



# EVALUATING GOVERNMENT PLANS AND ACTIONS TO REDUCE GHG EMISSIONS IN CANADA:

## Just transition policies



**ACW** | Adapting Canadian Work and Workplaces  
to Respond to Climate Change



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# Evaluating government plans and actions to reduce GHG emissions in Canada: Just transition policies

AS PART OF THE "EVALUATING GOVERNMENT PLANS AND ACTIONS TO REDUCE GHG EMISSIONS IN CANADA" ACW RESEARCH PROJECT.

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The project investigates how Canada’s diverse workplaces can best adapt work to mitigate greenhouse gases, and the changes needed in law and policy, work design, and business models for industry and services, to assist the “greening” of workplaces and work. Adapting Canadian Work and Workplaces to Respond to Climate Change: Canada in International Perspective (ACW).

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# Foreword

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This working paper is the third of three preliminary reports being produced for the ACW's Domestic Policy Working Group—chaired by Bruce Campbell—which is investigating Canada's evolving domestic climate policy landscape. These three preliminary reports—addressing federal government action, provincial government action, and just transition policy in Canada—will be integrated into a summary report in spring 2017.

The preliminary reports take as their starting point the working group's baseline report, which was completed in October 2015.<sup>1</sup> That report provides context on the current profile of greenhouse gas emissions in Canada as well as the suite of climate policies in place at the federal and provincial level through October 2015.

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# Introduction

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In fits and starts over the past two decades, Canada's federal, provincial, and territorial governments have shambled forward on climate action. Despite missteps, oversights and political backtracking, Canada's climate policy has evolved to be relatively comprehensive and broadly supported. We are finally at the point where the greatest sources of greenhouse gas (GHG) emissions are now covered by regulations, while carbon pricing has or will soon be introduced in most jurisdictions. Our politicians have generally accepted, if only begrudgingly, that Canada has a role to play in mitigating global climate change and that government action is necessary to do so.

There is still a long way to go. The first two working papers in this series investigated in some detail the climate policy progress made by federal and provincial governments, respectively, since the federal election in November 2015. The papers conclude that despite significant political progress, a large ambition gap remains between governments' GHG targets and their actual emission reduction policies. The papers note, among other issues, that the emissions-intensive production of oil and gas resources has largely escaped stringent, targeted GHG mitigation measures. Indeed, through direct and indirect subsidies, Canadian governments continue to promote oil and gas expansion despite its incompatibility with those same governments' climate objectives.

A second important policy area that has been overlooked in Canada's climate plans—the focus of the present report—is employment policy. The transition of jobs from dirty sectors, such as oil and gas extraction, to clean sectors, such as renewable energy installation, receives only cursory attention in most policy documents. Although words like “jobs” and “growth” appear frequently, there are few tangible government measures to ensure that the shift to a low-carbon economy will be an equitable and economically productive one for workers and their communities. That is, there are no assurances Canada's

<sup>1</sup> Hadrian Mertins-Kirkwood, *Baseline Report on Domestic Policy*, Adapting Canadian Work and Workplaces to Respond to Climate Change, Canadian Centre for Policy Alternatives and York University, October 2015, <http://www.adaptingcanadianwork.ca/domestic-policy-baseline-report>.

transition to a low-carbon economy will be a just transition.

This working paper expands on the idea that just transition policy is a crucial and urgent, but under-developed, aspect of Canadian governments' climate plans. Section one defines "just transition" and discusses its growing relevance. Section two investigates the latest federal, provincial, and territorial climate plans for any just transition policies. Section three provides a summary and conclusion.

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## What is a just transition?

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Economic changes generally require and create workforce transitions. The "boom and bust" cycle of resource development in particular has led to rapid job growth followed by mass unemployment in a number of regions and periods throughout Canada's history—most recently in Alberta following the collapse of global oil prices. When key industries go under, not only do those workers lose their jobs, but the communities they support can collapse as well. The end of the Newfoundland cod fishery in the 1990s is a prime example of how the death of a single important sector can destabilize a regional economy for decades.

New climate policies present a similar potential threat to many Canadian communities. Most policies designed to transition the economy from "brown" to "green" will have employment impacts that are both quantitative (i.e. affect the number of jobs in an economy) and qualitative (i.e. affect the types of jobs in an economy), which can in turn be positive or negative. For example, a large number of low-skill coal mining jobs in rural communities may be eliminated by actions taken under the pan-Canadian climate framework while a handful of high-skill electrical engineering jobs are created in urban centres.

Various studies predict the low-carbon transition will eventually create more (and better) jobs than it destroys,<sup>2</sup> but, as with the impacts of technological innovation and globalization on the broader labour market, those job losses will be real, severe, and provocative in the absence of policies designed to address them. For example, if fossil fuels are completely phased out—as climate scientists have long urged and the international community has committed to doing—those communities directly reliant on fossil fuel production, such as Fort McMurray, Alberta, will be forced to undergo deep economic transformations with far-reaching social and employment impacts. To pretend climate policies will not hurt workers or to suggest simply that the benefits outweigh the costs is as short-sighted and problematic as the neoclassical argument for free trade. Workers have long been told that they benefit from free trade through cheaper consumer goods, even as jobs are lost and communities are gutted by international competition. The transition to a low-carbon economy will have similarly uneven costs and benefits.

Fortunately, the potentially negative employment impacts of climate policies are not foregone conclusions. The economic transformation to a low-carbon economy may be inevitable, but whether it results in collapse and malaise or growth and opportunity will depend on how those policies are designed

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<sup>2</sup> United Nations Framework Convention on Climate Change, *Just transition of the workforce, and the creation of decent work and quality jobs*, FCCC/TP/2016/7, October 26, 2016: paragraphs 38-40.

and implemented. Worker-sensitive policies that *manage* the transition from a dirty to a clean economy can contribute to an inclusive and productive outcome for the communities most affected by climate policies while simultaneously meeting broader climate goals.

The concept of a “just transition” was developed by the labour movement. It is a social justice framework for facilitating the low-carbon transition in a way that minimizes negative employment impacts and ensures equitable outcomes for workers. A just transition approach to climate policy-making is not as broad as a “climate justice” approach (see Box 1), but it still goes well beyond merely reducing emissions. The International Labour Organization, for example, identifies nine different policy areas as part of its proposed just transition framework, including skills development, social protection, and macroeconomic policy.<sup>3</sup> In other words, designing a just transition is a bigger socioeconomic project than simply transitioning from a dirty to a clean economy (itself no small feat!). Importantly, market-based solutions to emissions reductions are not sufficient for ensuring a just transition; government regulation and public investment is necessary for guiding private investment and providing an adequate social safety net.

### Box 1: Just transition vs. climate justice

As a conceptual framework, just transition is mostly limited in scope to workers and their communities. A just transition approach attempts to make the transition from a dirty to a clean economy as equitable, inclusive, and productive as possible. In comparison, an unjust transition approach ignores the impact on workers of climate policies— independent of how successful those policies are at reducing emissions or meeting other goals.

Climate justice, on the other hand, refers to a broader social project to understand and address the challenge of climate change on a global scale. The Climate Justice Project provides the following definition:

*Climate justice means recognizing that climate change has negative effects on most people in the world, but impacts the poor and vulnerable the most – those who have done the least to contribute to the problem. Climate justice says that we in wealthy countries – and the wealthier among us – who have benefitted the most from using fossil fuels, must do more of the heavy lifting to reduce our greenhouse gas (or carbon) emissions. As well, actions to address climate change and reduce our greenhouse gas emissions must be implemented in a way that is fair and just.<sup>4</sup>*

A just transition is one of the goals of climate justice advocates, but the two concepts are distinct. Climate justice goes beyond workers, for example, to demand the poor are not disproportionately hurt by policies such as carbon pricing.<sup>5</sup>

The labour movement in Canada has for well over a decade called on the federal government to implement a just transition strategy (see Box 2). Taken together, the Canadian labour movement is generally in agreement that climate policy must proactively include some form of income and training sup-

<sup>3</sup> The complete list of “key policy areas” is (1) macroeconomic and growth policies, (2) industrial and sectoral policies, (3) enterprise policies, (4) skills development, (5) occupational safety and health, (6) social protection, (7) active labour market policies, (8) rights, and (9) social dialogue and tripartism. See: International Labour Organization, *Guidelines for a just transition towards environmentally sustainable economies and societies for all*, Switzerland, 2015: p. 7.

<sup>4</sup> Climate Justice Project, “Module 1: Introduction to Climate Justice,” *Climate Justice in BC: Lessons for Transformation*, no date, <http://teachclimate-justice.ca/the-lessons/module-1-introduction-to-climate-justice>.

<sup>5</sup> Marc Lee and Toby Sanger, *Is BC’s Carbon Tax Fair? An Impact Analysis for Different Income Levels*, Canadian Centre for Policy Alternatives, October 2008.

<sup>4</sup> Climate Justice Project, “Module 1: Introduction to Climate Justice,” *Climate Justice in BC: Lessons for Transformation*, no date, <http://teachclimate-justice.ca/the-lessons/module-1-introduction-to-climate-justice>.

<sup>5</sup> Marc Lee and Toby Sanger, *Is BC’s Carbon Tax Fair? An Impact Analysis for Different Income Levels*, Canadian Centre for Policy Alternatives, October 2008.

port for affected workers as well as reinvestment into the low-carbon economy. Specific policies with broad support include enhanced employment insurance (EI), improved skills training for both employed and unemployed workers, and federal funding and/or financing for renewable energy projects that create jobs in Canada. There is greater unity among Canadian unions on this issue than among U.S. unions.<sup>6</sup>

## Box 2: Just transition demands from the Canadian labour movement

**Canadian Labour Congress (CLC):** For Canada's central labour body, a just transition strategy means environmental policies that incorporate the principles of fairness, re-employment, compensation, sustainable production, and public programming.<sup>7</sup> The CLC has recently proposed seven concrete and immediate actions that Canadian governments could take toward a just transition, including improved access to employment insurance; more and better training opportunities for unemployed workers; a National Workplace Training Fund to upskill employed workers; and major investments in skilled trades apprenticeships.<sup>8</sup> The CLC also calls for clean energy investments to be targeted at Indigenous, rural, and remote communities where there are fewer alternative employment opportunities.

**Unifor:** Canada's largest private sector union has endorsed a just transition strategy for affected workers that includes skills development and retraining; income support and relocation assistance; and benefits and pensions bridging.<sup>9</sup> Unifor argues that carbon pricing revenues can be used to fund these initiatives.

**National Union of Public and General Employees (NUPGE):** According to one of Canada's largest labour federations, a just transition strategy should be designed to "integrate long-term opportunities for transitioned workers where the health of the environment is primary... [and to] ensure equity for all workers."<sup>10</sup> In practice, that means a program for affected workers that includes the maintenance of income, benefits and seniority; career advice and re-training; preferential hiring into new green jobs; and a financial bridge for soon-to-retire workers.

**Iron & Earth:** Although it is not a union, this advocacy group representing Canadian energy sector workers is pushing for aggressive transition policies. Specifically, it has called on the federal government to "invest in, retrain and upskill Canada's workforce by providing specific training opportunities to help position skilled workers in the renewable energy sector."<sup>11</sup> Iron & Earth joins the CLC in calling for a dedicated public fund for workplace training.

The just transition concept is catching on outside the labour movement, too. The United Nations Framework Convention on Climate Change (UNFCCC)—the coordinating body responsible for the Paris Agreement—concludes in a recent technical paper that the low-carbon transition "must be fair, maximizing opportunities for economic prosperity, social justice, rights and social protection for all, leaving no one behind."<sup>12</sup> Although it does not recommend specific policies, the UNFCCC paper argues that a focus on skills development "is the key for successful transition of the workforce and creation of decent jobs."<sup>13</sup> The Paris Agreement itself, which Canada and most other countries have ratified, includes in its preamble a commitment to "tak[e] into account the imperatives of a just transition of the workforce

<sup>6</sup> Dimitris Stevis, *ACW Baseline Sub-Report: Labor Unions and Green Transitions in the US*, International Policy Working Group, Adapting Canadian Work and Workplaces to Respond to Climate Change, April 2016, <http://www.adaptingcanadianwork.ca/labor-unions-and-green-transitions-in-the-us-baseline-sub-report>.

<sup>7</sup> Canadian Labour Congress, *Just Transition For Workers During Environmental Change*, April 2000: p. 6.

<sup>8</sup> Canadian Labour Congress, *Green Jobs for Tomorrow: Submission by the Canadian Labour Congress to the Working Group on Clean Technology*, Innovation and Jobs, July 28, 2016: p. 14-20.

<sup>9</sup> Unifor, "Unifor in Action: Environment," 2017, <http://www.unifor.org/en/take-action/canadas-42nd-parliament-unifor-action/environment>.

<sup>10</sup> National Union of Public and General Employees, "A Just Transition for Workers and Communities: Solutions for a shifting economy," *Climate Change IQ*, 2007: p. 2.

<sup>11</sup> Iron & Earth, *Workers' Climate Plan Report: A Blueprint for Sustainable Jobs and Energy*, 2016: p. 31.

<sup>12</sup> UNFCCC, *Just transition*, para. 200.

<sup>13</sup> UNFCCC, *Just transition*, para. 203.

and the creation of decent work and quality jobs.”<sup>14</sup> However, there is nothing in the Paris Agreement that obligates signatories to implement just transition policies.

Indeed, real-world examples of just transition policies are sparse. Perhaps the clearest successful case is the transformation of one of Germany’s major coal mining regions into a knowledge-based green economy. Working in collaboration with labour and business groups, the federal and state governments in Germany’s Ruhr Valley directed a total economic restructuring of the region between the 1980s and 2000s. Major investments in industrial development were complemented with policies to provide displaced workers with income, training, and career supports. Today, the region is a competitive knowledge economy despite the loss of more than half a million coal mining jobs.<sup>15</sup>

The Ruhr Valley case is instructive, but the impetus for that transition was not climate policy. Indeed, few governments have implemented large-scale just transition policies in support of or in reaction to their own climate change actions. In the United States, the 2009 American Clean Energy and Security Act would have created a climate change worker assistance fund, among other workforce transition programs, but the bill died in the Senate after passing the House.<sup>16</sup> In Europe, the European Commission has stated its intention “to secure the transition to a climate resilient, climate neutral future, in a socially just manner,” but has not yet implemented major policies to do so.<sup>17</sup> The EU was an early leader on climate policy but has lost momentum in the past five years.<sup>18</sup>

In Canada, just transition policy has made few inroads into the climate change debate, even as politicians increasingly claim that climate policies will drive inclusive growth.<sup>19</sup> As we discuss in the next section, the jobs and growth rhetoric in Canadian climate policy has not been supported by meaningful workforce transition policies.

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<sup>14</sup> United Nations Framework Convention on Climate Change, Preamble to “Annex: Paris Agreement,” in *Adoption of the Paris Agreement*, FCCC/CP/2015/L.9/Rev.1, December 2015.

<sup>15</sup> Béla Galgóczi, “The long and winding road from black to green: Decades of structural change in the Ruhr region,” *International Journal of Labour Research*, vol. 6, no. 2, 2014.

<sup>16</sup> See sections 425-427 in: H.R.2454 - *American Clean Energy and Security Act of 2009*, 111<sup>th</sup> Congress, 2009, <https://www.congress.gov/bills/111/congress/house-bill/2454>.

<sup>17</sup> European Commission, *The Road from Paris: assessing the implications of the Paris Agreement and accompanying the proposal for a Council decision on the signing, on behalf of the European Union, of the Paris agreement adopted under the United Nations Framework Convention on Climate Change*, Brussels, March 2, 2016: p. 3.

<sup>18</sup> Béla Galgóczi, “The just green transition: Canada’s proactive approach,” *Medium*, January 12, 2017, [https://medium.com/@ETUI\\_org/the-just-transition-the-canadian-approach-to-a-green-transformation-8ce2e7f77c47#.by0ahevhc](https://medium.com/@ETUI_org/the-just-transition-the-canadian-approach-to-a-green-transformation-8ce2e7f77c47#.by0ahevhc).

<sup>19</sup> See, for example, Trudeau’s statement announcing the federal carbon price, which he claimed would create “new and exciting job prospects for Canadian workers” via greater innovation: “Prime Minister Trudeau delivers a speech on pricing carbon pollution,” *Justin Trudeau, Prime Minister of Canada*, October 3, 2016, <http://pm.gc.ca/eng/news/2016/10/03/prime-minister-trudeau-delivers-speech-pricing-carbon-pollution>.

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# Just transition policies in federal, provincial and territorial climate plans

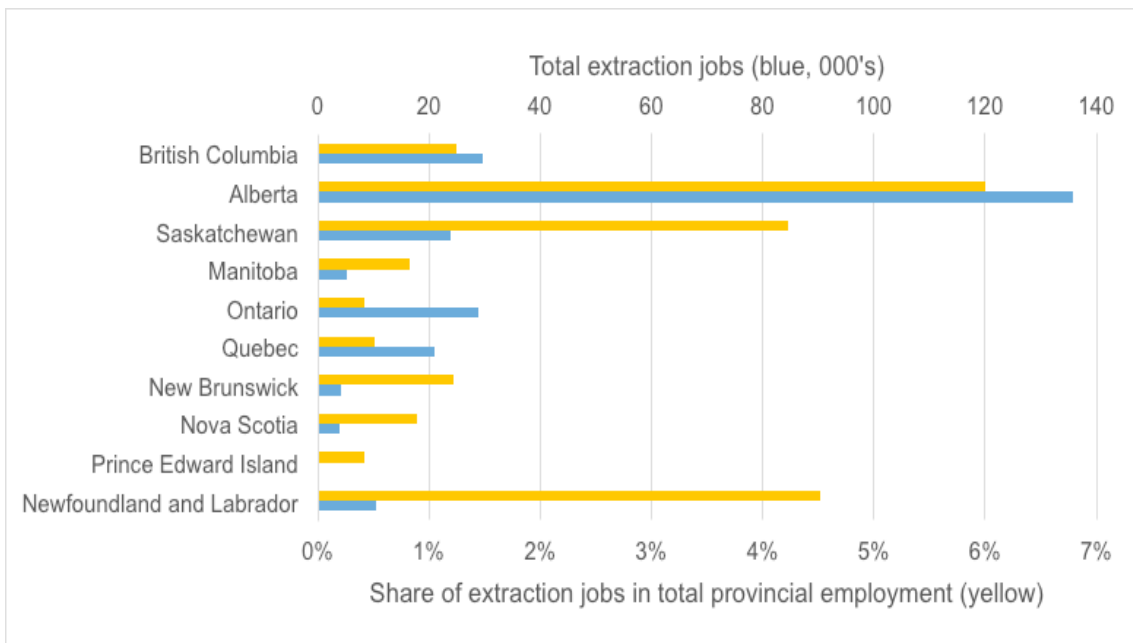
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In this section, we review the latest climate plans published by the federal, provincial, and territorial governments for any policies related to jobs, training, and/or workforce transitions. We do not evaluate these plans and policies on the merits of their emission reduction potential. Specifically, we look for policies that advance three central goals of a just transition. They are:

1. Policies that provide income supports to laid-off workers;
2. Policies that provide skills training and re-training for the low-carbon economy, including through skilled trade apprenticeships; and
3. Policies that directly create new jobs, especially in the communities and regions adversely affected by climate policies.

As we shall see, many governments do not acknowledge, let alone address, the need to support the workers or communities potentially affected by climate policies. This is more understandable in some provinces than others. For example, relatively few workers or communities in Québec are put directly at risk by the shift to a low-carbon economy, so just transition policies may be less important there (see Box 3). Yet no province is fully immune from the need to transition workers in response to government measures. Many actions taken on health and sustainability grounds—for example, Québec’s shutdown of asbestos mines and a nuclear power plant—require a thoughtful policy approach to address the needs of affected workers.

### Box 3: Resource extraction by province (2016)<sup>20</sup>



Resource extraction is not the only sector affected by climate policy, and not all jobs in mining, quarrying and oil and gas extraction are at risk of disappearing. Nevertheless, these jobs will be disproportionately affected by government climate interventions. For example, the Canadian coal industry claims to support 42,000 jobs across the country through its 19 active mines in British Columbia, Alberta, Saskatchewan, and Nova Scotia.<sup>21</sup> Over time, all of those jobs may disappear as coal-fired electricity generation is phased out across the country and overseas demand declines.

Although the resource extraction sector currently accounts for just 1.5% of total employment in Canada, the regional distribution is uneven. More than 4% of jobs in Saskatchewan and Newfoundland and Labrador are in resource extraction. In Alberta, where 136,000 people work in this area, the share is 6% of total employment. Many more workers are supported indirectly by these industries. Politicians in Alberta, Saskatchewan, and Newfoundland and Labrador have unsurprisingly been resistant to policies that target the fossil fuel industry and, by extension, fossil fuel workers.

On the other hand, every province has an interest in absolute job creation, so it comes as more of a surprise that job creation policies are few and far between. Most governments simply assume new jobs will follow automatically from economic growth in the clean technology sector. Few governments put forward policies that would incentivize employers to hire more workers or policies to better prepare the existing workforce for new job opportunities. In Canadian climate policy, job creation is a happy by-product of investment rather than a managed outcome.

<sup>20</sup> Statistics Canada, "Table 282-0008: Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group," *CANSIM*, last modified January 5, 2017.

<sup>21</sup> Coal Association of Canada, *Fact Sheet: Coal Mining in Canada*, June 2016, [http://www.coal.ca/wp-content/uploads/2011/12/Coal-Mining-in-Canada\\_final\\_June2016.pdf](http://www.coal.ca/wp-content/uploads/2011/12/Coal-Mining-in-Canada_final_June2016.pdf).

## FEDERAL

One of the major goals of the federal and provincial governments' new Pan-Canadian Framework on Clean Growth and Climate Change (2016) is to "foster job creation."<sup>22</sup> To that end, an entire chapter is dedicated to "clean technology, innovation and jobs." For the most part, the chapter outlines government supports for clean technology RD&D, commercialization, business development, and adoption. These policies are designed to encourage investment and innovation in Canada's clean technology sector.

Job creation is assumed to follow from that investment. For example, the framework assumes that "businesses that develop new fuel and vehicle technologies will create jobs."<sup>23</sup> Elsewhere, the framework claims that its "actions in the forestry, agriculture, and waste sectors... can help to create jobs."<sup>24</sup> However, the framework does not contain any policies to promote job creation directly, such as employer hiring incentives or investments in skilled trades apprenticeships. The framework promises to support community-owned energy projects in rural, remote, and Indigenous communities, which is a positive step toward a just transition for the most vulnerable communities in Canada, but there is no guarantee that significant local job creation will follow from those projects.

The framework ignores potential job losses in the extractive sector and the challenge of transitioning workers into the clean tech sector. The framework makes one reference to workforce transitions when it notes that "it will also be important to ensure a commitment to skills and training to provide Canadian workers with a just and fair transition to opportunities in Canada's clean growth economy."<sup>25</sup> In the broadest possible sense this statement is consistent with the demands of the labour movement, but it is meaningless in the absence of supporting policies.

Ironically, the most tangible employment policies in the pan-Canadian framework are a pair of commitments to "expedite immigration of highly qualified personnel" and to strengthen "business leadership capacity."<sup>26</sup> Upskilling managers and recruiting highly-skilled immigrants may be sound climate policy—clean tech is a competitive sector requiring top-end talent—but it is not a just transition strategy. Indeed, these policies may be interpreted as a tactless affront to the workers who may soon be losing their jobs in part due to federal climate policies.

On the whole, the pan-Canadian framework fails to take seriously the issue of a just transition while offering only rhetorical support for new job creation. In part, this reflects the recommendations of the federal and provincial governments' working group on clean technology, innovation, and jobs. Of the 34 policy options presented by the working group, only three are directly related to jobs. Of those three, only the recommendation to expedite immigration was fully incorporated into the final framework. The working group also suggested strengthening skills in science, technology, engineering, mathematics, and associated trades through a "clean growth talent plan." In addition, it proposed policies to devel-

<sup>22</sup> Government of Canada, et al., *Pan-Canadian Framework on Clean Growth and Climate Change*, 2016, p. 5.

<sup>23</sup> *Pan-Canadian Framework*, p. 19.

<sup>24</sup> *Pan-Canadian Framework*, p. 23.

<sup>25</sup> *Pan-Canadian Framework*, p. 40.

<sup>26</sup> *Pan-Canadian Framework*, p. 41.

op skills and entrepreneurial capacity in Indigenous communities.<sup>27</sup> Neither of those suggestions, which may have better aligned the existing domestic workforce with new job opportunities, made it into the final framework.

The lack of attention to job creation and just transition policy in the pan-Canadian framework is also consistent with the federal government's *Mid-Century Long-Term Low-Greenhouse Gas Development Strategy*, published a month earlier. Like the pan-Canadian framework, the mid-century strategy assumes growth in the clean tech sector will create jobs, but it does not address potential job losses or the need to train workers for opportunities in emerging industries.<sup>28</sup>

The lack of just transition policy at the federal level is doubly disappointing because Canada has made an international commitment to do so. In 2011, UNFCCC parties, including Canada, adopted a resolution that "urges parties in implementing their policies and measures to promote a just transition of the workforce and the creation of decent work and quality jobs."<sup>29</sup> To this end, UNFCCC parties are supposed to report on how they are addressing the social and economic consequences of measures taken to address climate change in their jurisdictions. Canada's latest biennial report to the UNFCCC, however, only briefly touches on this issue.<sup>30</sup> Canada's report mentions that all new federal regulations must include a Regulatory Impact Analysis Statement that considers a variety of costs and benefits, but the report does not suggest any specific policies at any level of government in Canada are in place to ensure a just transition that includes decent work and good jobs.<sup>31</sup>

## BRITISH COLUMBIA

BC's updated *Climate Leadership Plan (2016)* is heavy on job creation rhetoric.<sup>32</sup> The plan promises to create up to 66,000 jobs over ten years. More than 40,000 of those jobs are in the transportation sector and a further 20,000 are in agriculture and forestry. Like the pan-Canadian framework, jobs are largely expected to follow from investment and growth in certain sectors (e.g. construction jobs related to new public transit infrastructure), rather than from direct policy interventions.

The BC plan makes no mention of income supports or skills training. Even the BC Climate Leadership Team's recommendations, upon which the new climate plan is loosely based, do not include any just transition policies.<sup>33</sup> The *BC Jobs Plan (2012)* includes some policies that could be used to support a just transition, such as the BC Training Tax Credit, but these are not specifically designed to complement the province's climate plans.<sup>34</sup>

<sup>27</sup> Working Group on Clean Technology, Innovation and Jobs, *Working Group on Clean Technology, Innovation and Jobs Final Report*, September 2016, p. 48.

<sup>28</sup> See, in particular, section 9.3 in: Environment and Climate Change Canada, *Canada's Mid-Century Long-Term Low-Greenhouse Gas Development Strategy*, 2016.

<sup>29</sup> United Nations Framework Convention on Climate Change, *Report of the Conference of the Parties on its seventeenth session, held in Durban from 28 November to 11 December 2011*, FCCC/CP/2011/9/Add.1, March 15, 2012: paragraph 88.

<sup>30</sup> Environment and Climate Change Canada, *Canada's Second Biennial Report on Climate Change*, 2016: p. 28.

<sup>31</sup> Unfortunately, Canada is not alone. In its recent just transition technical paper, the UNFCCC indicates that "none of the submissions from [UNFCCC parties] included information related to jobs and just transition of the workforce." See UNFCCC, *Just transition*, para. 22.

<sup>32</sup> Government of British Columbia, *Climate Leadership Plan*, August 2016.

<sup>33</sup> Climate Leadership Team, *Climate Leadership Team: Recommendations to Government*, Government of British Columbia, October 2015.

<sup>34</sup> Government of British Columbia, *Canada Starts Here: The BC Jobs Plan*, 2011.

As a 2015 CCPA study of BC resource workers points out, however, the province is sorely in need of effective just transition policies.<sup>35</sup> Many communities have already been negatively affected by economic downturns in the resource sector. As British Columbia, Canada, and the world move away from fossil fuels, even more workers in the province will face job losses and their communities will be further threatened by economic disruptions (among other issues, BC still has five active coal mines). The study recommends six courses of action to ensure a just transition in the province, including advanced skills training programs, investments in apprenticeships, and provincial income support programs, concluding that “a full employment strategy that accommodates climate mitigation is a plausible pathway towards harmonizing environmental, labour market and industrial policies.”<sup>36</sup>

So far, the BC government hasn’t heeded the call. Instead, it has doubled down on natural gas development and largely ignored the just transition issue.

## ALBERTA

With roughly half of Canada’s resource extraction jobs and a greater economic dependence on oil and gas than any other province, Alberta has the most to lose from a poorly managed transition.<sup>37</sup> The province is already experiencing widespread job losses and a prolonged economic downturn due to low global oil prices. As Canada and the world move away from fossil fuels entirely, thousands more workers and their communities are put at risk. For Alberta, just transition is an urgent issue.

Alberta’s Climate Leadership Team is well aware of the dual challenge posed by the province’s emission reduction goals and job creation goals. Their 2015 report to government, which forms the “architecture” of the province’s current climate policy, is one of the only climate plans in the country to directly grapple with this issue:

*While we often hear about the impact of greenhouse gas policies on jobs in the aggregate, understanding and mitigating impacts in specific sectors will be much more important to a successful policy implementation. There are many sectors in which employment will likely expand as a result of climate policy... But the policies we propose will also drive workforce change that will be less positive for some workers and communities.*<sup>38</sup>

The report recommends a series of government actions to pre-emptively respond to the economic risks associated with its climate policies, starting with a community-level study of potential employment impacts and early preparation of transition program options. The report calls specifically for programs to improve training and to match workers with new jobs as they become available. The Alberta plan aspires to shift laid-off workers into new jobs, which satisfies the core concern of just transition advocates, although it misses some of the labour movement’s other demands. Notably, the Alberta plan does not

<sup>35</sup> Karen Cooling, Marc Lee, Shannon Daub and Jessie Singer, *Just Transition: Creating a green social contract for BC’s resource workers*, Canadian Centre for Policy Alternatives (BC Office), January 2015.

<sup>36</sup> Cooling et al., *Just Transition*, p. 27.

<sup>37</sup> Oil and gas extraction accounts for 26% of Alberta’s GDP. See Statistics Canada, “Table 379-0030: Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories,” *CANSIM*, last modified November 8, 2016.

<sup>38</sup> Alberta Climate Leadership Panel, *Climate Leadership: Report to Minister*, Government of Alberta, 2015, p. 26.

include enhanced income supports to smooth out the transition.

Alberta has allocated a portion of carbon tax revenues to its just transition policies. The 2016 provincial budget promised a third of carbon tax revenues would be used to “provide for [climate plan] implementation,” which presumably includes labour force policies.<sup>39</sup> The carbon tax implementing legislation confirms some revenues may go towards “initiatives... supporting Alberta’s ability to adapt to climate change.”<sup>40</sup> So far, no decisions have been made about how resources will be allocated.

The *Alberta Jobs Plan* (2016), which was released deeper into Alberta’s current economic malaise, takes a few tangible steps toward a just transition framework.<sup>41</sup> Among other initiatives, the plan expands two work training programs for recently unemployed workers in hard-hit communities, introduces a \$1,000 scholarship for apprentices in the skilled trades, and creates a grant for workplace training. The jobs plan does not specifically mention actions to stream laid-off oil workers into new positions, but those workers will at least be eligible for some of these jobs and training programs.

The province has also created an Advisory Panel on Coal Communities to consult on the long-term sustainability of those local economies.<sup>42</sup> It is expected to report to government in early 2017.

## SASKATCHEWAN

Like Alberta, Saskatchewan has a significant stake in the oil and gas industry. An unmanaged low-carbon transition represents a real risk to workers and the economy. Unlike Alberta, Saskatchewan has not faced up to the challenge. Alone among the provinces, Saskatchewan does not currently have a climate plan. The province is skeptical of climate action generally and has vehemently opposed proposed federal interventions, such as a national carbon price.

The government’s recent *Climate Change White Paper* (2016) identifies, correctly, that “while more jobs may eventually be created over-all through aggressive pursuit of renewables, the regional disparities created cannot be ignored and must be addressed.”<sup>43</sup> The paper implies that climate policies are being introduced without “an eye towards fairness, jobs and economic opportunities for all.”<sup>44</sup> Unfortunately, the paper does not propose solutions to these valid criticisms. It mentions in passing that post-secondary institutions may need to re-focus on clean tech, but does not suggest a broader just transition strategy.

Ignoring just transition policy is not only a missed opportunity for the province, which is well positioned to take advantage of its vast renewable energy potential, but it is also a serious gamble. If Canada and the world follow through on their climate commitments, Saskatchewan will inevitably be forced to

<sup>39</sup> Alberta Finance, *Budget 2016: The Alberta Jobs Plan*, Government of Alberta, 2016, p. 6.

<sup>40</sup> Minister of Environment and Parks, *Bill 20: Climate Leadership Implementation Act*, Legislative Assembly of Alberta, Second Session, 29th Legislature, 2016: section 3(2)(a).

<sup>41</sup> Government of Alberta, *Alberta Jobs Plan: Building an Economy for the Future*, 2016.

<sup>42</sup> Government of Alberta, “Advisory Panel on Coal Communities,” no date, <https://www.alberta.ca/coal-communities.aspx>.

<sup>43</sup> Government of Saskatchewan, *Climate Change White Paper*, 2016, p. 17.

<sup>44</sup> Government of Saskatchewan, *White Paper*, p. 52.

change. The longer the province waits to transition to a low-carbon economy, the costlier that transition will be.

## MANITOBA

Job creation is so central to Manitoba's newest *Climate Change and Green Economy Action Plan* (2015) that the province claims it will "address climate change by creating green jobs in all sectors," rather than the other way around.<sup>45</sup> The plan promises to add 6,000 green jobs to the province's 90,000 existing green jobs by 2020. Most of those jobs come indirectly from growth in the clean tech sector. For example, the plan claims 450 jobs can be created in the waste sector through efforts to increase recycling. Other job creation claims are vaguer. For example, the plan asserts that greening public transit fleets will "promote green jobs," but it is unclear whether that implies net job creation.

The Manitoba plan includes a number of general workforce development policies. First, the plan allocates some of its \$5 million Climate Change Action Fund to deliver training and skill development programs to targeted stakeholder groups, such as youth. Second, the plan directs Manitoba Hydro and some government agencies to deliver training support to social enterprises and First Nations communities. Third, the plan includes a wide variety of public education initiatives, such as sustainable development training for teachers. Fourth, the plan includes incentives for post-secondary institutions to develop programming in support of the green economy and to partner with green businesses to create job training opportunities. Fifth, the plan includes enhanced energy and climate training opportunities for northern communities. Details, including dollar figures, are not provided for any of these proposals.

It's worth noting that Manitoba created a \$30 million Energy Jobs Fund in 2012, which may be renewed, according to the latest climate plan. However, despite its name, the fund is not specifically designed to create jobs. The fund provides flexible loans to renewable energy companies that set up shop in the province (from which job creation may flow indirectly), but it does not directly incentivize hiring.

## ONTARIO

Ontario's latest *Climate Change Action Plan* (2016) begins not only with the typical commitment to "create good jobs," but also with a pledge to "protect and transition existing jobs."<sup>46</sup> To that end, the plan promises to "invest in training and skills development specific to the low-carbon economy, including through training programs for Indigenous workers."<sup>47</sup> The plan promises to create new training programs in the buildings sector, in part delivered through the post-secondary system, to develop the retrofitting and energy management skills necessary to support the province's broader green building goals. Post-secondary institutions will also be recruited to deliver training programs related to renewable energy and energy efficiency.

<sup>45</sup> Government of Manitoba, *Manitoba's Climate Change and Green Economy Action Plan*, 2015, p. 3.

<sup>46</sup> Government of Ontario, *Ontario's Five Year Climate Change Action Plan 2016-2020*, 2016, p. 5.

<sup>47</sup> Government of Ontario, *Climate Change Action Plan*, p. 9.

Preparing the province's current and future workforce to take advantage of new opportunities in the green economy is an important piece of the just transition puzzle. These policies don't directly address job losses or the needs of laid-off workers, such as enhanced income supports, but they are a positive first step.

Like Manitoba, most of the job creation in the Ontario plan comes as a result of future business innovation, not direct government policy intervention. The new plan does not mention incentives or requirements to hire local workers—perhaps due to the province's experience with the Green Energy Act<sup>48</sup>—or to train additional apprentices. It also omits enhanced income supports for unemployed workers.

## QUÉBEC

Québec's most recent *Climate Change Action Plan* (2012) makes only a handful of references to jobs or workers. The plan includes some training for construction professionals related to low-carbon buildings.<sup>49</sup> It also includes some broader commitments related to training and education in the areas of sustainable land use, climate change awareness, and energy efficiency. There is no mention of a just transition.

The more recent *Transportation Electrification Action Plan* (2015) puts a greater emphasis on job creation. The province aspires to reach 5,000 jobs in the electric vehicle industry by 2020 (compared to about 3,000 today).<sup>50</sup> The plan hopes to achieve this target by better-aligning the public education system with industry needs, in part through a new college certificate in transportation electrification.

Québec has less to lose from climate policy than most other provinces. It also has a stronger social safety than most of Canada, which means specific just transition policies are less essential. The province is positioning itself to take advantage of new opportunities in the clean tech sector without being forced to deal with many of the risks associated with stringent climate policies.

## NEW BRUNSWICK

New Brunswick's latest *Climate Change Action Plan* (2016) takes a typical approach to job creation: invest in renewables, energy efficiency, and clean tech innovation and assume jobs will follow. The province hopes, for example, to "create the conditions for growth and job creation in the [area] of clean technology."<sup>51</sup> The plan does not create jobs directly or incentivize hiring. At best, it includes a few modest commitments to prepare the workforce for potential new jobs. New Brunswick plans to invest in worker training, particularly in the skilled trades, and build capacity in First Nations communities.

<sup>48</sup> Scott Sinclair and Stuart Trew, "International Constraints on Green Strategies: Ontario's WTO Defeat and Public Sector Remedies," in Stephen McBride and Carla Lipsig-Mummé, eds., *Work in a Warming World*, Montreal and Kingston: Queen's Policy Studies Series, McGill-Queen's University Press, 2015.

<sup>49</sup> Government of Québec, *Québec in Action: Greener by 2020 – 2013-2020 Climate Change Action Plan*, Bibliothèque et Archives nationales du Québec, 2012.

<sup>50</sup> Government of Québec, *Propelling Québec Forward With Electricity: Transportation Electrification Action Plan 2015-2020*, Ministère des Transports du Québec, 2015, p. 15.

<sup>51</sup> Government of New Brunswick, *Transitioning to a Low-Carbon Economy: New Brunswick's Climate Change Action Plan*, 2016, p. 20.

The plan does not mention potential job losses or the need for a just transition, even though New Brunswick is one of just four Canadian provinces to still burn coal for power. Already, many resource-based communities in the province are struggling with changing economic realities. The situation may very well deteriorate as more stringent climate policies come into effect. Groups in the province have called on the province to incorporate just transition policies into future climate plans.<sup>52</sup>

## NOVA SCOTIA

Nova Scotia's latest *Climate Change Action Plan* (2009) makes no mention of just transition policies.<sup>53</sup> In fact, it doesn't include the word "job" at all. The province's *Renewable Electricity Plan* (2010) begins to address the transition issue through a vague commitment to training, but no jobs programs or workforce development policies are proposed. Instead, like other governments, Nova Scotia expects job creation to follow from renewable energy investments, mainly in wind power. The renewables plan estimates 5,000-7,500 person years of job creation over five years.<sup>54</sup>

To its credit, the *Renewable Electricity Plan* addresses the important but off-overlooked issue of rural economic development. In particular, it highlights the potential of tidal and wind power to benefit resource-based communities that stand to lose from other climate policies. Nova Scotia has two active coal mines and is reliant on coal-fired electricity generation. Transitioning to renewables will pose a challenge to many communities moving forward. If the province is willing to direct new renewables investments toward these communities—rather than leave new investment to market forces—it may very well save them.

## PRINCE EDWARD ISLAND

In 2008, the government of Prince Edward Island released a series of plans to invest in wind power and reduce the province's GHG emissions.<sup>55</sup> The plans are focused on renewable energy investment and include few jobs policies that go beyond general commitments to create "new job opportunities." The *Island Wind Energy Plan* highlights a local college program to train wind technicians, but the province does not directly support it or similar initiatives.

PEI has ended consultations on a new *Climate Change Mitigation Strategy*, which may be released in 2017.<sup>56</sup> Based on a report of recommendations commissioned by the province, the new plan is unlikely to include significant just transition policies.<sup>57</sup>

<sup>52</sup> See, for example: Louise Comeau, *Pre-Budget Submission: A path to a Low-Carbon Economy that creates jobs and sustains families and communities*, Conservation Council of New Brunswick, November 2016, <http://www.conservacioncouncil.ca/wp-content/uploads/2013/02/Budget-Submission2016.pdf>.

<sup>53</sup> Nova Scotia Department of Environment, *Toward a Greener Future: Nova Scotia's Climate Change Action Plan*, Government of Nova Scotia, 2009.

<sup>54</sup> Nova Scotia Department of Energy, *Renewable Electricity Plan: A path to good jobs, stable prices, and a cleaner environment*, Government of Nova Scotia, 2010, p. 27.

<sup>55</sup> Prince Edward Island Department of Environment, Energy and Forestry, *Securing our Future; PEI Environment and Energy Policy Series*, 2008.

<sup>56</sup> Government of Prince Edward Island, "Climate Change Mitigation Strategy Public Consultation," 2016, <https://www.princeedwardisland.ca/en/service/climate-change-mitigation-strategy-public-consultation>.

<sup>57</sup> Dunsky Energy Consulting, *Draft Recommendations for the Development of a 2016 Climate Change Mitigation Strategy*, Government of Prince Edward Island, October 2016.

PEI workers and communities are unlikely to be directly affected by the low carbon transition, so just transition policies are probably not essential. Nevertheless, the province's burgeoning wind industry presents an opportunity to upskill the workforce and take advantage of clean tech opportunities outside its borders. Government programs could help here.

## NEWFOUNDLAND & LABRADOR

After Alberta, Newfoundland and Labrador has the greatest share of employment in resource extraction. Moreover, thousands of Newfoundlanders and Labradorians work in Alberta's oil sector on a temporary basis.<sup>58</sup> As efforts to phase out fossil fuels begin to take effect across Canada and the world, thousands of the province's workers and their communities may be forced into a difficult transition.

Newfoundland and Labrador's *Climate Change Action Plan* (2011) begins to wrestle with the just transition issue. The plan notes that the province's emissions-intensive industries, including the oil sector, account for 30% of GDP (and half of provincial emissions), which means efforts to scale down or phase them out will have severe economic repercussions. Few tangible solutions are proposed. The government hopes that ongoing dialogue with industry stakeholders will "identify the potential for 'win-win' opportunities which meet economic and environmental goals."<sup>59</sup> The plan does not include training programs or other initiatives to support workers.

Iron & Earth is an organization of Canadian oil workers calling for a renewable energy transition. According to the group's Atlantic chapter, Newfoundland and Labrador "has one of the greatest renewable energy potentials of any jurisdiction in North America [yet] the province has provided little policy or incentives for green energy."<sup>60</sup> East coast oil workers want their governments to be proactive with just transition policies that include investments in job-creating resource projects and skills training programs for workers. So far, they have been disappointed.

Just transition policies may feature more prominently in the province's updated climate plan, which is expected in 2017 (consultations concluded in 2016).<sup>61</sup> Newfoundland and Labrador's updated plan will "consider impacts on all remote and isolated communities, vulnerable populations, consumers and trade-exposed industries."<sup>62</sup> Few details are currently available.

## YUKON, NORTHWEST TERRITORIES AND NUNAVUT

As we noted in our baseline report, the territories are predominantly concerned with adapting to the impacts of climate change rather than mitigating them through emission reduction measures.<sup>63</sup> The terri-

<sup>58</sup> Terry Roberts, "Bursting of Alberta's oil bubble on display at St. John's airport," CBC News, February 16, 2016, <http://www.cbc.ca/news/canada/newfoundland-labrador/airport-st-johns-alberta-downturn-1.3443452>.

<sup>59</sup> Government of Newfoundland and Labrador, *Charting our Course: Climate Change Action Plan*, 2011, p. 41.

<sup>60</sup> Iron & Earth, "Iron & Earth East: Atlantic Chapter," no date, <http://www.ironandearth.org/east>.

<sup>61</sup> Office of Climate Change and Energy Efficiency, "Climate Change Consultations," Government of Newfoundland and Labrador, last updated January 23, 2017, <http://www.exec.gov.nl.ca/exec/ccee/consultations.html>.

<sup>62</sup> *Pan-Canadian Framework*, p. 70.

<sup>63</sup> Mertins-Kirkwood, *Baseline Report*, p. 30-31.

tories' climate plans do not contain major just transition policies, but there are some workforce development initiatives, such as energy efficiency training in the Yukon building construction sector. Nunavut's plan mentions the transfer of traditional knowledge on climate change adaptation from elders to youth. In general, the Nunavut plan is focused more on public education and outreach than professional development.

Unfortunately, both the Northwest Territories and the Yukon commit to expanding their oil and gas sectors to drive growth, which is a long-term recipe for stranding assets and losing jobs as demand for oil falls in Canada and elsewhere. These governments may be creating a just transition problem where one doesn't yet exist.

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## Conclusion

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When it comes to just transition policies, Canada's federal, provincial, and territorial governments get a failing grade. As the preceding analysis shows, no jurisdiction has developed a plan to reduce greenhouse gas emissions that also includes income supports, workforce development, and job creation measures, especially for those workers and communities hit hardest by the low-carbon transition.

First, none of the plans we studied included expanded employment insurance or comparable income supports. Carbon pricing revenues may be recycled to workers in some jurisdictions, such as Alberta and Ontario, but that money seems to be earmarked for training rather than income support. Improved employment insurance is one of the core demands of the Canadian labour movement because it smooths out periods of high unemployment, allowing communities to survive while laid-off workers transition into new good jobs.<sup>64</sup> Job creation and skills training are not sufficient if they are inaccessible to laid-off workers.

Canadian governments score better in the second area, workforce development, which includes skills training programs, support for skilled trades apprenticeships, and partnerships with post-secondary institutions. No province has yet developed a robust, comprehensive program for preparing large numbers of laid-off and/or young workers for the low-carbon economy, but promising steps are being taken in Alberta, Manitoba, Ontario, Québec, and elsewhere. On the other hand, some governments with much to lose, especially Saskatchewan and Newfoundland and Labrador, have little to no policy in place to prepare their workforces for a low-carbon future. The federal government has similarly punted in this area, even though building capacity in the domestic workforce is essential for long-term inclusive growth.

Third, in the area of job creation, the federal, provincial, and territorial governments take a hands-off approach. In general, governments assume that jobs will be created as a by-product of investments

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<sup>64</sup> Canadian Labour Congress, "After a rocky 2015, Canada needs a job creation and just transition plan more than ever," January 8, 2016, <http://canadianlabour.ca/news/news-archive/after-rocky-2015-canada-needs-job-creation-and-just-transition-plan-more-ever>.

in the clean tech sector and therefore direct policy measures are not necessary. That approach flies in the face of the labour movement's demands for active job creation policies, such as programs to stream laid-off oil workers into new clean tech positions, local hiring requirements for new projects, or incentives for hiring previously laid-off workers. In addition, the climate plans discussed above do not specifically target new investments at the communities poised to suffer the greatest job losses. Promises to invest in rural, remote, and Indigenous communities are welcome, but they are not in all cases the communities that need the most support.

Overall, Canada's federal, provincial, and territorial governments have ignored or downplayed the economic transition issue in their climate plans. Despite championing the job creation potential of the low-carbon transition, few governments have put forward policies that would prepare the workforce for that potential, let alone acknowledge and address the workers and communities at risk.

The lack of just transition policies in Canadian climate plans is a problem, but the severity of the problem is unclear. On the one hand, certain workers and communities are threatened by climate policies, so governments have some obligation to step in and support them. Furthermore, many of the good, green jobs being created as part of the low-carbon transition require advanced education and/or skills training, so governments would be wise to help prepare the workforce for these emerging opportunities.

On the other hand, the number of workers and communities negatively affected by climate policies is relatively small. Outside of a few key regions in a few key provinces, there is little apparent need for specific climate policy-related transition plans. Perhaps most importantly, many just transition demands are redundant in the presence of an adequate social safety net. If Canada had a more generous, accessible employment insurance program, for example, specific income supports for laid-off resource workers wouldn't be needed. Similarly, if Canada had a more robust and strategic public training system, which included expanded support for skilled trade apprenticeships, the need for specific energy sector training would be lessened.

In other words, if governments already have a comprehensive social safety net and forward-thinking industrial strategy in place, then a just transition strategy specific to its emission reduction plans may be unnecessary. That is especially the case when other looming threats to the workforce are considered, such as rampant automation.

Failing a comprehensive expansion of the social safety net, just transition programs can be piloted in areas of urgent need, such as the Alberta oil patch. Just transition programs specific to other industries, such as the coal sector, should also be developed on a slightly longer timeline. Ultimately, however, Canadian governments would do well to strengthen and expand the programs that ensure workers and their communities are supported through any economic disruption, regardless of the cause.



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