

MAKING THE GREEN ECONOMY WORK

TOWARD A JUST TRANSITION FOR CANADIAN WORKERS

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PROJECT BACKGROUND

Objective: determine whether Canadian governments are ensuring the transition to a low-carbon economy is a just transition for workers and their communities

Research expands on the Domestic Policy Working Group's initial working paper on just transition policies in Canadian climate plans (January 2017)

- Conclusion: “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.”

New report to be jointly published by ACW and the CCPA in December 2017

RESEARCH QUESTIONS

1. How do government employment and just transition policies compare with those advocated by the Canadian labour movement and those proposed by think tanks, academics and other independent researchers?
2. How extensive is the need for just transition policies nationally and provincially?
3. To what extent has government rhetoric on “clean growth” been supported by economic policies to ensure a just transition?
4. How could climate plans incorporate employment policies to address the potential impacts on workers?



REPORT CONTENTS

1. Elements of a just transition
2. Potential employment impacts of the low-carbon transition
3. Existing just transition policies in Canada
4. Conclusion and recommendations

ELEMENTS OF A JUST TRANSITION

How do government employment and just transition policies compare with those advocated by the Canadian labour movement and those proposed by think tanks, academics and other independent researchers?

TWO “JUST TRANSITIONS”

Reactive (defensive) just transition

Mitigate costs of decarbonisation for workers and communities

Income supports

Retraining and career supports

Job transfers

Pension and benefit bridging

Workforce transition plans

Proactive (offensive) just transition

Maximize benefits of decarbonisation for workers and the broader economy

Labour market modelling

Targeted skills training

Industrial transition supports

Geographically targeted spending

POTENTIAL EMPLOYMENT IMPACTS OF THE LOW-CARBON TRANSITION

How extensive is the need for just transition policies nationally and provincially?

TOTAL CONTRIBUTION OF THE FOSSIL FUEL INDUSTRY TO THE ECONOMY, BY PROVINCE (2016)

	Jobs	GDP (billions)
Newfoundland and Labrador	4,500	\$6.2
Prince Edward Island	< 100	\$0.0
Nova Scotia	1,700	\$0.7
New Brunswick	2,600	\$1.0
Quebec	5,900	\$1.8
Ontario	15,200	\$5.8
Manitoba	3,400	\$1.7
Saskatchewan	16,800	\$11.0
Alberta	138,000	\$91.4
British Columbia	11,800	\$11.6
Territories	300	\$0.3
Canada	200,500	\$131.5

RELATIVE CONTRIBUTION OF THE FOSSIL FUEL INDUSTRY TO THE ECONOMY, BY PROVINCE (2016)

	Share of jobs	Share of GDP
Newfoundland and Labrador	2.0%	23.8%
Prince Edward Island	0.1%	0.0%
Nova Scotia	0.4%	2.1%
New Brunswick	0.7%	3.9%
Quebec	0.1%	0.6%
Ontario	0.2%	0.9%
Manitoba	0.5%	3.0%
Saskatchewan	2.9%	18.8%
Alberta	6.0%	31.7%
British Columbia	0.5%	5.3%
Territories	0.4%	0.4%
Canada	1.1%	7.9%

TOP 10 FOSSIL FUEL-DEPENDENT COMMUNITIES IN CANADA (2011*)

	Fossil fuel jobs	Share of jobs
Wood Buffalo, Alberta	14,800	34.5%
Estevan, Saskatchewan	1,400	18.7%
Lloydminster, Alberta/Saskatchewan	3,300	18.5%
Cold Lake, Alberta	1,400	17.3%
Brooks, Alberta	1,900	15.1%
Sylvan Lake, Alberta	1,000	14.9%
Grande Prairie, Alberta	4,700	14.7%
Fort St. John, British Columbia	1,700	11.0%
Red Deer, Alberta	4,400	8.9%
Okotoks, Alberta	1,100	8.7%

MOST FOSSIL FUEL-DEPENDENT COMMUNITY IN EACH PROVINCE (2011*)

Province	Region	Fossil fuel jobs	Share of jobs
British Columbia	Fort St. John	1,700	11.0%
Alberta	Wood Buffalo	14,800	34.5%
Saskatchewan	Estevan	1,400	18.7%
Manitoba	Portage la Prairie	< 100	< 1%
Ontario	Sarnia	1,600	4.0%
Quebec	Val-d'Or	< 100	< 1%
New Brunswick	Saint John	2,200	3.5%
Nova Scotia	Cape Breton	500	1.3%
Prince Edward Island	Charlottetown	< 100	< 1%
Newfoundland and Labrador	St. John's	2,600	2.5%
Territories	Yellowknife, YK	< 100	< 1%

A “JUST” TRANSITION?

Average total income in fossil fuel industry (2016): \$141,000 (\$68 per hour)

- Average for all industries: \$59,900 (\$35 per hour)

Share of women working in fossil fuel industry (2011*): 23%

- Share for all industries: 49%

Who benefits and who loses when scarce resources are invested in a just transition for fossil fuel workers?

JOB CREATION POTENTIAL OF THE LOW-CARBON ECONOMY

Columbia Institute: 3.9 million direct jobs by 2050

- 19.8 million jobs including indirect and induced employment

Green Economy Network: 1 million jobs in five years

- 2.5 million jobs in 10 years

Even if a fraction of these jobs are actually created, the number vastly overshadows potential job losses in the fossil fuel industry

Job creation potential far exceeds capacity of the labour market, which already faces skill shortages (especially for tradespeople)

EXISTING JUST TRANSITION POLICIES

To what extent has government rhetoric on “clean growth” been supported by economic policies to ensure a just transition?

REACTIVE JUST TRANSITION POLICIES

Employment Insurance

- Income support and training assistance for unemployed workers

Workforce Development Agreements

- Training assistance for workers ineligible for EI

Provincial packages

- Alberta's Coal Community Transition Fund

Limitations

- EI is not always accessible, especially to precarious workers
- EI benefits are too small and don't last long enough for significant retraining
- Some training programs require employer initiative/cooperation
- Provincial policies ignore majority of vulnerable workers (especially oil and gas industry)

PROACTIVE JUST TRANSITION POLICIES

Investment in the low-carbon economy

- Over \$50 billion in planned infrastructure and innovation spending over the next decade

Supports for vocational training

- Loans, grants and incentives for apprenticeships

Limitations

- Reducing emissions 60% below 1990 levels by 2050 will require \$3.4 trillion in spending
- Apprenticeship participation rates are low for women (14%) and immigrants (9%)
- Apprenticeship completion rate is low (< 50%), in part due to insufficient financial supports
- Vocational training is not targeted at strategic industries, in part due to inadequate labour market information and modelling

CONCLUSION AND RECOMMENDATIONS

How could climate plans incorporate employment policies to address the potential impacts on workers?

SUMMARY

There are two distinct “just transitions”

- Reactive: mitigate the negative impacts on workers
- Proactive: maximize the potential benefits for workers

The need for a **reactive** just transition is limited to specific regions

- Fossil fuel industry accounts for 1% of employment nationally, but 10-35% in some communities

The need for a **proactive** just transition is underappreciated

- Potential job creation far exceeds the current capacity of the labour market
- Those jobs will keep going to Canadian-born men without strategic intervention

Governments already have a transition policy framework in place, but it does not go far enough to facilitate an equitable and productive (just) transition for workers

RECOMMENDATIONS

1. Develop a national industrial strategy that coordinates spending on the low-carbon economy with workforce development initiatives
2. Invest in and diversify vocational training programs (e.g. apprenticeships) with an emphasis on meeting the needs of the low-carbon economy
3. Enhance employment insurance benefits to better support workers in any industry facing job loss and retraining costs
4. Provide targeted just transition policy supports to the communities most negatively affected by the shift to a low-carbon economy