

A Sustainable Jobs Blueprint

Part I: Governance recommendations
to support Canada's clean energy
workforce and economy

September 2023



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About the Sustainable Jobs Blueprint Series

The Pembina Institute and the Canadian Labour Congress have partnered to develop a Sustainable Jobs Blueprint, which identifies policy and investment recommendations to support the Canadian workforce in the transition to a net-zero economy. This is the first report in a series on sustainable jobs planning in Canada to support the creation and maintenance of decent jobs across Canada. Part one outlines a governance framework needed for a robust sustainable jobs approach in Canada and includes recommendations for government action.

Part two will offer recommendations for an implementation plan, supported by the governance framework, that will best support workers and communities.

The Blueprint is informed by qualitative and quantitative policy research, including desktop research, an international scan of best practices, net-zero pathways modelling, conversations with multi-disciplinary experts, and interviews, focus groups and polling with workers. Our findings from this work identify challenges and opportunities available, explore possible net-zero energy pathways and provide recommendations for Canada's sustainable jobs policies and practices, to position Canadian workers for success and mitigate impacts to the labour force across regions and economic sectors up until 2050.

Part two of this Blueprint will be published later in fall 2023.

Please let us know if we have missed important information or perspectives by writing to megang@pembina.org.

About the Pembina Institute

The Pembina Institute is a national non-partisan think tank that advocates for strong, effective policies to support Canada’s clean energy transition. We employ multi-faceted and highly collaborative approaches to change. Producing credible, evidence-based research and analysis, we consult directly with organizations to design and implement clean energy solutions, and convene diverse sets of stakeholders to identify and move toward common solutions.

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About the Canadian Labour Congress

The Canadian Labour Congress is the largest labour organization in Canada, bringing together dozens of national and international unions, provincial and territorial federations of labour and community-based labour councils to represent more than 3 million workers across the country.

Workers affiliated to the CLC work in every region of Canada, and nearly every sector of the economy.

The CLC’s leadership, policies and priorities are decided by our affiliates and the over 3 million workers affiliated to the Congress.

Acknowledgements

We thank the many experts that we met with to inform our ideas across government, labour, and environmental non-governmental organizations, as well as the workers that we interviewed for this report series. A special thank you to special advisors Pedro Barata (Executive Director, Future Skills Centre), Diana Junquera Curiel (Director Energy Industry and Just Transition, IndustriALL Global Union), and Binu Jeyakumar (Program Director – Electricity, Pembina Institute) for their guidance on this project. We are grateful for the existing thought leadership and analysis previously undertaken by other organization to help strengthen and inform our work. Errors are our own.

We are also grateful to the unionized workers who were interviewed and surveyed for this work. They showed that workers in the energy sector are ready, willing and able to be part of the solution to climate change. They just need a blueprint to help get them give them confidence, and get them there.

This project was funded by Natural Resources Canada.

The Pembina Institute acknowledges that the work we steward and those we serve spans across many Nations. We respectfully acknowledge the space our organization is headquartered in as the traditional and ancestral territories of the Blackfoot Confederacy, comprised of the bands Siksika, Piikani, and Kainai, the Îyârhe Nakoda Nations, including the bands of Goodstoney, Chiniki, and Bears paw, and the Tsuut'ina Dené. These Lands are also home to the Métis Nation of Alberta — Region 3 whose Peoples have deep relationships with the Land.

The CLC national office is located on the traditional and ancestral land of the Algonquin nation. This land is the unceded and never surrendered territory of the Algonquin Anishinaabe peoples. The CLC's [Indigenous Rights and Justice Resource Centre](#) provides information so workers can take action on advancing Indigenous rights and justice in workplaces in every region.

These acknowledgements are some of the beginning steps on a journey of several generations. We share them in the spirit of truth, justice, reconciliation, and to contribute to a more equitable and inclusive future for all of society.

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Executive summary

Context

The effects of climate change are becoming increasingly clear, and countries are beginning to react. To mitigate further climate change while maintaining economic stability, the demand for lower-carbon energy is growing — and workers in high-emitting sectors must be supported through this transition to a clean energy economy. Governments need to help the regions most impacted by the transition prepare for what is already underway and take proactive steps to avoid stranded assets and stranded workers. Other countries including Germany, Spain, Scotland, New Zealand, the United States and Denmark have already modelled components of successful governance to support the transition to sustainable jobs.

In 2023, Canada produced its first federal Interim Sustainable Jobs Plan. This was followed by the tabling of the Sustainable Jobs Act in June 2023 which outlines an approach to creating a prosperous net-zero future for all Canadians. This Act represents the beginning of a framework to ensure that workers and communities are at the table, not on the menu. A variety of labour and environmental organizations have endorsed this Act as a promising step to centre workers in the conversation; they maintain, however, that amendments must be made to ensure the implementation lives up to its potential. As echoed in the aftermath of less successful transitions, workers want to see a practical plan so that they can make informed decisions about their future. Workers need to see policies that speak to their concerns, and more than ever they must hear about effective solutions from trusted messengers. Workers need to be on-board for transition to be successful.

An energy transition will indisputably result in socioeconomic changes in Canada. In fact, it already has — workers with skills that are transferable to low-carbon industries are increasingly sought after to support these emerging pathways. Climate regulations and policy decisions represent only one driver of change. In a globalized, rapidly warming, and technologically advancing world, many trends affect jobs and the economy. In addition to climate change, this includes demographic change, human migration, and technological innovation. Proactive and responsive governments can put in place the foundations for stability through transitions that empower worker and community resiliency and ensure those socioeconomic changes are positive. These

foundations include key enabling factors and mechanisms for collaboration, accountability, and implementation.

This report is the first of a series of reports that will explore various policy themes associated with the sustainable jobs legislation. Collectively, they will form a Sustainable Jobs Blueprint for the Government of Canada, provinces and territories, and other stakeholders to inform policy decisions in the near and long term.

Enabling factors

Enabling factors are elements that create the right environment for the success of sustainable jobs initiatives as a whole:

- **Adequate resourcing:** The financial resources needed to accompany this shift are significant and must be at a scale to strengthen a workforce that fuels Canada's new energy economy.
- **Alignment with net-zero:** Plans to transition Canada's workforce to sustainable jobs must ensure that jobs are, in fact, aligned with a net-zero economy.
- **Cohesive strategy and vision:** A sustainable jobs plan must be a part of the Government of Canada's broader climate agenda.
- **Regional collaboration:** Transitions unfold at the regional and local level; a nation-wide sustainable jobs plan should reflect this diversity.
- **Social dialogue:** Whenever possible, workers, communities, and underrepresented groups should be a part of sustainable jobs governance structures and implementation.
- **Worker buy-in:** The elements listed above must ultimately be communicated to workers, through trusted channels, so workers can have the confidence that these initiatives will ultimately meet their needs.

Governance frameworks to steer a new energy economy

Establishing a robust governance framework is the basis for bringing government, industry, workers, and communities together, to steer policy and planning decisions and create a thriving energy workforce in the near and long term. From a jurisdictional scan and interviews with experts, we recommend five criteria be incorporated into jobs planning for a net-zero economy:

- **Accountability mechanisms:** Accountability mechanisms hold decision-makers responsible to their commitments by clearly articulating intentions, setting pathways to measure progress, and adapting them over time.

- **Federal coordination mechanisms:** Federal coordination involves delegating responsibilities and establishing ways of aligning efforts.
- **Regional coordination mechanisms:** Coordination between provinces and national-level governments is necessary to best support regions and communities undergoing energy and economic diversification.
- **Advisory and engagement mechanisms:** Governments should establish advisory bodies to hear directly from interest groups and experts during policy development.
- **Dedicated implementation body:** Establishing an implementation body can ensure that there is a central group with a mandate to oversee policy advancement.

Recommendations to set the foundation

This is a landmark year as the Government of Canada begins to implement its interim Sustainable Jobs Action Plan and aims to finalize the Sustainable Jobs Act. To set the foundation, the Pembina Institute and Canadian Labour Congress (CLC) provide the following recommendations:

- **Make legislative amendments to the proposed Act which will strengthen guiding principles and requirements for future action plans. Specifically, we recommend that the Government of Canada:**
 - add additional guiding principles to the preamble of the Act;
 - consider the unique circumstances of rural, remote, resource-dependent and transitioning communities;
 - strengthen and add key definitions;
 - strengthen reporting requirements around key policy areas; and,
 - ensure coordination between Sustainable Jobs Action Plans and Emissions Reduction Plans.
- **Set the Partnership Council up for success by giving them the tools to meaningfully shape the trajectory of sustainable jobs plans. Specifically, we recommend that the Government of Canada:**
 - establish terms of reference aligned with the Act's principles;
 - strike working groups to investigate specific lines of inquiry related to sustainable jobs;
 - provide adequate resources to ensure that the full breadth of opportunities and risks of transition can be considered; and,
 - formalize the relationship between the Partnership Council and the Net-Zero Advisory Body.

- **Establish an effective Secretariat which will improve policy integration, and coordination, as well as provide a source of information and support for workers. Specifically, we recommend that the Government of Canada:**
 - defines focus areas for the Secretariat in line with the Act's principles; and,
 - take a strategic approach to Secretariat structure by establishing understandings with key departments.

These recommendations are based on a jurisdictional scan of what other countries have done in their energy economic and workforce planning, learnings from other workforce transitions in Canada, and worker and stakeholder input. They are meant to help the Government of Canada strengthen their Sustainable Jobs policy and planning so that its implementation will support workers and communities.

1. Introduction

Increasingly, Canadian workers, communities, and industries are recognizing the impact of global warming on our daily lives, our work, and our economy. The climate crisis is at a tipping point and governments are investing in cleaner economies and setting ambitious climate targets to limit global warming to 1.5 degrees C. About 70 countries worldwide have set a target to achieve net-zero by 2050, covering 76% of global emissions.¹ Businesses are also increasingly making greenhouse gas (GHG) reduction part of their environmental, social, and governance (ESG) commitments.

In June 2023, the Canada Energy Regulator modelled energy outcomes of the world achieving a net-zero greenhouse gas scenario. In its Global Net-Zero scenario, the CER projects that fossil fuel use could drop by 65% from 2021 to 2050 and electricity use could double in the same timeframe.² Turning this scenario into a reality will result in major changes to the Canadian workforce — and Canada needs a plan to ensure such an unprecedented change in our energy systems is successful.

There is no way that Canada can avoid the energy transformation that is underway. It must prepare. The Canada Energy Regulator’s Energy Future 2023 report also tells us that most significant impacts on the global energy system are driven by global markets and actions of other major economies, and thus change is inevitable in Canada as a major energy exporter and producer.

The Government of Canada is holding itself accountable to achieving net-zero under the Canadian Net-Zero Emissions Accountability Act, and it is possible that we may see hundreds of thousands of new jobs in Canada generated by 2050 in this scenario.³ A transition to a net-zero economy, supported by the right investments, plans and policies, could help us realize more economic growth, decent jobs for workers, and pathways for workers in high-emitting sectors to enter good, stable, net-zero jobs with benefits fairly distributed across society. Part of transition planning requires strong signals on how the country will navigate challenges related to natural disasters, international market shifts, decarbonization agendas, automation, ESG business trends

¹ United Nations, “For a livable climate: Net-zero commitments must be backed by credible action.” <https://www.un.org/en/climatechange/net-zero-coalition>

² Canada Energy Regulator, *Canada’s Energy Future 2023: Energy Supply and Demand* (2023), 7. <https://www.cer-rec.gc.ca/en/data-analysis/canada-energy-future/2023/executive-summary/index.html#a1>

³ Clean Energy Canada, *A Pivotal Moment* (2023). <https://cleanenergycanada.org/report/a-pivotal-moment/>

in the business world, and other forces. Cumulatively, these drivers of change create significant uncertainty for the workforce and economy. Although many of the changes workers are experiencing are global in nature, it's up to the Government of Canada to take a leadership role and set the right foundations to collaborate with other orders of government; engage with labour, industry, and Indigenous people; and implement a comprehensive strategy to help manage this change.

Canada is not alone in this transition. Many other countries around the world have developed governance strategies to implement supports for workers and diversify and strengthen regional economies. Germany, Spain, New Zealand and many others are transitioning energy sectors away from coal and other high-emitting sources — and at the same time planning for transition and embracing the opportunities presented by the shift to net-zero. Some countries are ahead of Canada in the planning stage; these countries offer opportunity for learning and evidence of the prosperity a properly managed net-zero transition can create.

Risks of ignoring the problem

Canada has a long history of reliance on the natural resources sector, and as a result, it is no stranger to transition. Natural resource industries are inherently susceptible to volatility as booms and busts occur, often caused by the depletion of resources or influences from outside Canada's borders. We know from regional transitions in mining, forestry, manufacturing, and fisheries that workers have lost faith in government's ability to manage change in a way that brings all stakeholders to the table and avoids undue hardships. The impacts of changing and declining industries managed without the participation of workers, communities and employers are well documented. Change in the resource and energy sector are inevitable and Canada has, once again, an opportunity to do more proactively for workers and communities and avoid mistakes of the past.

Labour and unions are leading the way

For decades, organized labour from across the globe has fought tirelessly to hold governments accountable to respond to changing economic circumstances and the impacts that policy decisions have on workers. While unions negotiate for unionized workers, the successes they've gained can benefit all workers — unionized or not — by setting a standard for acceptable working conditions. Today, around the world, labour continues to lead the charge on the topic of sustainable jobs, recognizing that climate action is in the best long-term interest of workers.

In 2015, the International Labour Organization adopted the Guidelines for a just transition toward environmentally sustainable economies and societies for all, which outline a policy framework and tool to help countries develop and manage low-carbon transition. The Guidelines were drafted by a tripartite meeting of experts, and a just transition of the workforce was then included as a key implementation principle in the 2015 Paris Agreement where key parties committed to set nationally defined contributions that enabled them to cap global warming at 2 degrees Celsius, and achieve as close to 1.5 degrees C as possible.

The Canadian Labour Congress (CLC), Canada’s largest labour organization representing three million workers, acknowledges that Canada must transition towards a clean economy, and they believe that with the right planning, this can result in far-reaching economic opportunities and decent, well-paying jobs.

“We cannot afford to ignore the looming threat of the climate crisis. Global economies are shifting to address climate change, which means jobs and work will also evolve. Workers and unions must be at the decision-making table to make sure no one is left behind.”⁴

- Bea Bruske, President of the Canadian Labour Congress (Spring 2023)

The Canadian Labour Congress took two intersecting policy resolutions at their 2023 convention. The first: to tackle the climate crisis while ensuring workers aren’t left behind in the transition to a net-zero economy. The second: to expand clean energy and create good union jobs through industrial policy. These two imperatives — to act on climate and spur decent job creation — are two sides of the same coin. Both require the Government of Canada, working in partnership with other orders of government, to establish a robust, integrated plan to achieve an orderly transition and fair outcomes for workers.

What is a ‘decent’ job?

The International Labour Organization convened a group of experts to develop a way to measure job quality, known as the Decent Work Agenda.⁵ The Agenda rests on four pillars

⁴ Canadian Labour Congress, “Earth Day 2023: Canada’s unions call on governments to put workers and communities first,” news release, April 21, 2023. <https://canadianlabour.ca/earth-day-2023-canadas-unions-call-on-governments-to-put-workers-and-communities-first/>

⁵ International Labour Organization, “Decent work indicators.” https://www.ilo.org/integration/themes/mdw/WCMS_189392/lang--en/index.htm

of (1) full and productive employment; (2) rights at work; (3) social protection and, (4) the promotion of social dialogue). Ten corresponding indicators of decent work include:

1. employment opportunities
2. adequate earnings and productive work
3. decent working time
4. combining work, family and personal life
5. work that should be abolished
6. stability and security of work
7. equal opportunity and treatment in employment
8. safe work environment
9. social security
10. social dialogue, employers' and workers' representation

Communities across Canada today have thrived because of the highly skilled workforce in the natural resources and energy sectors. Workers are justifiably proud of the communities they have built and the skills they have developed. The future net-zero economy must also generate decent jobs that can anchor communities.

The Government of Canada must ensure that new job opportunities in emerging sectors offer and uphold the same or better job standards that workers deserve — including union representation, fair wages, benefits, pension protection and job security — and are rooted in the communities workers call home. We also note that prosperity in high-emitting sectors has been driven by collective bargaining which raised pay and increased benefits and safety for unionized workers and lifted the floor for non-union workers, and that the most effective way for workers to access the elements of decent work is through collective bargaining.

What we've heard

Our research approach is unique in that we have grounded our recommendations in what we heard from potentially affected workers. Through interviews and focus groups, we spoke with nearly 50 workers in high-emitting sectors through interviews and focus groups to hear their perspectives and inform our work.

Across different regions and industries, workers in high-emitting sectors are acutely aware of climate change. They believe the climate crisis is real, they are supportive of addressing the climate crisis, and they see opportunity. At the same time, workers are skeptical due to a perceived lack of planning, communication, and information about what their futures might look like, and they lack confidence in government action.

We heard that government outreach about transition has not alleviated their concerns, as workers told us it rarely leads to action. However, workers do trust their union to communicate with them about transition. When their union is part of policy negotiations and decision-making, workers trust their union to protect their interests.

We know from interviews and focus groups that sustainable jobs planning should:

- preserve current salaries
- involve unions negotiating with government on behalf of workers
- guarantee on-the-job training for new jobs
- protect hard-earned pensions
- utilize existing skills in new industries, wherever possible

We tested a series of policies based on global and domestic best practices to ask what policies and supports resonated with workers, and what would help rebuild trust and give them confidence about the future.

We are currently conducting polling to further test the responses and attitudes to these policies, which we will elaborate on in a subsequent report.

Towards a Blueprint

To help the Government of Canada strengthen its efforts to support workers and communities through transition, the Canadian Labour Congress and Pembina Institute have come together to develop a Sustainable Jobs Blueprint. In this first report, we aim to introduce key actions that the Government of Canada should take to establish a strong governance framework — integrating key aspects of accountability, coordination, and integration to set the foundations for sustainable jobs planning in Canada. Tactics — the policy tools, communication, investments and programs that build upon this foundation — will be explored in our subsequent report. Through both reports, we underscore the importance of a sustainable jobs approach that puts the interests and priorities of workers and communities at the forefront.

Who should be included in sustainable jobs planning?

The Pembina Institute and the Canadian Labour Congress recognize everyone in Canada has a potential stake in sustainable jobs planning. There are many interests to consider as we transition to a net-zero economy and communities.

Our advice and recommendations seek to uphold the interests of workers and communities. This includes both unionized and non-unionized workers, workers in industries experiencing change or potential decline, workers in industries where

workforces stand to grow, and new workers entering the workforce — and the communities and regions in which they live.

Throughout the Blueprint, we strive to identify areas across our recommendations for the Government of Canada that seek to uphold the interests of equity groups such as women, 2SLGBTQI+ persons, persons with disabilities, youth, and the rights and interests of Indigenous people. We will recommend additional areas of research needed to reflect these interests in greater detail and depth in our subsequent report.

Report overview

This report begins by outlining the context in the 2023 sustainable jobs policy environment and the federal government's current plans. It provides an overview of some of the pressing workforce trends that are intersecting and overlapping with Canada's climate change commitments to create an uncertain future for workers. The latter half of the report explores the principles and concepts that should drive a sustainable jobs plan. It concludes by recommending immediate concrete actions that the Government of Canada should take to create strong governance structures.

2. Sustainable jobs planning in Canada

In 2023, the Government of Canada made significant strides to advance sustainable jobs approaches in Canada. This included both the release of the Sustainable Jobs Plan in February 2023 and the introduction of Bill C-50, an *Act respecting accountability, transparency and engagement to support the creation of sustainable jobs for workers and economic growth in a net-zero economy* (herein referred to as the Sustainable Jobs Act) in June 2023. Both are explained in greater detail in this section, but first, we define what we mean by a ‘sustainable job’ and contextualize our use of this term with regards to Canada’s policy environment.

What is a sustainable job?

“The Government of Canada understands a ‘sustainable job’ to mean any job that is compatible with Canada’s path to a net-zero emissions and climate resilient future. The term ‘sustainable jobs’ also reflects the concept of decent, well-paying, high-quality jobs that can support workers and their families over time and includes such elements as fair income, job security, social protection, and social dialogue.”

— “An evergreen definition” from the 2023 interim Sustainable Jobs Plan⁶

The Government of Canada’s definition is important in two ways — it represents the notion of sustainability from an environmental perspective, as well as high-quality from a labour perspective. For a job to be considered ‘sustainable’, it must be a decent job aligned with Canada’s emissions reduction targets, consistent with a 1.5-degree warming scenario that prioritizes emissions reductions and uses emissions and offsets where necessary, as recommended by Canada’s Net-Zero Advisory Body.⁷ This includes not only jobs directly related to achieving net-zero (e.g., solar panel technicians), but any job compatible with net-zero.

⁶ Government of Canada, *Sustainable Jobs Plan* (2023).

<https://www.canada.ca/en/services/jobs/training/initiatives/sustainable-jobs/plan.html#s3>

⁷ Net-zero Advisory Body, *Net-Zero Pathways Initial Observations* (2021).

https://nzab2050.ca/publications/news_feed/documents

Jobs must also be sustainable in the sense that they provide good working conditions and uphold decent work standards so that workers feel secure and are able to provide for themselves and their families over time. Jobs that are low-quality or are not consistent with a net-zero transition could lead to dead-ends, causing more unnecessary disruption for workers over the coming decades.

'Just transition' vs. 'sustainable jobs'

Suites of policy responses that support workers and communities in the context of net-zero transition have often been referred to as a 'just transition' policy approach. Academics, international governance bodies such as the International Trade Union Confederation, as well as national governments in Europe, Africa, Asia and Oceania have used the term to describe action taken with the intent of advancing initiatives to promote the inclusion of workers in decision-making and implementing program supports. In 2018, Canada launched a Task Force on Just Transition for Coal Power Workers and Communities⁸ and committed to implementing legislation and comprehensive action to achieve a just transition in the Minister of Natural Resources 2021 mandate letter.⁹

The current federal government has since discarded language of 'just transition' in favour of the term 'sustainable jobs' — largely in response to misconceptions that just transition policies are implemented with the explicit intent of phasing out fossil fuel jobs. What just transition actually represents, as broadly defined by the International Labour Organization, is “greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind”.¹⁰ Just transition policy responses represent a comprehensive approach to change management and in and of themselves do not achieve the goal of fossil-fuel phase-out causing job loss. Rather, just transition policies involve cushioning the impacts of economic and workforce shifts caused by a multitude of change — including net-zero — by strengthening and introducing funding for regions, worker training programs, proactive approaches to sustainable economic development, and in some cases, programs that help achieve broader societal and economic equity.

⁸ Environment and Climate Change Canada, “Task Force: Just Transition for Coal Power Workers and Communities.” <https://www.canada.ca/en/environment-climate-change/services/climate-change/task-force-just-transition.html>

⁹ Prime Minister of Canada, “Minister of Natural Resources 2021 mandate letter.” <https://www.pm.gc.ca/en/mandate-letters/2021/12/16/minister-natural-resources-mandate-letter>

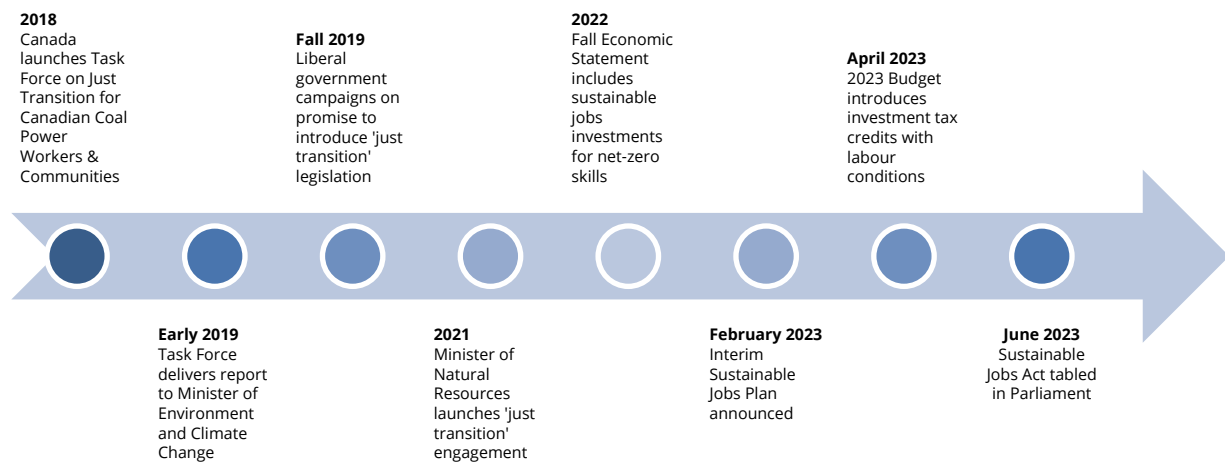
¹⁰ International Labour Organization, “Frequently Asked Questions on just transition.” https://www.ilo.org/global/topics/green-jobs/WCMS_824102/lang--en/index.htm

In this report, we highlight examples of international best practices — many of which use the term ‘just transition’ — which represent opportunities to build and strengthen sustainable jobs planning in Canada.

Status of sustainable jobs approaches in Canada

Discussion around sustainable jobs in Canada is not new (see timeline below). Since 2018, the Government of Canada has been working toward advancing initiatives related to sustainable jobs, starting with the Just Transition Task Force, established in response to the commitment to accelerate the phase-out of coal-fired electricity generation by 2030. Focusing on workers and communities reliant on the coal sector, this Task Force Submitted a final report with 10 recommendations on how to achieve a ‘just transition’ for the coal industry in Canada.¹¹ Recognizing there was more to be done for workers across other industries, the Liberal party campaigned on the promise to introduce just transition legislation in the fall of 2019; however, progress on this file stalled for several years. In 2022, the Fall Economic Statement included \$250 million of funding dedicated to financing a Sustainable Jobs Secretariat, a Sustainable Jobs Training Stream, and a Sustainable Jobs Training Centre.¹²

Canada’s sustainable jobs journey to date



¹¹ Task Force on Just Transition, *Final Report by the Task Force on Just Transition for Canadian Coal Power Workers and Communities* (2018). <https://www.canada.ca/en/environment-climate-change/services/climate-change/task-force-just-transition/final-report.html>

¹² Department of Finance Canada, “Fall Economic Statement 2022.” <https://www.budget.canada.ca/fes-eea/2022/home-accueil-en.html>

In February 2023, the Government of Canada announced its interim Sustainable Jobs Plan which included 10 key action areas:¹³

Canada's interim Sustainable Jobs Plan (2023 – 2025)

1. Establish the Sustainable Jobs Secretariat
2. Create a Sustainable Jobs Partnership Council
3. Develop economic strategies through the Regional Energy and Resource Tables
4. Introduce a sustainable jobs stream under the Union Training and Innovation Program
5. Advance funding for skills development toward sustainable jobs
6. Promote Indigenous-led solutions and a National Benefits-Sharing Framework
7. Improve labour market data collection, tracking and analysis
8. Motivate investors and draw in industry leadership to support workers
9. Collaborate and lead on the global stage
10. Establish legislation that ensures ongoing engagement and accountability

Canada's Sustainable Jobs Plan tells a story of how existing investments contribute to the growth of sustainable jobs, and commits to introducing governance mechanisms through the Secretariat (item 1), the Partnership Council (item 2), and legislation (item 10). Budget 2023 also introduced Investment Tax Credits with labour conditions attached, referenced as another tool contributing to the government's sustainable jobs approach. However, no additional fit-for-purpose programs and resources have been set aside.

The introduction of Bill C-50 (Sustainable Jobs Act), in June 2023 represents another opportunity for the Government of Canada to deepen its commitment to advance a sustainable jobs approach. Should this Bill pass, the Secretariat and Partnership Council would be formalized under law. The Bill also proposes that the Minister responsible for Sustainable Jobs develop five-year Sustainable Jobs Action Plans to increase transparency and accountability. These plans would outline how the federal government would “facilitate and promote economic growth, the creation of sustainable jobs and support for workers and communities in the shift to a net-zero economy”, as well as identify measures each responsible minister must implement, milestones, and a

¹³ *Sustainable Jobs Plan, 4.*

summary of available economic data.¹⁴ Section 5 of this report provides our advice on how to strengthen the governance pillars that Canada’s sustainable jobs plans rest upon.

What has labour been saying?

The labour movement has long fought for policy solutions for better transition management: for more government responsibility, better planning, better communication, and more resourcing for workers experiencing disruptions. To put our framework in context, we have highlighted below several key sentiments we heard from workers and organized labour.

Workers need a seat at the decision-making table

Labour asserts that workers must be included in discussion and decisions that implicate them — often citing the phrase “nothing about us without us”. Having a dedicated forum for workers to be engaged in planning is one of the most important ways to ensure a fair sustainable jobs planning process, and this includes having a seat at the decision-making table. This can be achieved through adhering to a process of social dialogue, which has been adopted as part of the ILO guidelines on just transition, as well as the Paris Agreement.

“You have to bring in the communities and the people and listen to their needs and work with them to create solutions,” – local union president representing miners in British Columbia

The transition to net-zero results in no net job loss

Even though most credible analysis¹⁵ predicts net job growth from decarbonization and energy transition pathways in Canada and around the globe, this point bears repeating. There is still the risk that some workers will become stranded if they do not receive the kinds of information, advice, support, and training to move between opportunities. Similarly, many sustainable jobs will not be in the home communities where we may see some jobs decline. Government intervention and support for workers can avoid a scenario where uneven impacts disproportionately affect workers across Canada.

¹⁴ Bill C-50, An Act respecting accountability, transparency and engagement to support the creation of sustainable jobs for workers and economic growth in a net-zero economy, 1st session, 44th Parliament, 2023. <https://www.parl.ca/LegisInfo/en/bill/44-1/C-50>

¹⁵ International Energy Agency, *Net Zero by 2050: A Roadmap for the Global Energy Sector* (2021). <https://www.iea.org/reports/net-zero-by-2050>

Workers need clear pathways

Workers interviewed for this Blueprint expressed that there are not always direct pathways from ‘traditional’ industries to ‘green’ industries. Some workers will require training, but first they need information about what kind of jobs they should be retraining for. A responsibility lies on the shoulders of government to better communicate where and how workers can access opportunities as they make investments and policy decisions on climate action.

“For stakeholders like us who are actually in the industry that will be affected, information needs to get out, because otherwise, it's going to make a lot of people really nervous and very, very fearful.” – local union president in the auto sector from Ontario

A publicly articulated and agreed upon national vision for a future net-zero economy through a clear industrial policy is one vehicle for communication. Workers need to know what options they should be looking for — and what jobs they should expect and plan to transition to.

Transition should not lower job quality

While there is significant potential for skills transferability, there is a risk that opportunities in ‘green industry’ may not provide the same kinds of benefits or protections if they do not reach the same level of unionization as traditional industries. When workers can collectively bargain and their existing contracts are upheld, new growth industries are able to create decent working conditions that attract and retain workers and enable them to provide for families and sustain their lifestyles. There is a need for concrete measures to ensure that jobs in a net-zero economy uphold the basic tenets of decent work as per the ILO definition, and reflect decent work indicators such as adequate earnings, stability and security, equal opportunity, and safe working environments.¹⁶ Similarly, when companies restructure to align with net-zero pathways it is imperative that the existing workforce are provided opportunities to remain with their employer, that contracts and job quality are upheld, and retraining is provided to their workforce whenever possible.

Workers need adaptable plans to changing circumstances

Workers understand there are uncertainties along the pathways to net-zero by 2050, based on global markets, technological advancements, and political choices. The path to

¹⁶ International Labour Organization, “Decent work indicators.”

2030 is more certain: meeting 2030 goals to stay on a pathway to capping global warming at 1.5 degrees C requires a massive investment and expansion in existing clean and efficient technologies, and key technologies like wind and solar are becoming increasingly cost-competitive.¹⁷ However, major technological advancements are required to achieve net-zero by 2050 and technology pathways are more uncertain. Similarly, the political context is prone to fluctuation, and economic opportunities should be resilient to that.

"I think that we need to have something that's a little more committed so that if government bodies change, that they can't pull back on things that have started." – auto worker from Ontario

The principles outlined in the document are evergreen, like the definition of sustainable jobs, and must be applied and evolve over time.

¹⁷ International Energy Agency, *Net Zero by 2050*.

3. Transition in the energy workforce

One of the barriers to a productive discussion about how Canada should support workers and communities over the next several decades is the many competing perspectives about the causes of change, and what the implications are for society.

An energy transition will result in a mix of changes — the way we get around, heat buildings, manufacture goods, and generate energy will not look the same. But overall, those changes will require a different skillset and will offer new job opportunities for the Canadian workforce.

It is also important to emphasize the reality that the ‘transition’ we refer to — largely related to transformation of our energy systems — is already here. When it comes to oil and gas, jobs in that industry have declined from a high of 390,000 in 2014 to 294,000 in 2022.¹⁸ At the same time, the government of Canada anticipates a shortage of electricians as demand for clean electricity increases.¹⁹

In the following section we unpack some of the driving forces behind the transition in the energy sector specifically.

A look at the coal industry in Canada

In the Pembina Institute’s report *From Coal to Clean* (2021), several key influences contributed to the transition away from coal power in Canada and other parts of the world:

- **Climate action:** Governments have been able to demonstrate significant progress toward emission reduction targets through replacing coal-fired electricity generation — the highest emitting power source — with cleaner renewables.

¹⁸ Statistics Canada, “Table 36-10-0489-01 Labour statistics consistent with the System of National Accounts (SNA), by job category and industry.”
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610048901>

¹⁹ Government of Canada, “Job Prospects: Electrician in Canada,” Job Bank.
<https://www.jobbank.gc.ca/marketreport/outlook-occupation/20684/ca;jsessionid=546D0EBE4799A3A2E65289568E0F0FFF.jobsearch76>

- **Air quality and public health concerns:** Citizens have advocated for reductions in coal, citing concerns about pollutants such as nitrogen oxides, sulfur dioxide, and particulate matter.
- **Poor economics:** The cost of coal power has risen with increasing environmental standards and regulations, while cleaner sources have become more cost-competitive and readily available.
- **Global financial markets:** Investors are pulling equity from coal-fired assets, while major global corporations are seeking lower-emitting power for their operations.

Despite the Governments of Alberta (in 2015) and Canada (in 2018) setting 2030 as the deadline to end coal-fired power, the last coal power plant is set to wind down by the end of 2023 — *seven years ahead of schedule*. While many perceive this to be the work of the Canadian government alone, many of the privately owned companies have chosen to cease or transition their operations due for economic reasons. Impacted workers were left without adequate supports — and although the federal Just Transition Task Force made recommendations to government, not all of these recommendations were implemented, though we remain hopeful that government will adopt them. This underscores the need for government, industry, and labour to ready themselves for shifts that occur due to *mutually reinforcing trends* that accelerate transition.

Climate commitments and global action

Achieving net-zero by 2050 is one of these global trends, yet some see Canada's domestic commitments to reduce GHG's in isolation of broader forces that are outside of our control. New modelling suggests that even if major climate policies like carbon pricing are repealed in Canada, we will still see a decline in jobs in high-emitting sectors that we have traditionally relied on for energy in a scenario where global oil prices reach US\$30 a barrel in 2050.²⁰ Rolling back climate action in Canada will do little to preserve the current levels of fossil fuel sector jobs in a world that relies less on oil and gas.

Getting to net-zero is good for humanity as it prevents the most catastrophic consequences of climate change. Every degree of warming prevented makes a significant difference for our planet and for our health, and the quality of life for future generations, safety of work, and avoiding potential adaptation costs. Getting to net-zero can also be a major job generator which can massively benefit workers — if the right plans are in place.

²⁰ Clean Energy Canada, *A Pivotal Moment*, 11.

Canada's net-zero transition – an opportunity for workers

The Government of Canada has signalled its commitment to turning its net-zero ambitions into a reality, with new milestones achieved over the past few years:

- In June 2021, Canada formally adopted the Canadian Net-Zero Emissions Accountability Act (CNZEAA), which enshrines Canada's commitment to achieve net-zero greenhouse gases by 2050, as well as a 2030 goal of 40% to 45% GHG reduction below 2005 levels.
- In 2022, Canada introduced the 2030 Emissions Reduction Plan (ERP) outlining its plans to achieve its 2030 targets. The recommendations in the ERP signal where the government is headed and what investments and policies it plans to introduce to decarbonize heavy-emitting sectors and meet its legislated GHG reduction commitments.
- In its 2023 Energy Futures report, the Canadian Energy Regulator modelled energy supply and demand projections to 2050 to help decision-makers understand different ways to achieve net-zero emissions.

Canada is taking steps to diversify its energy mix and will introduce a cap on the oil and gas sector, in addition to developing a Green Buildings Strategy, and putting hundreds of millions toward expanding zero-emissions vehicle charging and refuelling infrastructure. In 2022, the Government of Canada also introduced investment tax credits for key net-zero technologies such as hydrogen, clean electricity and clean technology, with additional amounts of credit available for companies willing to offer a prevailing wage and hire a percentage of apprentices, which represents a step in the right direction. While these initiatives will create new jobs for Canadians, managing job changes and preventing jobs losses requires dedicated effort and political will to ensure workers are not left behind.

What we can't forget is that Canada's climate strategy is also an economic strategy. The world is moving in sync toward net-zero, and there is a risk that if Canada does not make these changes now, we will miss out on massive opportunities and see workers moving to more climate-ambitious countries for jobs.

Canadian energy and global markets

Canada's energy economy is highly globalized; it relies heavily on trade relationships with other countries and is thus shaped by global events and fluctuations in commodity

prices that occur outside its borders. For example, the collapse of global oil prices in 2014 caused by rapid growth of U.S. shale oil production and OPEC decisions led to oversupply in the energy markets and culminated in a loss of over 35,000 jobs in the Canadian oilsands by the end of 2015.²¹ Fluctuations in oil prices have also been shaped by Russia's war on Ukraine, which impacts workers and communities reliant on the energy sector.

The passing of the 2022 Inflation Reduction Act (IRA) in the United States also exemplifies the energy sector's global interconnectedness. Specifically, the IRA presented new challenges for Canada to attract foreign capital and investment in clean energy due to the billions of dollars in grants and tax incentives available south of the border. Economists have urged the Government of Canada to match spending on clean technology to ensure that Canada remains a comparably attractive investment climate for automotive, steel and manufacturing sectors.²² Doing so will lead to more jobs, and more economic growth.

The business community is also trending toward environmental and social conscientiousness, compelling industries to set strong environmental, social and governance (ESG) objectives to remain competitive.²³ Increasingly, investors are drawn to organizations with strong ESG imperatives, often in the form of net-zero, diversity and inclusion, and/or compliance commitments. Private finance has begun to realize the opportunity that addressing climate change presents through the introduction of new technologies, business models, and supply chain management that create value for consumers. Similarly, banks, pension funds, and asset managers are increasingly motivated to align private finance with net-zero priorities due to the shifts in priorities of consumers and investors.²⁴

²¹ Wen-Hao Chen and René Morissette, *How Do Workers Displaced from Energy-producing Sectors Fare after Job Loss? Evidence from the Oil and Gas Industry*, Statistics Canada – Economic Insights (2020). <https://www150.statcan.gc.ca/n1/pub/11-626-x/11-626-x2020021-eng.htm>

²² Meghan Potkins, “Canada's auto, steel and manufacturing sectors sound alarm over U.S. inflation act.” *Financial Post*, November 2, 2022. <https://financialpost.com/commodities/energy/u-s-inflation-act-impact-canada>

²³ Doron Telem, “The ESG imperative: Leveraging an integrated strategy to foster transformative ESG change,” KPMG Insights. <https://kpmg.com/ca/en/home/insights/2022/09/the-esg-imperative.html>

²⁴ United Nations, “Mark Carney: Investing in net-zero climate solutions creates value and rewards.” <https://www.un.org/en/climatechange/mark-carney-investing-net-zero-climate-solutions-creates-value-and-rewards>

Domestic labour trends

Not only do global forces influence the energy sector; other trends occurring domestically will impact energy sector workers, as well as many other sectors in the Canadian economy:

Job vacancies: Canada is currently experiencing historically low unemployment-to-job vacancy ratios, meaning that there are few unemployed persons per job vacancy.²⁵ Gains in construction, transportation and warehousing sectors in Alberta have left 100,000 vacant jobs in the province, as workers' skills do not align with opportunities to take up available roles.²⁶

Demographic change: The labour force participation rate fell from 65.2% in 2016 to 63.7% in 2021 due to baby boomer retirements. Due to the increased demand for healthcare services related to an aging population, the number of health care workers increased by over 200,000 in the same timeframe.²⁷ Immigration, greater participation of Indigenous and racialized persons in the labour force, and urban out-migration are other factors that will influence labour availability both positively and negatively.

Automation: Industries have been replacing workers with machines over the course of several decades, and workers we spoke with are concerned about how this will impact their job security. Nearly one in five Canadians are employed in a job that could become automated in the future, leading to a possible loss of 90,000 jobs.²⁸ A study by EY Canada examining the automation potential of jobs in the oil and gas sector found that key job groupings, including equipment operators, facility operations and trades, could see up to a 65% decrease in employment levels by 2040.²⁹

Shareholder interests: In the private sector, business competitiveness drives decision-making that influences their workforce. In response to changing market conditions and

²⁵ Statistics Canada, "Labour shortage trends in Canada," 2022. <https://www.statcan.gc.ca/en/subjects-start/labour/labour-shortage-trends-canada>

²⁶ Lisa Johnson, "Alberta job gains surpass expectations as skilled labour shortage continues to plague province," *Edmonton Journal*, January 6, 2023. <https://edmontonjournal.com/news/politics/alberta-job-gains-surpass-expectations-as-skilled-labour-shortage-continues-to-plague-province>

²⁷ Statistics Canada, "Jobs in Canada: Navigating changing local labour markets," 2022. <https://www150.statcan.gc.ca/n1/daily-quotidien/221130/dq221130b-eng.htm>

²⁸ Rosalie Wyonch, *The Next Wave: Automation and Canada's Labour Market* (C.D. Howe Institute, 2020), 1. <https://fsc-ccf.ca/research/the-next-wave-automation-and-canadas-labour-market/>

²⁹ Lance Mortlock, *Rethinking the oil and gas workforce in 2040* (EY Canada, 2020), 14. https://www.ey.com/en_ca/oil-gas/rethinking-the-oil-and-gas-workforce-in-2040

pressures from shareholders, companies often resort to cutting labour costs through workforce downsizing. According to a report by PetroLMI, a decrease of 7,260 job losses in the oil and gas sector in 2021 could be attributable to business restructuring, lower capital spending, mergers and acquisitions.³⁰

Climate change: The increasing severity and frequency of extreme weather and natural disasters linked to climate change drive change in the job market. Canada will increasingly need workers with skills to both respond to and prevent damage caused by climate-related disasters by adapting infrastructure, buildings, and homes to better withstand the effects of a more extreme climate. Jobs may also be lost in energy and natural resources as climate change and extreme weather impact our ability to access resources.

Growth in environmental fields: Demand for environmental jobs is expected to increase by 8.1%, or 50,100 new jobs in energy efficiency, clean and alternative energy, cleantech, nature conservation, sustainable transportation, green buildings, construction, and water quality; plus an additional 183,400 jobs will become available to replace retiring workers in environmental fields by 2029, with the highest proportion of growth in Alberta.³¹ This expected job growth is greater than the current number of Canadians employed in the utilities sector in 2022.³² These numbers could grow with additional government investment.

³⁰ PetroLMI, *Labour Market Outlook 2021 - 2023* (2021), 5. <https://careersinenergy.ca/wp-content/uploads/2021/08/Labour-Market-Outlook-2021-to-2023-FINAL-3.pdf>

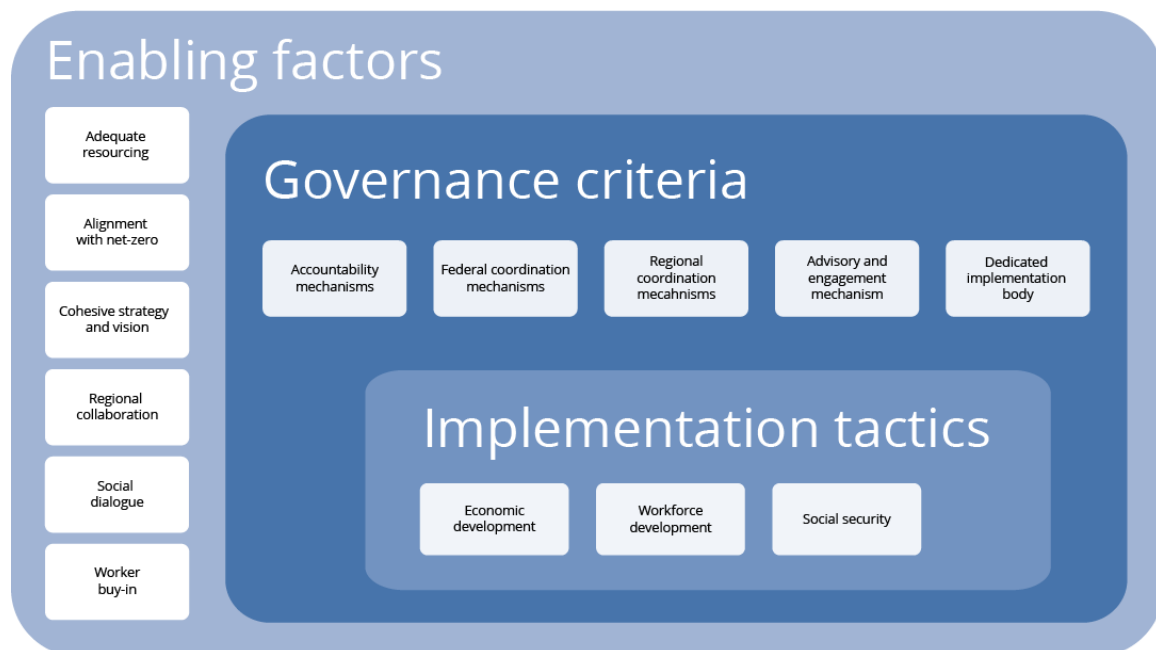
³¹ Eco Canada, *From Recession to Recovery: Environmental Labour Demand Outlook* (2020). <https://eco.ca/new-reports/environmental-labour-demand-outlook/>

³² Statistics Canada, “Employment by industry, annual.” <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410020201>

4. A framework for a robust sustainable jobs approach

Establishing a strong sustainable jobs architecture is the first step in ensuring that Canada is positioned to drive ambitious sustainable jobs planning alongside the transition to net-zero. That is why we have identified a framework that can be used to ensure all elements needed to advance a robust sustainable jobs approach in Canada are in place. To develop this framework, we consulted the International Labour Organization’s *Guidelines for a just transition toward environmentally sustainable economies and societies for all*; examined sustainable jobs approaches from Germany, the United States, Scotland, New Zealand, Spain, and Denmark; met with experts and key thought leaders from think tanks, academia, labour, and environmental NGOs; and held interviews and focus groups with workers and validated the results through a polling exercise.

A framework for a robust sustainable jobs approach



This graphic depicts the key elements needed to advance sustainable jobs plans:

- **Governance criteria** are required to build the right governance framework to set sustainable jobs approaches on the path to success over the long term.

- **Implementation tactics** are the specific policy instruments and programs that governments enact to advance the goals of sustainable jobs planning.
- **Enabling factors** are elements that will enable the success of sustainable jobs initiatives.

Together, these elements work together to create a strong sustainable jobs planning framework. A robust *governance structure*, built on our recommended criteria, would enable the right *tactics to be implemented* to support workers and communities in the transition to net-zero. This could include tactics such as strategic funding, conditions on government funding, well developed skill-building and training programs, or tuition credits, which fall broadly into the categories of economic development, workforce development, and social security.

We outline and expand on our recommended governance criteria in the next part of this section, and will explore implementation tactics in greater detail in a subsequent report. *Enabling factors* apply across both governance structure and implementation plans and will be introduced below.

Enabling factors

Adequate resourcing

The technological shift to net-zero will require \$275 trillion in private and public spending by 2050, globally.³³ The financial resources needed to accompany this shift that accounts for economic and social impacts and change are significant and must not be overlooked. Transitioning towards an economy that is net-zero and built on sustainable jobs impacts hundreds of thousands of workers and communities — including those directly experiencing transition, those who are seeking jobs, or those underrepresented in the labour and economic markets. It's important to remember that sustainable jobs are not just those directly related to a net-zero economy, like renewable energy production, orphaned well remediation and carbon capture, utilization and storage; they are any job compatible with net-zero. This means that the resourcing required for an orderly and fair transition must reflect both the scale and pace of transition — and enable our social and labour systems to realign themselves around decarbonizing technologies and all other industries that society relies upon to function, from healthcare workers to educators to bus drivers.

³³ McKinsey Sustainability, *The Economic Transformation: What would change in the net-zero transition* (2022). <https://www.mckinsey.com/capabilities/sustainability/our-insights/the-economic-transformation-what-would-change-in-the-net-zero-transition>

In this framework, resourcing means that net-zero governance is suitably positioned to function, and that bodies within a governance structure, such as an advisory body or secretariat, can execute their responsibilities effectively. Implementation tactics – investments and programs that advance sustainable jobs – must also have sufficient resources to have a positive impact for workers, communities, and underrepresented groups.

Alignment with net-zero

Plans to transition Canada's workforce to sustainable jobs must ensure that jobs are in fact, sustainable. In the absence of true compatibility with net-zero, and milestones that are aligned with Canada's GHG reduction targets, plans to transition may leave workers and communities behind. Implementation plans and governance must fully capitalize on the potential net-zero has to offer, and avoid the risk of workers becoming stuck in declining industries. For example, coal power plants that are retrofitted to natural gas power plants will have to re-adapt over the coming decades if emissions are left unabated – which could have major repercussions for workers.

Cohesive strategy and vision

A clear vision and strategy to achieve net-zero emissions by 2050 has not yet been set. The Government of Canada's 2030 Emissions Reduction Plan includes the measures it will take to achieve GHG reduction goals by 2030; however, the implications of this plan for workers are not fully articulated, nor were additional supports to help workers introduced at the time. Beyond 2030, technologies and pathways to achieve emissions reductions that enable Canada to meet its international commitment become more uncertain. A sustainable jobs plan must therefore be a part of the Government of Canada's broader climate agenda so that workers and communities understand pathways for the future and can plan accordingly. A clearly articulated net-zero industrial policy, accompanied by a sustainable jobs workforce development strategy, would give workers and communities an indication of the industries that Canada intends to grow and capitalize on, creating jobs and economic growth potential.

Regional collaboration

Transitions unfold at the regional and local level; therefore, efforts to establish a nation-wide sustainable jobs plan must reflect the diverse communities, regions, provinces and territories that make up Canada. Implementation tactics must be grounded in local values and directly address local and regional challenges and opportunities that are unique to each place. For example, urban communities face a

different set of challenges than rural, remote, or resourced-based communities when it comes to transition, and these must be considered when developing economic development and diversification supports.^{34,35}

Sustainable jobs governance structures must also include a strong element of collaboration between different orders of government. Different levels of government are more strategically placed to enact key pieces of sustainable jobs plans, based on constitutional division of powers. Formalizing collaboration as part of governance structures for sustainable jobs will increase the likelihood that Canada can move as a united front to advance an orderly and fair transition to net-zero that supports workers, communities, and underrepresented groups.

Social dialogue

As noted in Section 2, we have heard calls from workers and labour that they need a seat at the decision-making table. A concrete way to ensure that sustainable jobs plans are informed by those who are impacted by transition is by establishing a commitment to social dialogue.

Unions and labour organizations have worked tirelessly to advocate for the concept of social dialogue to be a core piece of planning the transition to net-zero. The International Labour Organization defines social dialogue as “all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy”.³⁶ Furthermore, the Government of Canada has already committed to abide by a social dialogue process as part of their interim Sustainable Jobs Plan — but concrete mechanisms are needed to get this right.

Social dialogue includes parties related to work: workers, employers, and government. The participants may be expanded beyond this to build consensus and bring in expertise. When appropriate, stakeholders such as communities, underrepresented groups or educational institutions should be consulted through sustainable jobs governance structures, and be engaged to provide input into how implementation tactics are designed, put in place, and improved over time to ensure continued

³⁴ Vancouver Economic Commission, *Best Practices for a Just Transition in Vancouver* (2021). <https://vancouvereconomic.com/research/best-practices-for-a-just-transition-in-vancouver/>

³⁵ Wilderness Committee, *Voices and Vision of Northern British Columbia* (2021). <https://www.wildernesscommittee.org/publications/voices-and-vision-northern-british-columbia>

³⁶ ILO Social dialogue page

relevance. At a minimum, communication with affected groups should be prioritized not only to inform workers, communities, and underrepresented groups of the supports and opportunities available to them, but also to establish dialogue about the direction and shape the net-zero transition takes as it unfolds.

Worker buy-in

For Canada to meet bold and ambitious climate targets, the world of work will inevitably change. Workers themselves are enablers of change and will be more amenable to these changes if they feel secure about their future, have the right tools and information, and are respected. Failure to do so could result in backlash and to resistance to change which ultimately could leave Canada struggling to meet climate targets and the economic goals set out by the Act. Governance structures must support effective policies that are clearly communicated to workers through trusted channels. We will expand on these ideas in our next report.

Governance criteria

Accountability mechanisms

Accountability mechanisms are a key part of a good governance model: they hold decision-makers responsible to their commitments. There are several different forms such mechanisms can take that involve clearly articulating intentions, setting pathways to measure progress, and adapting them over time.

Guiding principles are one way to set high-level direction that all responsible parties must abide by. They represent the core tenets that should inform all government policies, programs, and investment. For guiding principles to be effective they must be adopted sincerely and put into practice; thus, they only represent the first step in an accountability framework. Developing key performance indicators could help establish important baselines and metrics against which to measure progress.

The highest level of accountability involves enshrining commitments into law, holding government legally responsible to enact its policy obligations, and in such, increasing their profile. Both Spain and Germany have put in place ‘just transition laws’ that accompany commitments to decarbonize economies and phase out high-emitting sectors such as coal.

Federal coordination mechanisms

Federal coordination — or a ‘whole-of-government approach’ — recognizes the many intersecting policy areas that are involved in a policy objective such as achieving a transition to sustainable jobs and net-zero. A whole-of-government approach has been used to address climate change and Indigenous reconciliation — both complex, multifaceted challenges. Each department or policy area holds a critical element that must advance efforts to achieve a goal, and thus departments must coordinate and collaborate.

Federal coordination can involve assigning responsibilities connected to a goal to government departments and establishing regular forums to align efforts and respond to challenges in the most efficient way. A whole-of-government approach to sustainable jobs planning could involve embedding guiding principles into department’s policy and program goals.

A dedicated group housed within government could be established to coordinate efforts to share information and work with other departments to achieve a specific policy goal. For example, the Scottish Government established the National Just Transition Planning Framework and a junior ministerial post, the Minister for Just Transition, Employment and Fair Work, to set objectives and lead coordination. In the absence of a ‘sustainable jobs champion’ or coordination effort, competing policy objectives could overshadow the broader objective to achieve a transition to sustainable jobs and net-zero.

Policy integration is a critical outcome of federal coordination, especially when it comes to policy areas of climate change, sustainable jobs, and economic growth. Federal coordination could lead to policy development that advances multiple objectives simultaneously, such as investment tax credits with conditions attached that incentivize investment in clean energy technologies and require industry to compensate their workers at a fair wage. For example, the United States’ Inflation Reduction Act mandates the use of Project Labor Agreements on federally funded large-scale construction projects. These collective bargaining agreements broadly specify wages, benefits, and working conditions, and ensure health and safety protections.

Regional coordination mechanisms

Regional coordination is another governance criteria necessary to advance sustainable jobs approaches. When it comes to sustainable jobs planning in Canada, it is important

to note that heavy-emitting, manufacturing and energy industries are regionally concentrated and thus, change will unfold unevenly across the country.

Regional coordination mechanisms between the federal government and the provinces, and among the provinces, can help distribute resources more effectively, for example by allocating specific funds to help economically diversify changing regions or economically disadvantaged places.

While Canada is a complex federation with distinct regional dynamics, lessons can still be gleaned from other countries. Spain used Just Transition Agreements, a co-governance tool between the national government and autonomous communities, to establish regional just transition action plans for coal communities. Similarly, city region and regional growth deals were struck between local governments, the Scottish Government and the United Kingdom to identify opportunities for economic diversification.

Advisory and engagement mechanism

Governments commonly establish advisory bodies to connect with and hear directly from different interest groups and experts before or during policy development. The scope of work for advisory bodies can vary but often involves providing independent expertise, undertaking stakeholder engagement, and providing oversight to government action.

According to our scan of international best practices, an ideal structure for an advisory body established as part of sustainable jobs planning includes labour and other groups who hold a stake in the transition to net-zero. Such bodies were able to offer a unique set of perspectives and expertise that added value to policy design by communicating the needs of these groups to decision-makers. While the membership of these bodies offers expertise, groups often also undertake their own engagement processes to identify and synthesize additional perspectives.

For example, Germany launched a 28-person coal commission to provide advice to government in response to their decision to end coal subsidies. Members of the commission included unions and workers, as well as other stakeholders representing a wide range of interests. The recommendations they provided to the German government were adopted and enshrined into new legislation to support workers and transitioning regions. In this instance, the uptake of advice helped legitimize the process.

In another example, New Zealand established the Taranaki Transition Lead Group which included workers, impacted regions, and measures to ensure Māori, the Indigenous peoples of mainland New Zealand, were full partners in transition planning. The recommendations developed by this group were actioned into a plan for the region to aid in the transition to net-zero by 2050. Involvement from Indigenous peoples and communities as well as equity groups can promote inclusion in new economic pathways and dismantle barriers to participation in the workforce.

Dedicated implementation body

A dedicated implementation body is committed to enacting critical pieces of the broader policy initiative. In our recommended framework, the implementation body could be established internal to government to advance all pieces of the governance framework, including accountability, federal and regional coordination, and advisory and engagement mechanisms.

Establishing a dedicated implementation body can ensure that there is a clear and central group with a mandate to provide oversight, tracking, coordination, and advancement of a policy goal such as transitioning toward sustainable jobs and net-zero. This group could also take on an explicit policy and research function to lend additional insights and capacity toward the policy objective.

For example, the New Zealand Government established the Just Transition Unit (JTU), housed internal to government, and divided into two areas: Transition Strategy and Just Transitions Partnerships. The Transition Strategy group examines impacts of climate policy on range of stakeholders in the long term, while the second group has an operational purview and works with affected groups on challenges that they face today. Together, the JTU has led the development of regional working groups to develop roadmaps for transitioning regions in New Zealand.

5. Recommendations for sustainable jobs governance

In the previous section we outlined a framework for what would make up a robust sustainable jobs approach in Canada, grounded in the need to put workers at the centre. This section outlines governance recommendations for actions the Government of Canada should take in the near term to strengthen the current sustainable jobs approach.

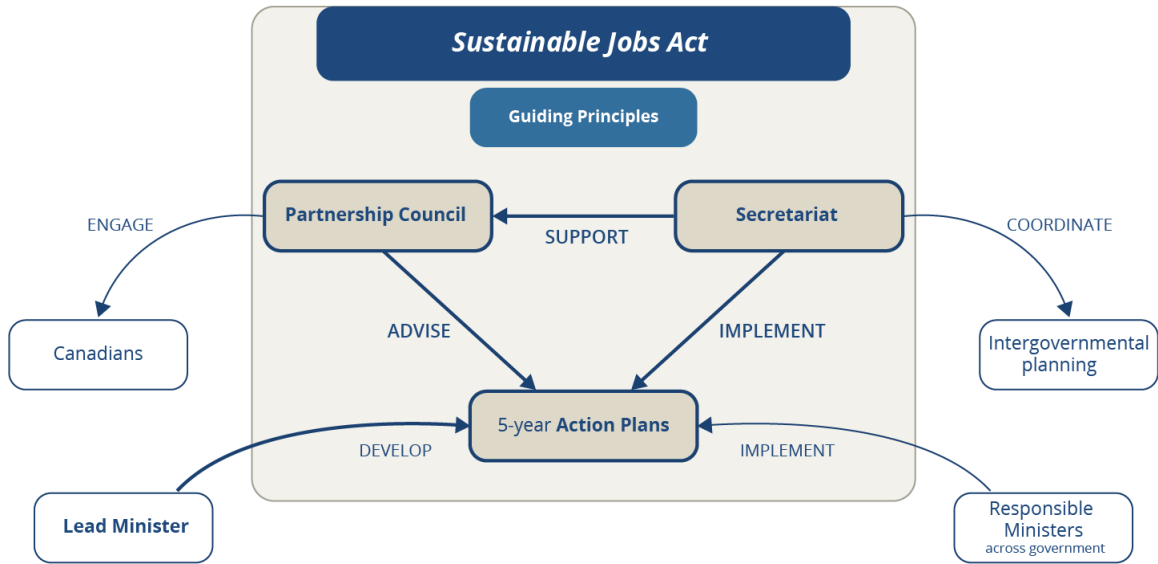
Bill C-50, *An Act respecting accountability, transparency and engagement to support the creation of sustainable jobs for workers and economic growth in a net-zero economy* (herein referred to as the Sustainable Jobs Act) was tabled in the House of Commons on June 15, 2023, by the Minister of Natural Resources. This Act is a part of the interim Sustainable Jobs Plan launched in February 2023 and provides a legal framework to help facilitate sustainable job creation and support workers and communities as the world moves to net-zero.

At a high level, the Act:

- Outlines **guiding principles** to facilitate engagement, accountability, and ground action in best practices.
- Directs the creation of a **Sustainable Jobs Partnership Council** tasked with providing advice to government based on engagement with workers, communities, and others;
- Directs the creation of the **Sustainable Jobs Secretariat** to support the implementation of the Act, support the Partnership Council, and coordinate work across federal departments.
- Directs the creation of a **Sustainable Jobs Action Plans** every 5 years and progress reports to ensure the government is transparent and accountable on its sustainable jobs commitments.

This Act represents an important first step. Enshrining the governance bodies, reporting requirements, and principles into law demonstrates that the Government of Canada intends to advance this policy area. We welcome the tabling of the Act, and the governance pillars that will be implemented as a result. We consider these first actions to be in line with our framework.

Pillars of Canada’s Sustainable Jobs governance approach:



This chapter will outline the advice from the Pembina Institute and Canadian Labour Congress (CLC) around our priorities for changes in the Act, as well as implementation guidance pertaining to the structure and operations of the governance elements created by the Act once it has passed. It is structured across the following three areas, based on our governance framework:

- Strengthening the Act
- Setting the **Partnership Council** up for success
- Establishing an effective **Secretariat**.

Strengthening the Act

Add additional guiding principles to the preamble of the Act

The preamble of the proposed Sustainable Jobs Act includes a set of guiding principles that reflect the notions of social dialogue, decent work, advancing equity, and international cooperation, all of which are critical to the success of sustainable jobs efforts.

However, we have identified a number of additional principles we wish to see reflected in the Act to guide the federal government as they implement sustainable jobs strategies and advance climate mitigation and adaptation work:

a. Align workforce investments, programs, and supports with pathways to achieve net-zero by 2050 and limit global warming to 1.5 degrees Celsius.

Sustainable jobs are jobs that are compatible with the pathways to achieve net-zero greenhouse gas emissions by 2050; it is therefore critical that the sustainability element of the Sustainable Jobs Act be clearly stated and upheld. Practical steps to adopting this principle through the proposed sustainable jobs framework could involve creating a legislative link between the Sustainable Jobs Act and the Canadian Net-Zero Emissions Accountability Act, or creating a formalized process to bridge the Emissions Reduction Plan and Sustainable Jobs Action Plans to ensure they mutually reinforce one another. These ideas are expanded upon later in this document.

b. Preserve job quality for workers transitioning to sustainable jobs.

Many jobs in emissions-intensive industries are known for their good wages and high rates of unionization, benefits, advancements in health and safety, job security, and pensions. Labour reminds us that unions are key agents of change and have, over decades, successfully achieved higher industry job standards through negotiating collective agreements and participating in labour relations with employers. The working standards achieved by labour in emissions-intensive industries must be carried forward into net-zero compatible industries. While there are many technological pathways to net-zero, all of them should be built on the promise of decent work.

c. Avoid undue disruption to workers whenever possible.

We heard from workers that a fair outcome is one where they experience as little disruption as possible. In a practical sense, this means if workers must change jobs, they want to remain in their home community, access local retraining opportunities, and whenever possible, stay with the same employer in a similar role with similar compensation. Keeping workers rooted in place keeps communities and regional economies functioning. For example, workers employed at an internal combustion vehicle manufacturing plant would typically prefer to stay at the same plant once it is retrofitted to manufacture electric vehicles.

An orderly and fair transition is one where changes to energy systems do not disproportionately impact workers.

d. Expand on the principle of equity and inclusion to address the specific needs of displaced workers, youth, and newcomers.

Presently, the Sustainable Jobs Act includes a guiding principle that requires the approach to be inclusive and address barriers to employment and employment creation for those underrepresented in the labour market, including women, persons with disabilities, Indigenous peoples, Black and other racialized individuals, 2SLGBTQI+ and other equity-seeking groups. Economic benefits of the transition to net-zero must be distributed more fairly across the population, and workforces must become more reflective of Canada's population, and this must be achieved through investments and programs spurred by sustainable jobs plans. At the same time, additional groups have a unique stake in the sustainable jobs dialogue and must also be given explicit consideration in the broader landscape:

- *Displaced workers* are a key interest group for the purposes of sustainable jobs plans and approaches. Workers who lack straightforward job options to transition toward, or who lack a clear understanding of skills transferability potential and retraining options, risk falling through the cracks. Workers who lose their jobs because of transition must receive the information and support to help them on their journey toward a net-zero compatible career.
- *Youth* are the workers of tomorrow; the choices they make early on in their education will shape the trajectory of the future workforce. Youth must be informed explicitly of their options, given accessible labour market information, and receive support on how to access and achieve success in sustainable careers. This is critical in a world where we expect a high demand for labour in sustainable growth sectors and labour shortages in key industries.
- Specific support for *newcomers to Canada* is also essential. Newcomers bring unique skills and perspectives that can add value to Canadian businesses and help fill labour shortages – and must therefore be empowered to participate in sustainable fields and receive support to do so, considering language and credential verification needs.

Consider the unique circumstances of rural, remote, resource-dependent, and transitioning communities

Not all regions will experience change along the path to net-zero in the same way. The transition will unfold unevenly, and new industries and opportunities will not all arise in the same places. All sub-national governments, including provinces, territories, regions, municipalities, and Indigenous governments — east and west; north and south;

remote, rural, and urban — hold a unique set of challenges and opportunities, and different set of tools to address them.

Solutions created through sustainable jobs plans must reflect the need for a tailored and distinct approach that matches Canada’s vastness, complexity and diversity in economy, values, and geographic landscapes. For example, some communities may be naturally endowed with an abundance of sun and wind to make them competitive in renewable energy markets; rural and remote communities may be positioned to attract new industries that develop new economic hubs; and small communities may be able to collaborate to compete for government funding. This may extend to focussing development of renewable or low-carbon industries in communities seeing decline in carbon-intensive industries. For example, the IRA Energy Community Tax Credit Bonus applies a bonus for projects located in energy communities. The Government of Canada must keep these communities in mind when developing programs and allocating support and investments to advance climate and sustainable jobs goals.

Strengthen and add key definitions

The Act contains several definitions at the outset to clarify terms and help convey the contents and overall intention of the legislation. Our advice to ensure that sustainable jobs plans are aligned with net-zero pathways must not only be reflected in the Act’s guiding principles, but in these legal definitions as well.

a. **Net-zero economy**

Net-zero economy means an economy that is aligned with Canada’s climate change commitments that involves the most likely pathways to achieve net-zero emissions by 2050 in a matter that prioritizes emissions reductions over removals.

b. **Sustainable jobs**

A sustainable job means any decent, well-paying, high-quality job that is compatible with Canada’s net-zero economy (as defined above) and a climate resilient future, that can support workers and their families over time, and includes such elements as fair income, job security, social protection, and social dialogue.

These terms are referred to often throughout the text of the Act, and it is therefore critical that a clear understanding of these terms be made up front.

Strengthen reporting requirements around key policy areas

The Sustainable Jobs Act requires that the lead Minister develop forward-facing Sustainable Jobs Action Plans, published every five years starting in 2025, that outline

how the Government of Canada intends to facilitate and promote economic growth, the creation of sustainable jobs, and support for workers and communities in the shift to the net-zero economy, as well as measures that must be taken by relevant Ministers to achieve key milestones. Action plans must also include a summary of available data related to economic growth and labour markets in a net-zero economy, as well as report on the progress made toward previous plans. The Act also requires the lead Minister to publish progress reports outlining steps taken on previous action plans at the midway point between each five-year interval.

Based on our research, we have identified key policy themes where we expect to see actions taken by government to advance sustainable jobs plans. We recommend that these policy areas be named in the text of the Act to ensure adequate coverage across all elements of sustainable jobs approaches, representing a comprehensive policy package.

At a minimum, Action Plans should create and/or strengthen measures across the following four policy areas:

1. **Governance actions**, which could include:
 - reporting on how the government intends to continuously improve its existing sustainable jobs approach, adhering to the criteria outlined in the framework (e.g., accountability, federal coordination, regional coordination)
2. **Economic development**, which could include:
 - investment and diversification strategies in transitioning regions
 - industrial strategies, including the use of labour conditions on tools such as investment tax credits, community benefits agreements which address both training, wages, and other factors, etc.
 - strategic financial transfers
3. **Workforce development**, which could include:
 - labour market data collection and analysis
 - job transition centres and job-seeking services
 - tuition tax credits for youth
 - reskilling programs for displaced workers
 - training programs targeted toward underrepresented groups
4. **Social security**, which could include:
 - modernizing and adapting Employment Insurance
 - early retirement supports
 - mental health programs for workers

The ideas listed under each theme are not meant to be exhaustive. Pembina and CLC plan to investigate specific tactics and strategic policy instruments that the Government

of Canada should focus its initial efforts on to include as part of the current interim Sustainable Jobs Plan, and the 2025 Sustainable Jobs Action Plan. The findings from this work will be made available in our next report in this Blueprint series.

Ensure coordination between Sustainable Jobs Action Plans and Emissions Reduction Plans

The Minister of Environment and Climate Change Canada and the lead minister identified as part of the Sustainable Jobs Act must collaborate when developing Emissions Reductions Plans and Sustainable Jobs Action Plans. In this process, both Ministers must consult with the Net-Zero Advisory Body and Sustainable Jobs Partnership Council and consider their advice.

This recommendation may involve legislative changes to the Canadian Net-Zero Emissions Accountability Act. Establishing a legislative link between these two plans will strengthen policy coherence on climate policy, workforce development, and economic development, which can result in better outcomes for workers and communities.

Setting the Partnership Council up for success

The proposed Act establishes a Sustainable Jobs Partnership Council to provide independent advice to the lead Minister and other specified Ministers on measures to foster the creation of sustainable jobs and to support workers, communities and regions in the shift to a net-zero economy. The Act, if passed, would require the lead Minister to set the terms of reference for the Partnership Council. The following section outlines our advice for the terms of reference to ensure the Partnership Council is structured well, is given the right mandate and tools to execute work, and has meaningful role in shaping the future trajectory of sustainable jobs plans.

Establish terms of reference aligned with the Act's principles

The terms of reference will set forward the scope, structure, and conduct of the Partnership Council. It should provide enough direction to Council members and support staff on how to proceed with its work, and contain a clear mandate and responsibilities to guide its work.

a. Specify membership composition and background

Allot a minimum of one-third of member seats for union representatives

Presently, the language in the Act suggests that there must be a balance of members who represent labour, Indigenous organizations, and industry. Those representing labour must be from a recognized trade union or central labour body to ensure they reflect the interests of membership and the worker voice. Workers, through their unions, are social partners along with governments and employers. The full participation of workers in this body is essential to Canada abiding by the definition of social dialogue as set out by the ILO, and in commitments made in the legislation as tabled and the interim Sustainable Jobs Plan.

Ensure all members are committed to advancing a net-zero transition and supporting workers

Given the mandate of the Partnership Council to engage Canadians and provide advice to government, it is essential that members involved in the dialogue are supportive of the forward momentum needed to transform industries and the economy to respond to the climate crisis. A member who is in favour of the status quo, or low-ambition, incremental solutions that could potentially jeopardize Canada's plan to meet its climate targets, will not be able to participate in constructive dialogue about transition. It will be important for industries of the future to participate on the Partnership Council to help inform skills development plans that enable them to have access to workers with the right skills.

Include an understanding of transitioning regions – especially rural, remote, and resource-dependent communities – in the knowledge, expertise, and experience criteria

Workers who may face disruption because of transition are just as likely to be attached to the places they live as they are to their employment status. We know from the coal transition and other natural resource transitions that communities face a unique set of impacts when the cornerstone industries they depend on transform or decline. This is particularly true for communities that are rural, remote, and/or resource-dependent who are more vulnerable to experiencing ripple effects from transition in the form of lost municipal tax revenue, population out-migration, decreased home values, and increase in demand for social services. The Partnership Council must include members with deep knowledge or experience of community transition impacts to ensure the council has the capacity to investigate transition holistically.

b. Expand on responsibilities

The terms of reference should clearly articulate the purpose, mandate, and activities of the Partnership Council. Presently, the Act dictates that the Council is responsible for advising responsible Ministers on ways to: create and grow sustainable jobs; address labour force impacts from the net-zero transition; strengthen economic and labour market data; and, improve the effectiveness of programs and policies. The Council is also responsible for engaging relevant partners and stakeholders. Additional lessons from past and present advisory body work can be adopted by the Partnership Council to position them for success.

We recommend that the terms of reference expand on the two key areas of responsibility of the Partnership Council holds in the following ways:

Engagement responsibilities

The Partnership Council would be responsible for developing and directing a comprehensive and wide-reaching engagement and consultation strategy, a key component of which is meeting directly with communities, workers, and underrepresented groups across Canada. The results of this engagement would be the foundation upon which the advice to government rests.

This is a best practice to emulate from Canada's Task Force on Just Transition for Coal Power Workers and Communities, which travelled to communities across the four provinces impacted by the coal phase-out to meet face-to-face with workers and communities. Task Force members heard from people affected by the phase-out and were able to develop a better understanding of the complex and nuanced impacts communities and workers were experiencing to establish a thoughtful worker- and community-centred set of recommendations to government. Council members would be able to delegate engagement responsibilities to members of its support staff.

Advice to government

The Council should be regularly consulted by the lead Minister on the development of the Sustainable Jobs Action Plans. Advice from the Council should also be sought on the means of evaluating, monitoring, and reporting on progress on sustainable jobs planning, including metrics to measure success. Finally, advice from the Council should be sought on annual budget spending, program adjustments, and Emissions Reduction Plans.

Under the Act, the lead Minister is required to take the advice of the Council into account when preparing Sustainable Jobs Action Plans. For the Partnership Council's efforts to be worthwhile, they must be regularly provided the opportunity to speak directly with decision-makers to increase the likelihood that their advice will be adopted. A more collaborative approach to developing the Action Plans could contribute to meaningful policy change and uptake. It would also honour the principle of social dialogue and thus more accurately reflect the interests of workers, communities, and underrepresented groups in decision-making.

The terms of reference should require the lead Minister and Council to meet at regular intervals, such as quarterly, to discuss the progress of Action Plan development and advice and direction from the Partnership Council. Similarly, the Council should be able to provide advice into the means of which progress is measured and work with the lead Minister to set evaluation metrics for the progress reports required in the Act.

Since the Action Plans are released only every five years, the Partnership Council should be provided additional opportunities to inform investment and program development related to sustainable jobs, including through the budget cycle, program adjustments and improvements, and overall sustainable jobs governance structure. As mentioned previously in this report, this must include a process for the Partnership Council to provide input and advice into the Emissions Reductions Plans, and engage directly with the Minister of Environment and Climate Change, to ensure alignment between climate plans and sustainable jobs goals.

Strike working groups to investigate specific lines of inquiry related to sustainable jobs

The topic of sustainable jobs requires knowledge across many different subject matter areas. Working groups can be struck to enable members to more fully engage in areas that align with their areas of expertise and interest.

Provide adequate resources to ensure that the full breadth of opportunities and risks of transition can be considered

Adequate resourcing is necessary to ensure the Partnership Council is equipped with the tools and capacity to tackle the complex multifaceted challenges that come with the sustainable jobs policy area and the ability to deliver on all aspects of an ambitious mandate.

We recommend that the Partnership Council be equipped with staff holding expertise in the areas of research, policy analysis, engagement, government strategy, and administrative capacity.

This must include hiring sufficient full-time support staff with the research and analytical capacity to help translate findings from engagement and deliberations into sound, achievable, and implementable advice to government. The Partnership Council's support staff must also include administrative and logistical capacity to enable Council Members to undertake its consultation and engagement responsibilities. The learnings from the NZAB's capacity requirements, combined with the breadth of the work and engagements expected of the Council, make it clear that significantly more staff resources should be dedicated to the Sustainable Jobs Secretariat.

Formalize the relationship with the Net-Zero Advisory Body

Formalizing the relationship between the NZAB and Partnership Council will increase the likelihood that advice from these advisory bodies will consider aspects of both sustainable jobs and net-zero to enhance policy coherence.

We recommend that the relationship between the Net-Zero Advisory Body (NZAB) and Partnership Council should be formalized through a memorandum of understanding. This should include opportunities for the NZAB and Partnership Council to collaborate, especially when providing advice toward Emissions Reduction Plan and Sustainable Jobs Action Plans, regular meetings between the two bodies, and collaborative consultation and communication efforts when appropriate. This will help increase the profile and work of these groups and thus of the subject matter which they seek to advance. The MOU should also make clear to decision-makers and government that the two advisory bodies are considered equal and that advice from one should not be prioritized over the other.

Establishing an effective Secretariat

While many organizations have recommended the establishment of a Just Transition Ministry or Institute, such as the ones established in Scotland and New Zealand, the Sustainable Jobs Secretariat — if correctly set up with the proper resourcing, policy focus, and responsibilities — has the potential to improve whole-of-government policy integration and provincial, territorial, and federal coordination, as well as to provide a much needed source of information and support for workers. The following section describes the areas of work the Government of Canada should define for the Secretariat to advance progressive sustainable jobs approaches.

Define focus areas for the Secretariat in line with the Act's principles

We recommend that the Government of Canada structure the work of the Sustainable Jobs Secretariat under the following focus areas:

Workforce development

A workforce development team would help advance a pan-Canadian process to determine the education, training, and skills development needs specifically related to sustainable jobs plans. This team would be responsible for undertaking labour market data acquisition, analysis, and gap identification; convening stakeholders (e.g., educational institutions, unions, and employers) to create a national workforce development dialogue; and, creating guidance on net-zero skills and sustainable jobs workforce development for provinces and territories.

Presently, there is no coordinated approach to workforce development in Canada. While the Government of Canada has created training and skills development programs for workers, such as the Union Training and Innovation Program, the provinces hold constitutional jurisdiction over workforce development and labour market development. The federal government also funds provinces to support the advancement of workforce and labour development through transfer agreements, which are allocated and implemented on a province-by-province basis. The Secretariat's workforce development team would aim to bridge the sustainable jobs dialogue across Canada to harmonize policy approaches across and between different orders of government to advance sustainable jobs plans.

Programs and service delivery

Building off the commitment made in the 2022 Fall Economic Statement to establish a 'one-stop shop' for workers, a programs and service delivery team would be dedicated to the provision and management of both worker and community services and outreach. This team would help connect workers and communities to programs and funding for reemployment, retraining, mental health support, community capacity building, EI enhancements, and relocation, as well as economic development and diversification planning for regions in transition. Working with the Sustainable Jobs Training Centre, the programs team would also help identify gaps in service delivery to inform future program development, as well as manage a jobs bank built through liaising with employers in sustainable jobs fields. Staff of the programs team would be responsible for information and programs at both the federal and provincial levels in their home

province to ensure workers are able to consider all options and supports available to them.

Workers we spoke with often referenced the lack of clarity of information and support about the transition to net-zero. Communities would also benefit from having a centralized yet accessible centre of information to streamline possible options to manage and prepare for possible transition impacts. Thus, the programs team would prioritize both service delivery and outreach to proactively engage workers and communities in dialogue on transition, and inform and connect them to the best possible information and support.

Federal coordination

A federal coordination team would facilitate whole-of-government planning on sustainable jobs. This team would be responsible for building internal structures that articulate clear roles and responsibilities across federal departments, including in areas related to industrial policy and climate change. Representatives of the federal coordination team would be embedded across relevant government departments in key policy portfolio areas to enhance connectivity.

Sustainable jobs approaches implicate many different policy areas across government, included but not limited to: environment, economic growth, social security, regional development, Crown-Indigenous relations, and immigration. These issues are complex and multifaceted; thus, this team would ensure the right mechanisms are in place to advance sustainable jobs plans and programs in a concerted and coordinated way, find synergies across different federal departments, and ensure broader consideration and inclusion of sustainable jobs priorities.

Regional coordination

A regional coordination team would facilitate relationships and coordination with local, regional, provincial, and territorial governments to advance economic development and diversification in transitioning regions. A key function of the regional coordination team would involve assessing the status and building off the work of the Regional Energy and Resource Tables with a focus on developing comprehensive place-based economic diversification strategies in regions experiencing transition, particularly in rural, remote, and resource-based economies.

The Regional Energy and Resource Tables in some provinces, such as British Columbia, have begun to strike productive collaboration forums to identify and advance promising opportunities that help increase Canada's competitive advantage in global supply

chains, promote sustainable resource development, and grow regional economies. In the provinces where the work of the tables has advanced, the regional coordination team would leverage existing coordination forums to analyze the needs of transitioning regions and direct current and future investments with explicit consideration for rural, remote, and resource-based economies.

Take a strategic approach to Secretariat structure by establishing understandings with key departments

We recommend that the Secretariat sign MOUs with key government departments to ensure it remains accessible and integrated with existing work to adequately fulfill its responsibilities. A core team of Secretariat Staff would remain within the department of the lead Minister. Relationships could be formalized via the focus areas as described above.

Workforce development

A working group for this team should involve Employment and Social Development Canada, Department of Labour, Statistics Canada, Environment and Climate Change Canada and Innovation, Science and Economic Development Canada to make connections among workforce development, economic development, and climate work. This team would also establish an MOU relationship with the Future Skills Centre, the Sustainable Jobs Training Centre, and the Secretariat's own regional coordination team to leverage regional partnerships.

Programs and service delivery

As this team would be modelled in a way that is most accessible to workers, through tailored, personal peer support both in-person and online, an MOU could be signed with Regional Development Agencies who already hold existing relationships in communities.

Federal coordination

The federal coordination team should have a working committee with representatives of each of the key departments implicated in sustainable jobs planning, including Natural Resources Canada, Environment and Climate Change Canada, Employment and Social Development Canada, Innovation, Science And Economic Development Canada, Regional Development Agencies, Crown-Indigenous and Northern Affairs Canada, Immigration, Refugees and Citizenship Canada, Statistics Canada, and potentially others.

Regional coordination

The regional coordination team should work with Regional Development Agencies to leverage existing expertise in these departments and connections with provinces and territories.

6. Conclusion and next steps

Through this report, we aimed to make a case for a robust sustainable jobs governance framework, and suggested the best ways to achieve this based on our research. There is a clear need for the federal government to increase its ambition with regards to sustainable jobs and move forward with swiftness and intention to prepare workers and communities for transition, and prepare our institutions to respond to the changes that are already beginning to unfold. To reiterate a few key messages from this work:

- **Workers and communities must be at the centre of sustainable jobs planning:** Therefore, government must create space for social dialogue to inform its current and future plans. The first step is setting up the Partnership Council for success.
- **Net-zero is one of many drivers of change in Canada's workforce and economy:** Therefore, government must be as prepared as possible to address the socioeconomic effects of net-zero transition occurring within Canada's borders, but accelerated at a rate and intensity driven by global trends.
- **Net-zero is an opportunity for workers and communities with the right plans in place:** Therefore, Canada must position itself as a clean energy leader and capitalize on the massive investment and economic growth opportunities that a global net-zero transition offers. This must be done through intentional planning, inclusive consultation, and strategic spending and program development.
- **Decent jobs are the foundation of net-zero:** Therefore, government policies must ensure workers in transitioning industries experience as few disruptions as possible and have access to the same or better standards in net-zero jobs.

What's next?

The implementation of the governance framework is a critical next step for the Government of Canada. The Pembina Institute and Canadian Labour Congress are eager to see our recommendations considered as this stage of the sustainable jobs plan unfolds. It is critical that this governance framework is complemented by a strong suite of implementation measures. In our next report, we identify strategic tactics and provide advice on specific measures, investments, policies, and programs that the Government of Canada should enact related to economic development, workforce development, and social security.

