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# Submission from the Canadian Centre for Policy Alternatives to Natural Resources Canada's consultation on a people-centred just transition

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**T**HANK YOU FOR the opportunity to participate in the Government of Canada's consultations toward a people-centred just transition. The Canadian Centre for Policy Alternatives is an independent, non-partisan research institute with over four decades of experience analyzing Canadian social, economic and environmental policy, including the specific issue of a just transition.

Our comprehensive recommendations for Canadian just transition legislation are available in our recent report, *Roadmap to a Canadian Just Transition Act: A path to a clean and inclusive economy*, which is attached to this submission and available at <https://www.policyalternatives.ca/roadmap>.

The following summary specifically addresses questions posed in the People-Centred Just Transition Discussion Paper. For further context, details and sources, we encourage you to review the attached report.



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

It may be possible for Canada to meet its greenhouse gas emission reduction targets without a just transition, but the process will be disastrous for hundreds of thousands of workers and dozens of communities across the country. Putting workers first in the context of climate change action serves the dual purpose of building political support for necessary environmental policies while fulfilling the government's moral and constitutional obligation to support its citizens and residents.

Furthermore, in the long-term, a net-zero economy achieved in the absence of a just transition will be less productive and more unequal than an economy built on a foundation of justice.

Pursuing a robust and comprehensive just transition strategy—one that goes beyond a statement of principles to include concrete plans for the future—should be a top priority for the federal government.

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

The four principles proposed in the discussion document are generally consistent with the just transition literature and international best practices, but they are vague and are missing important components.

First, while the principles acknowledge the need to build consensus on pathways to net-zero, they fail to make explicit the imperative of deep and rapid greenhouse gas emissions reductions. A just transition should never be used as an excuse to slow or delay our climate ambitions.

Second, the draft principles make no mention of rights. By definition, a just transition requires justice. In the context of legislation, justice requires a recognition of rights, including not only basic human rights but also labour rights, Indigenous rights and migrant rights. In the absence of a broad, rights-based framework, Canadian legislation intended to support the transition to a lower-carbon economy may further exacerbate existing inequities

Third, the draft principles do not include an enhanced social safety net. Not every worker or community will be able to transition seamlessly to new opportunities in the clean economy. A just transition requires a robust social safety net to ensure policies intended to reduce emissions do not leave those people behind.

Fourth, while the draft principles promise to “create decent, fair and high-value work,” they do not specify how that work will be created. Some economic

diversification can be achieved through incentives to the private sector, but as long as decarbonization is driven primarily by policy, and not by market conditions, the state must be the key driver of new economic opportunities. The role of government should be explicit.

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

Organized labour and the broader social justice and environmental movements have, for the most part, already committed to the principles of a just transition. Canadian governments at all levels have made some commitments to just transition principles but, to date, those commitments are weaker than what workers and advocates have demanded.

The private sector has generally not adopted the principles of a just transition. The fossil fuel industry in particular must commit to these principles to ensure the workers and communities who depend on those employers are supported as oil, gas and coal production is phased out.

### **What should be the mandate of the advisory body?**

The advisory body should have a broad mandate to oversee and coordinate the federal government's just transition agenda. Unlike the Just Transition Task Force, the advisory body's mandate should not be restricted to particular industries or regions. It should instead encompass the entire Canadian economy and workforce.

Beyond its coordinating function, the advisory body should be responsible for a number of specific tasks. It should lead the development of regionally specific roadmaps for Canada's transition away from fossil fuels—plans that map out a timeline for the wind down of fossil fuel production and the scaling up of alternative industries for affected provinces and communities. It should propose and monitor policies related to decarbonization and workforce transition to ensure the principles of a just transition are respected at all stages of implementation. The advisory body should play a role in developing skills inventories and recommending investments in training for affected regions and workers. It should also work with employers and workers to facilitate job shifting and job bridging to avoid layoffs wherever possible.

### **Who should be on the advisory body?**

The advisory body should include a wide variety of stakeholders, including labour unions, civil society groups, Indigenous peoples, business associations, independent experts, and public servants from governments of all levels. Priority should be given to groups and individuals who speak on behalf of impacted communities.

### **Whom should the advisory body's recommendations be aimed at?**

The body's recommendations should be primarily aimed at the federal organizations responsible for the implementation of just transition legislation, which likely includes Natural Resources Canada; Employment and Social Development Canada; Environment and Climate Change Canada; and Innovation, Science and Economic Development Canada.

Crucially, the advisory body must have some means of compelling these ministries to uphold and prioritize just transition principles. An ineffectual advisory body could be worse than no advisory body at all.

To the extent possible, the advisory body should also work with and make recommendations to provincial governments where those governments are responsible for elements of the just transition strategy.

### **What do you see as the main economic opportunities and challenges associated with the transition to a low-carbon economy?**

The immediate challenges are obvious: hundreds of thousands of workers and dozens of communities depend on the fossil fuel industry for their livelihoods. An unmanaged transition to a low-carbon economy will cause significant hardships for these people and regions.

However, in the long-term, failing to pursue a transition will be far costlier. Not only will the fossil fuel industry collapse anyway at some point in the coming decades, but by investing in the status quo Canada will miss out on many of the benefits of early adoption in the global clean economy.

The opportunities are myriad, including growth in high-value industries like clean tech; more and better green jobs; reduced pollution with commensurate improvements in public health; and improved wellbeing from denser, people-oriented cities. By adopting a just transition framework, we can also ensure that these benefits are widely shared thus ensuring more equitable outcomes for groups marginalized by the current economy.

### **Are there specific groups or communities that may be at greatest risk of being adversely affected on the path to net zero? What steps can be taken to ensure they are in a position to benefit from this transformation?**

Many marginalized groups, including Indigenous peoples and racialized communities, are already disproportionately affected by both climate change and the current

economic system. Pursuing a net-zero economy without an explicit focus on reconciliation, environmental racism and climate justice risks exacerbating these inequities.

One specific concern in the context of a just transition is the definition of a worker in need of transition support. Fossil fuel workers are disproportionately high-income white men, but many other workers in fossil fuel communities who depend indirectly on the industry, such as food service and accommodation workers, are more likely to be women, immigrants, racialized workers and other marginalized people. If a “just transition” policy does not have broad coverage it can make inequality worse.

For more on this topic, see *Who is included in a Just Transition? Considering social equity in Canada’s shift to a zero-carbon economy*, available at <https://www.policyalternatives.ca/publications/reports/who-is-included-just-transition>.

**Please provide any other information, evidence or research you consider relevant to this work.**

The most obvious and problematic omission from the discussion document is any mention of the fossil fuel industry. Canada must wind down and ultimately phase out the vast majority of oil, gas and coal production in the next 30 years to meet our domestic and international climate goals.

The regulatory phase-out of coal-powered electricity generation in Canada provides a very clear model for how this can and should be done. Once a clear deadline is set, firms and workers can begin to plan for the transition into new industries. In contrast, the absence of a clear end date for oil and gas production encourages firms and workers to continue to invest into what will inevitably become stranded assets and stranded careers.

There can be no just transition without a transition. Pursuing the former without an explicit acknowledgement of what the latter entails serves no one and is ultimately self-defeating.



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