CLIMATE CHANGE IQ

A SERIES OF BACKGROUNDERS

# A Just Transition

## Cutting carbon emissions AND keeping our jobs

**We must fight for good jobs and a clean environment as mutually reinforcing goals.[3]**

## A Just Transition for Workers and Communities
*Solutions for a shifting economy*

### THE NEED TO ACT

The growing threat from climate change is pushing human civilization and our society closer to a series of catastrophic events. From fresh water shortages to rising sea levels that inundate whole island countries, we anxiously anticipate the next news flash. From summer smog to freak storms, we personally experience the predicted shifts.

The growing clarity that climate change is occurring now, not in the distant future, is a wake-up call to all governments. The "wait and see" time is over; swift action needs to be taken. Taking action means immediately implementing a multi-faceted strategy that will reduce the output of carbon and other greenhouse gases into the atmosphere, while ensuring quality and secure jobs. Moving our economy to have a lesser output of carbon is a move to a "low-carbon economy". Securing sustainable jobs that protect the environment, offer lasting employment and economic security for communities is a move to "green jobs".

### ECONOMIC SHIFTS

Strategies commonly recommended for implementation include: a capping of Canada's largest polluters - the large final emitters, regulation of car and truck emissions, regulation of efficiency standards for energy consuming products, incentives for efficient products from cars to appliances, incentives for renewable energy development, investment in public transportation and energy efficient buildings, and emissions trading. Any number or combination of strategies may be implemented at the municipal, provincial or the federal level.

These strategies, due to their nature, will result in economic shifts in our communities. They will impact businesses and

## Green Jobs and Sustainable Communities

"Green jobs" is the moniker given to those occupations that use guiding principles of the sustainability movement. Many definitions of sustainability exist but their similarities overwhelm their differences. Andres Edwards in his book "The Sustainability Revolution: portrait of a paradigm shift" discusses the three Es of a sustainable outlook: Ecology/Environment, Economy/Employment, and Equity/Equality.

A just transition strategy incorporates more than economy/employment. It works to integrate long-term opportunities for transitioned workers where the health of the environment is primary. It engages each community in relevant economic development. Finally, a just transition strategy will ensure equity for all workers. Canada should not be left to an exercise in crisis management but in the building of something better for all of society.

The United States NGO, Apollo Alliance, has promoted a "pathways out of poverty" program as a mechanism for ensuring all three Es in Edwards' sustainability approach are met. These grants for community-based training programs target low-income workers, thereby ensuring an opportunity for the most economically disadvantaged Americans to participate in the emerging clean energy economy. This model program focuses on bolstering a green worker pool, anticipating and supporting economic conversion.

workers and in turn have an impact on the broader community's economic stability. This deliberate process is known as **economic conversion** and requires planning and preparation from within our communities and support from the governments responsible for the environmental regulations.

### SECTORS IMPACTED IN THE MOVE TO A LOW-CARBON ECONOMY

Our economy is driven by fossil fuels, so in that sense a move to a low-carbon economy will affect all sectors to some degree. Some sectors will feel the impacts more severely than others. Some sectors will grow and flourish while others may face severe limitations. Various studies calculate job losses and gains but there seems to be agreement that relatively large net gains in jobs are to be expected over the first decade of regulation and economic conversion.

Workers who will be primarily impacted are those in industries that are the direct object of environmental regulation or change. Secondarily impacted will be workers who are employed by suppliers to affected or regulated industries. Potentially a whole range of public sector workers such as those in health care and education will be impacted along with the service sector.

The largest greenhouse gas emitters are the oil and gas, electricity, mining

and manufacturing sectors. Mining and manufacturing sectors include: chemicals; fertilizers; pulp and paper; mining, smelting and refining; steel, cement; lime; and glass. The several hundred thousand workers in these sectors will see changes and some will see lay-offs. Each plant's prescription for emission reductions will be different. Strategic plans will have to be made for each case to secure both a healthier environment, and a just deal for workers and the community. Safeguards need to be in place to protect workers in these vulnerable sectors so, as their jobs are displaced, they are not forgotten.

**Is our economy threatened by efforts to stop environmental damage? Or is a damaged environment the real threat to our economic well-being?**[1]

## A JUST TRANSITION STRATEGY

A Canadian Labour Congress (CLC) report entitled *Just Transition for Workers During Environmental Change* from 2000 shows that federal unemployment insurance is a good foundation for a just transition strategy, but the current Employment Insurance (EI) program requires significant strengthening. The same report states "the number of unemployed workers eligible for EI is down to 40% while unemployment is at 11%." Clearly, this system was not designed to handle economic conversion, where re-training, relocation and extended financial support may be required.

A just transition strategy implies a plan that takes a variety of factors into consideration. Canadians want to avoid a series of crises, where workers are left to fend for themselves, ghost towns replace thriving communities, and where our social safety net is overburdened and inadequate.

In all cases, industry should be compelled to implement long-term planning to modernize or retrofit production to be sustainable by ensuring energy efficiency, pollution reduction and employment security. Where it is not possible to achieve sustainability, transferring workers to another unionized plant should be a viable option. If needed, re-training and relocation funds must be available. Shut down of an industry or plant would be a last resort.

Different types of transition programs will be required for different industries and different communities. Plans should

be created according to circumstances. Workers and communities should be part of the development of a transition strategy as these participants would be the best at defining problems and finding solutions.

**A just transition strategy should include:**

- Income maintenance when moving from a higher paying position in a plant that has been shut down, to a lower paying position elsewhere
- Creation of sustainable/green jobs
- Income support while new jobs are being implemented or re-training is occurring
- Training to suit new jobs
- Career planning advice
- Preferential hiring into new jobs
- Maintenance of classification so as to keep seniority and earning potential
- Maintenance of benefits and pensions
- A wide range of choices
- Financial bridge to older workers who choose to retire so that they receive full pension credits

For example, an appliance manufacturer may be regulated to meet an efficiency standard for its products. This might mean a new product design. This could result in any number of changes from increased R&D to re-tooling the manufacturing process and "upgrade" training for employees. The result may be no lay-offs at all, simply an adjustment in the product.

In the case of coal-fired plants in Ontario that may face closure in 2014, all the workers there will be out of work. This would likely be a phased process with lay-offs over time. A just transition strategy would provide a variety of options for these workers. Some might be re-trained to work elsewhere in the energy sector, some might go back to school to pursue a different vocation, and some may be close to retirement and need bridging funds so that they may take an early retirement and not lose their pensions.

In communities where a major employer must shut down a plant completely, the entire community and the public services, including schools and hospitals, will be impacted. In these cases, a just transition strategy must be a complete economic conversion for that community. All citizens must be engaged in a process of rebuilding a sustainable economy for the communities' welfare. Active support from municipal, provincial and federal governments is crucial as these sustainable communities are built. These will be models for the rest of the country as we move through the 21st century.

## GOVERNMENT ROLE IN CREATING A JUST TRANSITION STRATEGY

**Canada's economy must transform itself from reliance on wasteful burning of fossil fuels to reliance on renewable energy sources...[2]**

The federal government must take an active role in strengthening our ability to move swiftly to a low carbon economy. They have the ability to implement measures to protect communities and ease the burden on families. With the federal government prioritizing sustainability and environmental protection, the provinces and municipalities will be better able to act in the public interest.

Using policy and regulations, all governments must play a part in moving Canada through revolutionary economic conversion. Industries that have profited from environmental degradation must not be allowed to walk away and leave communities and workers to pick up the pieces.

To date, the Harper government has neglected Canada's international commitment to reduce its greenhouse gas emissions. Our international reputation as a valuable participant in global solutions, like our leadership in the Montreal Protocol to address ozone depletion and our leadership in the recognition and abatement of acid rain, is in jeopardy.

## IT IS NOT TOO LATE!

The Kyoto compliance period is 2008-2012. We have time to create a national program that tackles climate change aggressively and justly. Labour, environmental advocates, business groups and community associations are ready to meet the challenge. Federal leadership is badly needed in this 11th hour.

**LABOUR'S ROLE**

Labour has a vital role to play in pressuring governments to create a just transition strategy. It is the workers who risk losing their livelihoods, their pension and opportunity. Each climate change debate must include discussion of protection for workers and communities.

## North American Labour Assembly Statement # 8

We see the struggle against global warming as an opportunity to put a stop to unsustainable patterns of production and consumption, and to create new and well paying "green" jobs in renewable energy, the construction trades, public transportation, sustainable farming, and much-needed manufacturing.

This conclusion is backed by major studies like those commissioned by the Apollo Alliance, Redefining Progress, Renewable Energy Policy Project and Union of Concerned Scientists in the US and the European Trade Union Confederation.

NOTES

1 "Securing our Children's World: Our Union and the Environment", United Steelworkers, June 2006.
2 "Kyoto Report Card 2007: Stopping Global Warming: towards a low-carbon Canada," Sierra Club of Canada, Jan. 2007
3 "Securing our Children's World: Our Union and the Environment", United Steelworkers, June, 2006.