



A Future Beyond Fossil Fuels and a Just Transition for Workers and Communities

Many Green Budget Coalition recommendations are aimed at facilitating a transition to an economy less reliant on the oil and gas sectors, a dynamic change that is already in motion as new technologies provide substitutes for fossil fuels, as major investors reduce their exposure to a declining sector, and as countries worldwide ramp up their ambition to mitigate climate change.

However desirable that transition, it will not happen unless we can also facilitate a transition toward desirable alternatives. Basic concepts of social welfare argue that in the transition we need to be concerned with the fate of fossil fuel sector-dependent workers and communities, and our recommendations on just transition respond to that immediate need. Going further, if those stakeholders cannot see a prosperous future for themselves beyond fossil fuels, their resistance to change will hobble any efforts at transition. As such, our recommendations for managed decline of the oil and gas sector are necessarily complemented by recommendations for the managed ascent of alternative sources of prosperity.

The impacts of COVID-19, especially on the oil and gas sector, demonstrate the urgency for the government to follow through on its promise to move forward a national just transition strategy, giving workers access to the training, support, and new opportunities needed to prosper today, and in the future.

While undertaking this legislative process, the Green Budget Coalition strongly encourages the Government of Canada to follow through on the recommendations provided by the Task Force on Just Transition for Canadian Coal Workers and Communities,²⁶ and to initiate broader consultation and analysis on just transition in Canada with industries beyond coal.

Embedding a just transition in Canada's budget and climate policy will set a strong precedent as the world moves to a low-carbon economy. Providing tangible support to workers and communities impacted by actions that reduce or eliminate processes that produce carbon pollution will also increase public support for complementary climate policies at the federal level.



Photo: Lianho Qu

²⁶ <https://www.canada.ca/en/environment-climate-change/services/climate-change/task-force-just-transition/final-report.html>



Photo: William Topa

The Green Budget Coalition encourages the federal government to:

- Implement the Task Force on Just Transition for Canadian Coal Workers and Communities' full suite of recommendations.
- Identify opportunities to scale up just transition funding for all workers in industries impacted by a transition to a low-carbon economy and the communities that rely on these industries.
- Move forward with legislation and creation of a robust Just Transition Act to support workers and communities. Create an adequately funded federal authority that has the mandate to move forward with a national just transition strategy, whose work is informed by experts from diverse fields including organized labour, the environment, economic development, and social work.
- Create a major innovation fund, along the lines of the US Advanced Research Projects Agency (ARPA-E) or the Alberta Oil Sands Technology and Research Authority (AOSTRA), both of which built the foundations for transformational change in the energy sector. The fund should have an explicit mandate to support R&D, scaling up and commercialization of technologies that can help Canada diversify away from its reliance on fossil fuels as an engine of economic growth, and have a geographic focus on those areas currently most dependent on such growth.
- Within that broad program of support, complement open (sector-neutral) competition for funds with mission-oriented programmes aimed at transformative technologies needing patient, risk-tolerant investment, such as green hydrogen production and utilization, and commercializing the manufacture of carbon fibre.
- Build on and ramp up pilot projects such as Calgary Economic Development's Edge Up, that work in partnership with existing educational institutions to retrain unemployed workers from the oil and gas sectors.

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