 3)

I mean, Fort St. John, what would tourists actually come here to do? We do get tourists in the area. We get a lot of hunters, but where are they? They're off in the mountains because we have wonderful big game hunting and whatnot, right. But for the city itself, you can have the tourism tag, but you also kind of need it not to be just dedicated to tourists but local benefits as well. (FG 4)

The most common discussion regarding industrial change was the lack of strong value-added capacity in British Columbia. One participant described the situation as follows:

We sit at this table and we all compete for the same thing, which is wood waste or fibre, whether we're making lumber or pellets or pulp and paper out of it. And in the end, we're not doing the value-added things with that timber before it even gets to the point of being wood waste, and that has not changed in sixty years in this province. Value-added industry has never been promoted by the [government]... (FG 2)

A local value-added economy was described as a way to transition to a lower-carbon economy by both greening the industrial processes involved and reducing dependence on high-carbon producers offshore. The greening of mills and converting "dirty" processes into new environmental lines of business seemed compelling to some participants. However, the high costs of local production and the consequent lack of profit were cited as a major impediment to developing value-added industries. Similarly, participants suggested that diversification in rural resource-based economies would be problematic because the communities are too small to support multiple industries.

TRAINING

The consensus among participants was that industries no longer focus on training workers and enriching them with transferable job skills. They instead plug skill gaps with the cheapest labour available and teach only what is necessary to play a narrow role within the total operation. This has trickled down to the apprenticeship and training level, where hyper-specialization is being used to reduce wages and improve profit margins:

They started with the carpenters because they didn't want a guy who built foundations to get paid full carpenter's rate because all he does is build foundations. So they say, "Well, we want him to just be a foundation carpenter. We'll tick him off for that. You won't have to go to school anymore after that." So all the young guys go, "Well, I did a year of school, maybe eight [or] six months in VIU [Vancouver Island University], and I'm a ticketed carpenter." Yeah, at 12 bucks an hour. Guess what? And you'll be \$13 five years from now, and you'll be \$14 ten years from now, because big business only thinks about making money. They don't want you to have the skills that they have to pay for. They only want little bits and pieces of it that they can pick out and choose and water down our trades. And if you water down the trades and you're watering down the industry, you're going to get third-class, third-rate abilities. (FG 7)

Participants discussed the need to have a robust, portable skill set for all workers. They reiterated that learning is never over and that workers need to continually pick up new, transferable skills so they won't get caught short when a mill closes or a plant downsizes. Moreover, since some trade certifications can take years to secure, developing portable skill sets is seen to be part of an ongoing approach to employment security. This is something that many participants felt should be a part of the culture of both companies and workers themselves:

I think that what we need to do, you know, to ease the transition for people is we need to have an education culture in workplaces and we need to foster that on an ongoing basis. We need to do that by introducing incentives for skills upgrading on a regular basis both through the employer and through public subsidies. You need to be able to have employment standards that allow people to leave work in order to be able to work on upgrading their education skills and so that you start to institute that in our workplaces all across the sector, and you have...employees that have a broader idea of what's out there. You're not feeling like you're in a silo and once your silo goes away you have no choices. (FG 6)

A local value-added economy was described as a way to transition to a lower-carbon economy by both greening the industrial processes involved and reducing dependence on high-carbon producers offshore.

Some participants described the long commutes or displacement that occurred when workers needed to reskill due to a lack of local educational infrastructure. Besides the travel required to get to training centres, another reported problem was the "brain drain" that occurred as individuals who trained in other areas were subsequently hired in those areas as they left the program. One participant said:

And even retraining people in just transition to be millwrights, steam engineers that we all know they need, still doesn't do anything for the community. It helps the workers and CP did a lot of work with the workers in Elk, you know, to get them transitioned to other places, but it does transition them to other places. It didn't do anything for the community. It helped the workers, but it didn't help the community. (FG 1)

In addition to location, participants mentioned general access barriers for training. Many workers were "hired off the street" and learned on the job, so they might not have completed

coursework early in their career. Additionally, some schools do not recognize previous qualifications, or certifications from other institutions, which forces workers to start at the bottom in their training coursework.

Funding was also discussed as a barrier, in two different ways. Most training courses are sponsored by companies for their own workers, which precludes unemployed workers from getting access to funding. Similarly, funding is generally provided only for up-skilling, not for developing skill flexibility.

Well, the government used to do that, where if you wanted to take a course and if you'd passed it, they paid for it. But now the course has to be related to your job, which makes absolutely no sense. Because if you're going to lose that job, why would you want more education related to that job? You know, why can't I take a course on [becoming] a millwright or electrician? Like, why not? And why can't they foot the bill for that because they're the ones that are going to lay me off. So why shouldn't they pay for that? Why should I be on the hook? I've got all my credentials in order to do the job I'm doing now. I spent my money getting that education. Now if you're not going to keep me employed, then you should be responsible to provide the education so I can be gainfully employed somewhere else. That's a dream. (FG 5)

A just-transition strategy provides not only better access to training opportunities but also the counselling support to recognize and promote the full breadth of talent and skills that workers may have outside of narrow industrial classifications.

Participants told us that there are significant trade-offs for struggling families who are deciding whether or not they can pursue training opportunities. One participant said: "If you're a young family ...and you've got to go spend thousands of dollars on a course or buy diapers, what are you going to do?" A funding strategy suggested by one participant was to extend EI benefits for families while displaced workers are enrolled in relevant coursework, so that the financial burdens of training are partially alleviated.

They also described two limiting aspects of training programs: skill mismatch and lack of employment opportunities afterward. In terms of skill mismatch, there are often gaps between needed skills and current workforce skill sets. This gap incentivizes new training, but it can result in a glut of new entrants competing for a limited number of spaces. Because of the lag time between the realization of the need and the appearance of newly trained workers, the needs of the industry may have changed again in the interim. This points to a co-ordination failure in training programs, which poorly anticipate future needs.

In some cases, the industry in question simply does not have the employment opportunities in place to hire newly trained workers as a result of changing market conditions. In other cases, the jobs exist, but the training is not enough to secure a job. There are usually requirements for prior experience, which the training and apprenticeships may not satisfy, or the training provided by some institutions does not sufficiently prepare the trainees for work. In these and other cases, there are significant challenges to prove the value of training to workers, who are wary of investing their time and money without a positive result.

A just-transition strategy provides not only better access to training opportunities but also the counselling support to recognize and promote the full breadth of talent and skills that workers may have outside of narrow industrial classifications. A former industrial adjustment committee member said that it matters how workers perceive and market themselves:

Some people just say, "Well, it's all I've ever done is worked in the sawmill, or—"; they don't give themselves any credit for what they actually do....So we went through all their tasks that they did in their job and other employment, and they [said], "I didn't realize that, I didn't know this. I guess I'm not that bad after all." And it made them feel better. (FG 1)

EARLY RETIREMENT

Transition for the older generation of workers presents a complex set of problems. Even though they are valuable to operations that need skilled tradespeople, if there is any up-skilling or training required, older workers can be passed over because of their shorter career potential within a company. Participants reported that mill owners are less likely to invest in an older worker who may last only five more years on the job than they are to invest in a younger worker who may remain on the job for 20 years or more. So in some cases early retirement may be the only option.

Occasionally, older workers are seen by some as an impediment to industrial growth and change because they hold coveted spots within a shrinking industry. With automation and offshoring, there are fewer jobs for new entrants, so the longer careers of older workers create a short-term barrier to the rise of a new, innovative workforce. Some focus group participants discussed the desire and right to work that older employees have. They may not want to retire early or quit working and instead wish to hold on to their jobs.

One participant suggested that the initial issue might be simply to convince older workers that there is a life on the other side:

I've talked to guys who are still working at the mill and over 65 and stuff, and they're there because, "Well, I'd be bored if I was home." So somehow we need to get the word out there of what's attractive to retire and be busy...you need to either have some kind of mentoring program where they slow down in what they're doing at work and somebody comes in, and then a transition...because if the guy's just working and taking a good-paying job that could keep a family going because he'd be bored at home—and he'd have a really good pension...we need to get that information out there to make it attractive that, you know, retirement's not such a bad thing. It's an opportunity to do other things. (FG 2)

Pensions are important because they provide the stability that retiring workers need when they are no longer earning wages. Workers who leave early usually take a loss on their pension, so some transition programs have paid out full pensions to help workers leave the industry. However, participants reported that when companies declare bankruptcy the pensioners are in line behind other creditors and the government. One respondent said:

But now because of this loophole where the company gets off the hook for all that stuff, our company is sitting, teetering on bankruptcy, and we're not worried about the people who are working. We're worried about the people that we put out there who are retired. They're going to lose 30, 40, 50 per cent of their earnings with one stroke of the pen. (FG 1)

Providing good early retirement packages is only as useful as the protections in place to secure those packages over time. Another problem with institutionalized retirement programs is that they enable companies to downsize without job replacement. Some participants described government programs that were instituted to reduce the aging workforce so that new employees could enter but that companies used instead to reduce workforce numbers and not rehire. They cautioned that the use of early retirement programs must be linked to new jobs for younger workers.

Workers who leave early usually take a loss on their pension, so some transition programs have paid out full pensions to help workers leave the industry, but the use of early retirement programs must be linked to new jobs for younger workers.

Case study: Forest Renewal BC

A well-documented example of a planned labour market adjustment can be found in British Columbia's 1994 Forest Renewal Act, which was intended to renew the forest economy of BC through a number of labour market interventions. The act created a Crown corporation, Forest Renewal BC (FRBC), to manage investments gained through stumpage fees to diversify and restore the forest sector.

FRBC sought to stimulate employment through job creation and programs for workers and communities. It was created through a joint business and labour consultation process and sought to situate programs close to workers to provide for maximum accessibility. Job creation was achieved mainly through various land and environment projects including the rehabilitation of riparian areas and silvicultural activities.ⁱ The forest worker transition and forest community economic development programs were intended to increase skills levels and diversify forest-based economies. Key issues faced by FRBC included the design of training programs and the permanence of the jobs created.

Past efforts at transition were described as just "throwing money at the problem" with little planning or foresight.

FRBC was eventually disbanded following a provincial election and review of FRBC's operations in 2002. The corporation spent almost \$3 billion in the eight years of its operation.ⁱⁱ In the final years of the program, reductions in funding translated into transition programs for workers that were not sufficient to address all of their needs.ⁱⁱⁱ

Not all the issues faced, however, could be blamed on a lack of funding. The new skills and training programs for workers in unstable situations saw large uptake; however, the sectoral training, which included broad-based skills upgrading, was poorly attended and was discontinued in 1999/2000. This was caused by a lack of access, as the set-up of approved training courses through various local delivery agents was not complete at the time the programs were offered to workers.^{iv}

Another illustration of a barrier to access was the worker transition program tax information dispute.^v This dispute centred on whether or not the income support provided for workers to attend training was taxable or not. FRBC on-site support staff had given incorrect information, which led to serious disruptions in the plans of individual workers. This highlights the need for rapid dissemination of accurate information to avoid unintentional barriers to accessing services.

A more recent study conducted for the Forest Products Sector Council shows that the design of effective transition programs is a continuing issue.^{vi} In this study, an examination of the challenges of transitioning laid-off forest products workers highlighted a number of characteristics of successful initiatives, such as creating accessibility and opportunities in the community for training. In addition, the report recommends:

- Access to government training programs for all displaced workers regardless of their individual EI status;
- Extended EI benefits to be provided for the full duration of the training program;
- The creation of "crisis committees" that include representatives of business, labour, governments and others where significant numbers of workers have been or will be laid off; and

- Development of “local action centres” for a one-stop location for information and assistance for laid-off forestry workers.

- i Legislative Assembly of British Columbia. *Forest Renewal BC Business Plans 1997/98; 1998/99—Select Standing Committee on Forests, Energy, Mines and Petroleum Resources Report* (Victoria: Select Standing Committee on Forests, Energy, Mines and Petroleum Resources, 2000).
- ii Tony Jackson and John Curry. 2002. FRBC: An experiment in the recycling of revenue-raising environmental taxation, *Journal of Environmental Planning and Management* 45(4):591-606.
- iii Forest Renewal BC. *FRBC Strategic Plan 1999–2003* (Victoria: FRBC, 1999).
- iv Legislative Assembly of British Columbia, *ibid*.
- v For a full account of the dispute, see: Ombudsman British Columbia. *An Investigation of Forest Renewal BC: The Forest Worker Transition Program Tax Information Dispute* (Victoria: Office of the Ombudsman, 2001).
- vi Forest Products Sector Council. *Challenges and Impacts: Labour Market Transition for Laid-off Forest Products Workers in Canada* (Ottawa: Forest Products Sector Council, 2010).

PROVIDING LEADERSHIP

A final topic discussed in our focus groups was who could lead a just-transition strategy and how to implement it. Participants said that the provincial and federal levels of government seemed to be unable or unwilling to provide the types of training and transition opportunities that are necessary for transitioning workers into new jobs or industries. Past efforts at transition were described as just “throwing money at the problem” with little planning or foresight. On the other hand, industry was found to have dismissed any responsibility they may have to the community. Between increasing profit motives and decreasing community presence (due to buyouts by transnational corporations), industry was routinely described as uninterested in supporting the workers that had established their market position.

There used to be a sense that there was a shared responsibility and a shared dividend, a social dividend...you made an investment in your community as an employer and you got the benefit of that from a workplace and a workforce that was healthier, that was happier and was wealthier at the same time. And it's the old Ford sort of dictum that, you know, you want everyone to be able to afford the product that they manufacture, and we've shifted away from that and our society generally has shifted to one where it's anything that benefits the short-term interest of the employer is just seen as being accepted ...to think that as a society there's a shared responsibility, much of that has gone by the wayside. (FG 1)

Many participants suggested that planning and collaboration are critical for ensuring a just transition. Rather than waiting for each closure, government, industry and the unions need to take a proactive approach and work together to develop long-term plans that meet mutual needs. Planning should happen before transition is needed so that all parties are prepared and workers have been given time to understand what is happening and adjust accordingly. Some participants suggested that testing of pilot programs should be included in just-transition preparations so that the potential problems with new approaches are understood and mitigated before programs are scaled across industries. Centralized forms of information dissemination are necessary since both traditional media and the Internet fail to bring all the critical information together in the same place.

Rather than waiting for each closure, government, industry and the unions need to take a proactive approach and work together to develop long-term plans that meet mutual needs.

PART 3

Strategies for a just transition in BC

A true just transition must speak to fairness and high-quality employment in an economy based on sustainable production and infrastructure. What British Columbia needs is a new green social contract to ensure a smooth transition to a low- or zero-carbon economy.

THE PRECEDING DISCUSSION provides texture, in the form of lived experiences, to the concept of just transition. In particular, it highlights that regarding “retraining” as the answer to worker displacement is too simplistic. Economic restructuring in the wake of the Canada-US Free Trade Agreement and NAFTA led to weak official policy responses emphasizing so-called “employment promotion,” a narrow focus on retraining as part of a bid to enhance the “international competitiveness” of companies operating in Canada.³

A true just transition must speak to fairness and high-quality employment in an economy based on sustainable production and infrastructure. A wider context of social and economic policy is also necessary. In particular, a just transition cannot occur without an employment-focused, macro-economic policy as well as a series of program options at a worker or company level.⁴ Most recent analyses suggest that a shift from greenhouse-gas-intensive energy sources will result in net employment benefits.⁵ These studies acknowledge the likelihood of job losses in some sectors but point to projected gains in renewable industries and other green job sectors.⁶

While these studies suggest that the transition to a low-carbon economy need not lead to massive displacement of workers, they may be cold comfort to workers. As reinforced by the interviews conducted for this report, what British Columbia needs is a new green social contract to ensure a smooth transition to a low- or zero-carbon economy. While there has often been conflict between corporations, workers and government, in the post-WWII period there existed a “social contract”

3 Advisory Council on Adjustment. *Adjusting to Win: Report of the Advisory Council on Adjustment* (Ottawa: Minister of Supply and Services Canada, 1989).

4 Canadian Labour Congress, *ibid*.

5 See, for example, a synthesis of 15 job studies of the US energy sector in M. Wei, S. Patadia and D. Kammen, “Putting renewables to work: How many jobs can the clean energy industry generate in the US?” in: Energy Policy, 2010, at: rael.berkeley.edu/sites/default/files/WeiPatadiaKammen_CleanEnergyJobs_EPolicy2010.pdf. See also: M. Ghani-Eneland, M. Renner and A. Chawla’s assessment of employment projections for Europe in renewable energy, transport and energy efficiency in low-carbon jobs for Europe: Current opportunities and future prospects, World Wildlife Fund, 2009, at: assets.panda.org/downloads/low_carbon_jobs_final.pdf.

6 OECD/C. Martinez-Fernandez, C. Hinojosa and G. Miranda. February 8, 2010. Green jobs and skills: The local labour market implications of addressing climate change. Working document, CFE/LEED, OECD, A. Belen Sanchez and P. Poschen. The social and decent work dimensions of a new agreement on climate change. International Labour Office, Policy Integration Department (Geneva: ILO, 2009).

that underwrote the good life for many rural communities. Unions were able to organize, leading to improvements in wages and working conditions. Regional processing of timber (appurtenance) ensured a steady feedstock for many mills across the province. And taxes paid by corporations and workers flowed back in the form of a wide range of public services (the public sector is the number one or two employer in many resource communities).

In recent years that social contract has been greatly eroded in the name of “competitiveness,” a vaguely defined attribute that typically means reducing taxes and regulations. Public service cuts and the end of appurtenance are particularly notable. These changes were glossed over during the boom times between 2002 and 2008 (when the US housing market was roaring, with huge imports of BC lumber), but they have exacerbated the subsequent downturn of the forestry industry.

BC’s resource sector includes both renewable resources like timber and non-renewable ones like minerals and natural gas. There are key differences between these sectors, and one should be careful not to make broad statements about “BC’s resource sector.” While our understanding of unjust transitions in the past draws mostly from the experience in the forest sector, the principal industrial area of concern for climate action is the natural gas industry. Although this industry provides relatively few jobs—about 4,200 direct jobs in BC plus another 3,000 in support activities in 2013⁷—these jobs are of particular importance in the Northeast of BC.

Below we outline a possible framework for a just transition for BC and a new green social contract that includes planning, training and apprenticeships and worker income security. Beyond this framework, we note that there is much scope for further research to develop more detailed policy responses in each area.

Just as in Alberta, Alaska and Norway, a stand-alone just-transition fund can be created from resource revenues.⁸ In our view, such a fund could include revenue from forestry, mining and oil and gas industries and/or from an enhanced carbon tax. BC’s natural gas industry is paying very low royalties to the provincial treasury, in spite of record high production levels.⁹ The royalty regime is aimed at maximizing production, not ensuring public revenue benefits, and should be reformed to ensure that a minimum royalty per unit extracted (return on the public ownership of the resource) comes back to the treasury.

While our understanding of unjust transitions in the past draws mostly from the experience in the forest sector, the principal industrial area of concern for climate action is the natural gas industry.

EMBRACE ALTERNATIVE MODELS

Stable management of fossil fuel industries with a view towards wind-down will be essential for a just transition. BC’s resource development model remains anchored in investments by mostly foreign corporations, whose decisions are driven by the needs of distant shareholders and are based on the ups and downs of global commodity markets. Alternative models should be considered for their role in supporting greater economic security and ensuring responsible resource development.

A more coherent public planning and management regime can avert the abrupt change that would lead to a major displacement of workers, smooth out boom-and-bust cycles and seek out

7 BC Stats, Labour Market Statistics—Data Tables. At: bcstats.gov.bc.ca/StatisticsBySubject/LabourIncome/EmploymentUnemployment/LabourForceStatisticsAnnual.aspx.

8 B. Parfitt. 2007. *Foot Off the Gas*. Canadian Centre for Policy Alternatives – BC Office. At: policyalternatives.ca/sites/default/files/uploads/publications/BC_Office_Pubs/bc_2007/bc_oil_gas_web.pdf.

9 M. Lee. 2014. *Path to Prosperity: A Closer Look at British Columbia’s Natural Gas Royalties and Proposed LNG Income Tax*. Canadian Centre for Policy Alternatives – BC Office. At: policyalternatives.ca/publications/reports/path-prosperity.

BC's resource development model remains anchored in investments by mostly foreign corporations, whose decisions are driven by the needs of distant shareholders and are based on the ups and downs of global commodity markets.

strategic local applications (e.g. trucking and ferries) in the transition period. Increasing public ownership in the natural gas sector, for example through a Crown corporation, is a strategy that merits consideration for BC to get off the resource roller coaster.

It is widely recognized that investments in renewable energy, energy efficiency and public transit (green infrastructure investment) create more jobs per dollar invested than fossil fuels.¹⁰ The key challenge is that those jobs require public rather than private investment. But BC already has the right revenue tools—in particular, natural gas royalties and the carbon tax—to raise needed funds for low-carbon infrastructure that would also create green jobs. Such green-job creation efforts are central to our proposed just-transition fund.

Worker ownership models for industrial sites, such as in Nanaimo's Harmac Pacific pulp mill, could be explored in certain cases where applicable.¹¹ Besides being saved from closure when it was purchased by workers in partnership with three investors in 2008, the Harmac pulp mill is notable for a recent \$45 million investment in an electricity generation facility that uses wood waste to power operations and sell surplus power to BC Hydro.

Finally, these choices must exist within a renewed understanding of the rights and title of BC's First Nations. New partnerships in the Great Bear Rainforest also point to a balance between conservation and selected industrial development that is very different than what BC has seen in the past. This is also of provincial interest as carbon storage and management in forests become increasingly important.

ADVANCED SKILLS TRAINING PROGRAMS

BC needs a process for long-range, collaborative planning for labour market adjustment, including advanced skills development, that is co-ordinated with its economic and environmental/climate policies. Historically, investing in training has been a priority for Canadian workers as a means to keep pace with technological change and foster new innovation.

Many of the workers we spoke to described significant shortages of skilled labour, which they witness daily on their work sites. Many of the focus group participants expressed frustration over the lack of appropriate, accessible and forward-thinking training opportunities. Their concerns related to issues about who should take responsibility for providing training and up-skilling, the need for apprenticeship opportunities and how to make appropriate training opportunities accessible for potential participants.

The financial responsibility for training and the up-skilling of current workers is a point of contention for government, labour and employers. There is a clear need for long-term planning and investment in training programs, which would benefit from greater collaboration among all three sectors. Traditional ideological tensions could be addressed through such collaborative processes and help

10 See: R. Pollin, J. Heintz and H. Garrett-Peltier. 2009. *The Economic Benefits of Investing in Clean Energy: How the Economic Stimulus Program and New Legislation Can Boost U.S. Economic Growth and Employment*. Political Economy Research Institute (Amherst, Mass.: University of Massachusetts, 2009). E. Stanton and M. Taylor. 2012. A good environment for jobs. At: E3 Network. e3network.org/papers/A-Good-Environment-for-Jobs_Aug2012.pdf. K. Sheeran, N. Enelow, J. Brecher and B. Smith. 2013. The Keystone pipeline debate: An alternative job creation strategy. Economics for Equity and Environment Network. At: e3network.org/papers/The-Keystone-Pipeline-Debate.pdf.

11 T. Harbottle. BC's worker-owned mill success story: Nanaimo's Harmac mill was as good as gone, until workers rallied to buy it, and their jobs, back. *The Tyee*. September 23, 2013. At: thetyee.ca/News/2013/09/23/BC-Mill-Success-Story/.

to break down the “silos” within which each group operates. Bringing together such disparate points of view will be challenging, but it is necessary to address the issues that participants identified.

Workers expressed major concerns over attempts to de-skill the workforce through modularized training programs and certifications. Stronger government involvement in funding training programs that lead to a recognized credential is needed. Industry will invest in community training facilities and their workers during favourable economic times; however, the current rhetoric revolves around the need to remain competitive globally in the face of increased competition from emerging economies.

INVESTING IN APPRENTICESHIPS

In late 2008, the provincial auditor general, John Doyle, released a report that revealed many serious shortcomings of the BC apprenticeship system, including the fact that as of March 31, 2008, 49 per cent of registered apprentices had not taken any technical school training at all. He further found a lack of significant consultation with stakeholders, inadequate quality assurance practices and exam quality issues. Since the release of the Doyle report, very little improvement has been made. As of 2013/14, apprenticeship completion rates remain low at 33 per cent.¹²

BC’s apprenticeship training system, the Industry Training Authority (ITA), is comprised of seven industry training organizations (ITOs) that are responsible for administering and updating training for the programs assigned to them. For the most part, these ITOs are independent of each other and work in isolation. The seven ITOs are:

- Construction Industry Training Organization;
- Residential Construction Industry Training Organization;
- Automotive Training Standards Organization;
- HortEd BC (responsible for the horticulture trades);
- Transportation Career Development Association;
- Tourism ITO; and
- Resource Training Organization (responsible for many resource-sector trades).¹³

BC needs a process for long-range, collaborative planning for labour market adjustment, including advanced skills development, that is co-ordinated with its economic and environmental/climate policies.

One-third of the board members of the Resource Training Organization (RTO) are approved by the BC Federation of Labour (BC Fed). Although worker representatives are not a majority on the board, their votes are weighted to equalize the balance of power. It is the RTO that we would expect to play a lead role in providing the path to just transition through the skilling and re-skilling of tradespeople. However, the BC Fed expresses concern that the “silo” practice of the ITOs is forcing labour unions to deal primarily with the ITA itself, which adds to the overall confusion of trades training in BC.

In an effort to support the choice of young people to choose apprenticeship training and to increase the number of skilled workers overall, many industrialized countries have incorporated some form

12 Industry Training Authority of BC. ITA performance measurement report. August 31, 2014. At: goo.gl/FWjT6L.

13 Industry Training Authority of BC. Industry training organizations. At: itabc.ca/Page24.aspx.

of training levy coupled with an exemption for employers who make a commitment to training. Quebec has placed a 1 per cent training levy on payroll tax for companies that do not train employees at a level equal to 1 per cent of their payroll. Employers who train to the required level do not pay the levy, and small employers with payrolls under \$2 million are not required to pay. The revenues go to a stakeholder group that determines how best to utilize the funds for training requirements in the province. BC should give serious consideration to the institution of a similar tax.

INCOME SECURITY

Workers transitioning from one workplace to another will require a secure source of income for a certain period of time during unemployment or training. The Canadian Labour Congress supports the call for the protection of income from one to four years, with continued qualification for Employment Insurance and Canada Pension Plan/Quebec Pension Plan benefits where employment income is less than in the lost job or in areas where there is no alternative work. This may include subsidizing income in non-traditional ways, such as for older workers, or an option of bridging to their pension and full retirement rate.¹⁴

BC should develop specific programs and funds to ensure that workers alone do not bear the ultimate costs of the impact of climate change.

In addition, further improvements are needed to the Canada Pension Plan to ensure that older workers can retire with dignity and retire earlier with no significant loss of benefits. This would facilitate access to jobs in resource communities for younger workers, who have quite often needed to leave their community to find work.

BC should develop specific programs and funds to ensure that workers alone do not bear the ultimate costs of the impact of climate change. A wide range of supports to workers themselves (training, early retirement) and to their communities (supporting local governments to develop long-term industrial strategies and developing capacity for transitions) could be included as part of a just-transition fund.

WORKER AND FAMILY SUPPORTS

Our conversations with resource workers identified the need to look beyond narrow skills development to include such things as counselling services. Besides short-term emotional support to help weather transitions, workers need long-term occupational support to understand their personal skill inventories, visualize the next steps in their career and develop the confidence to seek new opportunities. However, there are always some people who cannot transition within the typical timeframes provided through transition packages. There needs to be a system for qualifying for extended benefits and counselling to help the hard-to-serve workers who need additional time and support to transition.

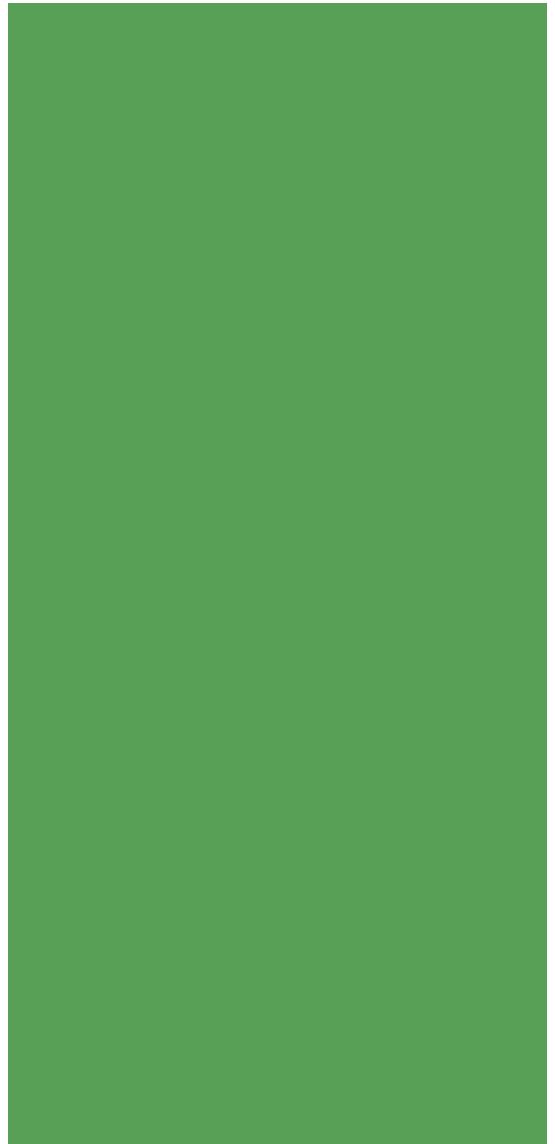
An issue on the fringe of the focus group discussions was the economic empowerment of spouses and other family members. Good jobs in government, health care or other sectors were important for transitioning families as spouses, children and others became the primary bread-winners. Also, because most of these families depend on dual incomes, displacement related to industrial change is an issue not only for the formerly employed workers but also for their spouses who must find new jobs in new communities. Just transition should take into account the complexities of family economic structures.

14 Canadian Labour Congress, *ibid.*

Conclusion

THE NEED FOR ACTION in the face of climate change lays down a fundamental challenge for BC. Some first steps down the path of climate action, including a carbon tax and other initiatives starting in 2008, are in conflict with the BC government's more recent focus on developing a liquefied natural gas (LNG) export industry. The promise of a new boom is strong and compelling, though greatly exaggerated, but it jeopardizes BC's ability to meet its legislated greenhouse gas emission targets.

Our interviews with workers highlight the fact that BC has much experience with transitions but those transitions have not always been just. Anxiety related to keeping natural resource jobs while balancing resource development with conservation is not new to this province. At BC's carbon crossroads there is a choice to be made: dig deeper into fossil fuels through LNG or reduce carbon emissions to something close to zero within a few decades. If BC embraces that latter possibility, and plans appropriately, a full employment strategy that accommodates climate mitigation is a plausible pathway towards harmonizing environmental, labour market and industrial policies.



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

The Canadian Centre for Policy Alternatives is an independent, non-partisan research institute concerned with issues of social and economic justice. The CCPA works to enrich democratic dialogue and ensure Canadians know there are practical and hopeful solutions to the policy issues we face.

The CCPA offers analysis and policy ideas to the media, general public, social justice and labour organizations, academia and government.

1400 – 207 West Hastings Street
Vancouver BC V6B 1H7
604.801.5121
ccpabc@policyalternatives.ca

www.policyalternatives.ca

