

Canada's Sustainable Jobs Legislation

Written by: Aliénor Rougeot, Program Manager,
Climate and Energy

**MEDIA
BACKGROUND**
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The legislation must be aligned with our climate commitments and be a catalyst for localized planning.

As countries worldwide move away from oil and gas towards sustainable economies, Canada must phase out of fossil fuels and transform its high-carbon industries. This shift will ensure Canada can meet its climate targets while creating a more prosperous and inclusive economy.

Following up on its action plan "to advance economic prosperity and sustainable jobs", the Government of Canada tabled its proposed Sustainable Jobs Act, Bill C-50, on June 15th 2023. Around the world, countries have used similar legislation to legally commit the government to support workers and communities throughout the shift to a low-carbon economy, instilling certainty and clarity as they navigate the transition. Although welcome, Canada's proposed legislation has important gaps. Members of Parliament and Senators must use the parliamentary process to strengthen it.

The proposed Sustainable Jobs Act must be amended to bolster its climate ambition, enhance support for workers, uphold Indigenous rights, and facilitate effective regional planning.

Background: The importance of robust 'just transition' plans.

The term 'just transition' was coined by labour unions in the 1970s to describe a process through which workers inform environmental policies in order to minimize their social and economic costs and ensure that benefits are shared fairly. This typically results in governments developing programs such as training and income support to remedy the negative impacts of the policy, and stimulating economic activity to generate local jobs and revenue streams.

The Canadian government owes workers a plan that ensures the transition away from fossil fuels is fair and orderly. The government has the necessary resources and tools to anticipate and respond to the transition, which individuals lack, and government policies will at least be partially responsible for the economic shift.

Successful 'just transition' planning will allow Canada to better seize the opportunities of the economic transformation, by ensuring workers are skilled and trained to build the new economy. It will also increase public support for higher climate ambition, as workers and communities across the country experience the benefits of the transition to a green economy - such as new jobs, diversified local economies, and greater participation in the planning process. Finally, a well-planned transition can and must close equity gaps, by allowing governments to provide

targeted support to marginalized groups so they can be an active part of the new economy being built.

Canada's work to date

Internationally, Canada has committed to enacting a just transition by, signing the Paris Agreement (2015), championing the Powering Past Coal Alliance Declaration (2017), endorsing the Solidarity and Just Transition Silesia Declaration (2018), and signing on to the COP26 and COP27 final decision texts (2021, 2022).

Domestically, in 2019 the federal government committed to advancing a just transition. However, the drafting of legislation has been slow.

The Commissioner for the Environment and Sustainable Development published [an audit on Canada's progress on a just transition](#) (2022) which found that "the federal government was not prepared to support a just transition to a low-carbon economy." The commissioner recommended the creation of a governance structure that takes a whole-of-government approach, engages key stakeholders, conducts a gap analysis of existing support programs and regularly monitors the progress on just transition outcomes.

In February 2023, the federal government released its interim [Sustainable Jobs Plan](#), which summarized existing support programs and made commitments to create a dedicated government body ('Secretariat') an independent advisory body ('Partnership Council'), and to follow 'sustainable jobs' principles in-line with the International Labour Organization's [principles for the just transition](#). In June 2023, the [Canadian Sustainable Jobs Act](#) was tabled, defining rules to guide the membership, responsibilities and reporting requirements of the aforementioned Secretariat and Partnership Council, which includes the requirement for an updated Sustainable Jobs Action Plan every five years.

Environmental Defence [welcomed the legislation as a good step](#) but argued that it does not align with Canada's climate and Indigenous rights obligations, does not guarantee support for workers in high-carbon industries impacted by the transition, ignores the vital importance of subnational transition planning efforts, and lacks urgency with the next action plan not due for release until after the next federal election.

The promised Sustainable Jobs legislation must fill important gaps left by Canada's current strategy

Environmental Defence, Ecojustice, IISD, Equiterre and Bluegreen Canada published [Proposals for the Canadian Just Transition Act](#) to make recommendations on the key elements of the legislation. These recommendations are based on best practices from jurisdictions around the world that have already implemented just transition laws: the European Union, Scotland, Spain, Germany, and New Zealand.

Canada's current Sustainable Jobs legislation is missing the following elements, which must be addressed as the Act moves through Parliament:

- **Alignment with Canada’s climate commitments.** Canada’s sustainable jobs strategy must be underpinned by credible research and analysis about which economic sectors will allow us to meet our climate targets while sustaining economic prosperity. This means the legislation should make explicit links to Canada’s net-zero commitments, for example articulating how the Sustainable Jobs legislation and the Net Zero Emissions Accountability Act interact. Failure to do so risks moving people and capital towards false solutions such as carbon capture for oil production or fossil hydrogen, meaning workers and communities could be transitioned to dead-end industries and Canada will fail to meet international and domestic climate obligations.
- **Mechanisms for localized and sectoral planning** that involve affected people and communities. The federal government must enable local, regional or sectoral transition planning by providing technical, financial and administrative support to those who want to develop projects in line with the objectives of the legislation. This is particularly important for Indigenous nations who should be empowered to advance Canada’s climate goals on their own terms. Canada’s current approach, the Regional Energy and Resource Tables, does not offer that kind of targeted support, and discussions are stalled in several parts of the country.
- **Support programs for workers and communities that act as insurance policies during the transition period.** Canada’s current plans deny the need to transition away from fossil fuels, and in doing so, fail to put in place sufficient support programs for workers and communities who may be temporarily impacted during the transition period. While the legislation will not deliver specific programming, it must mandate and empower all relevant actors to develop programs like income support, early retirement, retraining and upskilling.
- **Bringing impacted groups and experts to the table** by ensuring the Partnership Council is made up of individuals who have experience and expertise in a broad range of topics, including in the key sectors involved in the shift to a net-zero economy, the representation of workers, labour market forecasting and adjustment policies and Indigenous participation in the workforce. Similarly, the Partnership Council and Secretariat must be sufficiently resourced to engage communities across Canada to identify their specific needs in the transition.



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For more information or to request an interview, please contact:
media@environmentaldefence.ca