



econext

Accelerating Clean Growth
Newfoundland & Labrador

Just Transition

Feedback on the Government of Canada's Just Transition Initiative
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About econext

econext is a not-for-profit association of businesses that accelerates clean growth in Newfoundland and Labrador (NL).

NL is a province with immense clean growth potential. Its vast untapped clean energy resources provide for substantial renewable energy, hydrogen, and clean fuels opportunities. It is an innovator in creating value from waste streams and is home to a world-leading cluster of expertise in the sensing, characterization, and monitoring of the environment. Its current strengths in its natural resource sectors, from offshore oil and gas to mining, are helping to pave the way for the energy transition.

econext works on behalf of over 200 members to foster environmentally sustainable economic development. *econext* members provide products, technologies, and services that help improve environmental performance in a wide variety of industries, including: energy (renewable and non-renewable), mining, forestry, fishery, aquaculture, agriculture, and more.

To achieve its objectives, *econext* focuses its activities and initiatives in six (6) areas by providing:

- a support framework for entrepreneurs and startups;
- networks to help increase productivity and competitiveness;
- tools to encourage and foster innovation;
- export and international business development programming;
- training and professional development opportunities to build capacity; and
- leadership on policy and advocacy issues

As *econext's* work is cross-cutting through the province's economy, it provides the organization with a unique and holistic perspective on the concepts of green jobs and the just transition specific to NL. **This document is a response to the Government of Canada's discussion paper titled ['People-Centred Just Transition'](#).**

The Just Transition and Green Jobs in the Newfoundland and Labrador Context

As described by the Government of Canada, a 'just transition' involves: preparing the workforce to fully participate in the low-carbon economy while minimizing the impacts of labour market transitions; identifying and supporting

inclusive economic opportunities for workers in their communities; and putting workers and their communities front and centre in discussions that affect their livelihoods.

The just transition is strongly tied to the concept of 'green jobs', which the *International Labour Organization* defines as follows:

"Green jobs are decent jobs that contribute to preserve or restore the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging green sectors such as renewable energy and energy efficiency. Green jobs help: 1) improve energy and raw materials efficiency, 2) limit greenhouse gas emissions, 3) minimize waste and pollution, 4) protect and restore ecosystems, or 5) support adaptation to the effects of climate change."

This underscores the importance of viewing the concepts of the just transition and green jobs through the lens of a region's unique economic drivers and opportunities; what constitutes progress can change drastically from one region of Canada to the next – and even between neighbouring provinces.

To that end, in 2022 *econext* published a research report (in partnership with ECO Canada, the Maritimes Energy Association, and funded by the Atlantic Canada Opportunities Agency) titled "*Atlantic Canada's Green Potential – Jobs and Skills Toward Clean Growth*". This report involved one-on-one interviews with 60 key stakeholders across the region in the private sector, government, and academia to better understand what a green job meant in the Atlantic Canadian context. The report can be found [here](#).

The Just Transition as a Shift in Priorities and Expertise

The term just transition often conjures up images of a mass shift in employment from fossil fuel industries towards renewable industries. This is a challenging prospect in NL for a number of reasons.

First, the offshore oil and gas industry is likely to be an important economic driver for many years to come. The industry is the largest contributor to economic prosperity in NL, responsible for between 25-30% of provincial GDP while supporting thousands of direct jobs and indirect employment. The industry is a primary driver of research and development and clean technology innovation in NL. This industry is likely to grow as it has the capability to develop some of the least intense greenhouse gas (GHG) emissions projects in the world. Whether or not this growth materializes, the industry will continue to sustain its workforce for the medium term.

Second, while there are [enormous opportunities in NL for clean energy development](#), it is unclear when projects will be developed, what form they will take (e.g., type of renewable energy / technology), or what the size and scope of the emerging industry will be. NL has recently already made a substantial investment into clean energy (Muskrat Falls hydro) which will push the composition of the province's electricity system to just below 100% renewable. With no requirement for grid or domestic clean energy, most clean energy projects for the foreseeable future will be for export or pairing with heavy industrial development. Such developments are complex, difficult to predict, and challenging to prepare for (or count on).

Thus, for these reasons, planning for a just transition – if it is viewed as a linear movement in the workforce from non-renewable energy to renewable energy – holds little logic in the NL context. *econext* views the just transition as a concept that is more about a shift in priorities and expertise towards environmental protection and improvement, versus being a wholesale shift from one industry to another.

The Best Green Job is the One You Already Have

econext's research has helped it to understand that some of the best green jobs are the jobs that already exist – with the addition of relevant knowledge and skills related to climate change, emissions reductions, environmental performance, etc. Taking this perspective on concepts like the just transition and green jobs will support and enable improved environmental performance at the macro level and fundamentally shift the economy at large towards clean growth.

For example, pressures to decrease GHGs and improve environmental performance in offshore oil and gas operations are creating green jobs opportunities within that industry. The continuous and aggressive pursuit of net zero will have the same affect across the provincial economy.

NL is a resource-based economy. The province has historically relied on oil, mineral, fish, forestry, and agriculture resources. All of these industries are primed for growth in the near and medium term. NL has a coastline of more than 29,000 km and thus the ocean is core to many of its industries and the way of life; the province is home to an internationally competitive ocean technology sector which originated to support the province's primary industries but now exports to every corner of the earth.

It is within this context that the concepts of a just transition and green jobs should be strategically applied. The most immediate opportunities are related to the greening of existing industry, and as such the provision of training and education resources for the existing workforce should be of paramount importance. To support near term

opportunities, post-secondary programming should be adjusted or created to meet the needs of the low-carbon economy as they relate to NL. And to facilitate long term change the K-12 educational system should be reviewed and amended as required.

econext is engaged with government, community, industry, and academic partners in NL hoping to pursue these activities in the near future.

Putting Workers and Communities Front and Centre

The just transition and the growth of green jobs will look different from one region to the next depending on the many factors that makeup an economy or the potential for future growth in a particular area.

As NL is a small province, it will be challenging for its unique circumstances to be reflected within a nationally focused initiative. Indeed, NL has struggled to proactively (or event reactively) engage with the federal government on clean growth opportunities.

In order for a just transition to be effectively pursued in NL, action must be reflective of the decidedly provincial needs and opportunities that relate to it. If the definition of the just transition includes "*putting workers and their communities front and centre in discussions that affect their livelihoods*", then national initiatives must allow for substantial input from and response to individual provinces.

It is through this NL-centric lens that *econext's* response to the discussion paper are applied.

Responses to Engagement Questions

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

econext is supportive of actions that help accelerate clean growth in Canada. However, the federal government should be cognizant of the speed at which change is occurring. In a short period of time the national discussion on climate change has drastically changed, and substantial action has been taken to aggressively fight it. Workers and communities who are singled out as 'problems' when it comes to GHGs are likely to be defensive of their way of life and their economies. The message should not be that these workers, their communities, and the industries which drive them must be transitioned away from. Instead, workers and communities should be given the tools to

help turn these environmental challenges into opportunities. The fight against climate change is a situation that requires all hands; the “us versus them” mentality is divisive and counterproductive.

Are the draft just transition principles meaningful to you?

The principles are meaningful. However, it should be accepted that absolute social consensus may not be possible with respect to specific pathways to net zero. Where can consensus be achieved? Where is there divergence in thought? Going through this exercise may help with the prioritization of activities. *econext* agrees that policies and programs in support of the just transition must be designed in line with regional circumstance. In the case of NL, policies and programs should be provincial in nature. Where consensus on certain aspects are not achievable on the national level, regional consensus may be more possible.

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

Yes. It must also be understood that a just transition is not an immediate change. It is an evolution that will take place over many years. If net zero by 2050 is the objective, the same time horizon should be used for workforce transformation and development.

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

Provincial government participation is paramount in this process. Industry and the business community must also be key stakeholders. The private sector will be the provider of the majority of the green jobs that will help facilitate a just transition, and thus their insight on the opportunities to do so (and the needs associated with that) are important.

Who should be on the advisory body?

The body should adhere to best practice with respect to engagement and include representatives from government, industry, academia, and community. The advisory body should include the participation of representatives from each province and territory to ensure that regional views are clearly articulated.

What should be the mandate of the advisory body?

The mandate of the advisory board should be to provide guidance to the federal government on what types of actions can be taken to support a clean growth vision that benefits workers and communities. To develop this guidance, substantive and meaningful public engagement will be required with workers and communities. Research should be undertaken to understand global best practices and approaches to the just transition, recognizing that Canada’s economic and cultural circumstances are unique as compared to other nations and thus actions may not be universally applied. The advisory body should apply this same logic to Canada itself,

recognizing that the economies and cultural circumstances of the provinces within it differ to a great degree. Canadian ingenuity should be leveraged to develop new and innovative approaches to the just transition to meet these uniquely Canadian needs, and the advisory body can help facilitate this. The advisory body should be mandated to focus on areas of convergence to help build national unity and not stoke division in areas where there are divergent opinions which cannot be reconciled.

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

If the advisory body is created primarily to inform the federal government, it will not survive election cycles. With net zero by 2050 being a key focus and driver of just transition efforts, it would be ideal for the advisory body to survive changes in government. With this in mind it should aim to inform governments at all levels, industry and the private sector, academia and research institutions, and communities and workers themselves.

What is the best way to ensure that regional and local views are heard?

For the advisory body to meet its objectives, substantive and meaningful public engagement will be required with workers and communities. This is difficult, and top-down approaches will not yield ideal results. Resources should be provided on a per capita basis to each of the provinces and territories. The federal government can negotiate with the provinces to best understand how to achieve more granularity, whether that be through regional organizations, municipalities, not-for-profit organizations, etc. Unfortunately, achieving the level of engagement that truly reflects perspectives at the worker and community level is going to require investment, determination, partnerships, and patience.

How should the advisory body engage Canadians?

See above. To acquire worker and community feedback, the advisory board will need to engage directly with workers and communities. Organizations that are representative of workers and communities can provide excellent feedback, however it should be accepted that these organizations are not infallible in all cases. 'Boots' will need to be on the ground to engage in primary research, and appropriate time must be provided for this extensive work to take place.

What role should the federal government play in supporting the work of the advisory body?

The federal government should provide provinces with the resources that they need to adequately inform the advisory body. The mandate of the advisory board should be made clear with specific tasks as to achieve desired outcomes and avoid conflicts that arise from ambiguity.

Other Questions for Consideration

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

From an NL perspective the opportunities related to a low-carbon economy can be separated into two categories. First, the aggressive and strategic pursuit of net zero within key industries will future-proof the provincial economy and create green jobs. The challenges associated with this are related to the up-front costs associated with the research and development and technology adoption that will be required. Second, the development of NL's enormous untapped clean energy resources – from hydro to wind to offshore wind. The biggest barrier to such development is getting the energy to those that need it - whether that be in the form of electricity or clean fuels. NL already has a grid that is nearly 100% renewable, and thus its future energy potential is export oriented. Getting these energy resources to 'market' is complex. NL has the potential to be a global leader in clean energy development, low-emissions oil and gas production, and CCUS – however, targeted supports are required.

What would a successful transition to net-zero emissions look like for your sector or community?

A successful transition to net zero is one that is based on fact and evidence and strategically undertaken to maximize economic development and innovation. Emissions reductions are prioritized, but offsets are recognized as an important tool. The decarbonization of the economy is pursued aggressively domestically, while low-emissions oil and gas activities are embraced as a worthy effort in the global fight against climate change. Barriers to renewable energy developments and clean fuels production are removed and support is provided to kickstart investment and action.

Which government policies or programs have been successful in supporting workers and/or businesses in your community/sector?

The *Emissions Reduction Fund Offshore Research, Development, and Deployment* stream has been highly effective for NL. This fund helped to fundamentally shift the thinking of local industry by providing its workforce with real opportunities to contribute to emissions reductions efforts in their own industry while utilizing their skills and education in new ways. Job subsidies for cleantech / clean growth (such as those that are delivered through programming from ECO Canada and others) have been valuable, however they are too restrictive. These programs are typically restricted to new graduates and youth. Making these more broadly applicable to the current workforce (post-secondary graduation year and age notwithstanding) would allow for them to have a similar fundamental impact as the ERF described above. Ultimately, the best way to create green jobs is to invest in (or enable) major emissions reduction or clean energy projects.

What gaps in government policies and programming exist to adequately prepare workers for future “green” employment opportunities? Which, if any, anticipate and react to potential employment disruptions?

The recent *Sectoral Workforce Solutions Program* intake – with a specific focus on clean growth – is a good example of the type of action that can have an important and profound impact on preparing workers. However, the issue with these types of programs is that they are national in scope, competitive in nature, with short timelines for the development and submission of proposals. Small jurisdictions (and conceivably regions) like NL are at a disadvantage with such programs because there is little capacity available to build the partnerships and attract the investment necessary to make projects competitive in such a short period of time. This is not necessarily a ‘gap’ in policy and programming, but rather a challenge with the approach that is typically deployed. NL would be far better served if federal policies and programming the supported “green” employment opportunities had budget allocations for the province. A specific challenge in NL however is its lack of economic development resources at the community or even regional level. Only a select number of municipalities have the resources to dedicate to economic development, and even fewer are able to dedicate resources to sustainability and/or the environment. “Green” employment opportunities are driven by clean growth and environmentally sustainable economic development. Thus, the greatest gap in NL is a human resources one. An investment into a small number of economic development officers focused on clean growth could help to fundamentally shift the province’s successful pursuit of net zero by 2050.

How do we go about ensuring that just transition policies are nationally cohesive, regionally driven, and locally delivered?

The federal government should be realistic in its expectations of how ‘nationally cohesive’ just transition policies can or should be. Canada is a large country. There are substantial economic and cultural differences from province to province, region to region. Issues related to economy and environment can be divisive. The first step should be gaining an understanding of where convergence is possible, and where divergences are likely to be challenging to overcome. Where commonalities exist, the federal government can work quickly and efficiently to achieve progress. Where differences exist, provinces/regions should still be expected to apply the principles of a just transition in recommending policies and programming, but it should also be recognized (and accepted) that the results will not be universally agreed upon nationally. Yet by undertaking this exercise, it may be discovered that the specific needs of particular regions have common aspects that can be serviced collectively by policies and programming despite their differences. To ensure just transition policies are regionally driven and locally delivered, the federal government should engage directly with provinces to understand how this can best be achieved. In NL a broad collaboration between the provincial government, post-secondary institutions, labour organizations, municipalities, Indigenous communities, and industry can be achieved and facilitated by a group like *econext*.