

## SYSTEM RESTART: RECOMMENDATIONS FOR A GREEN & JUST RECOVERY

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### ISSUE:

The federal [COVID-19 Economic Response Plan](#) has rightly taken steps to support individuals, households and small businesses through wage supports, access to credit and tax relief. However, there is a risk of repeating the mistakes of the 2008 recession and perpetuating negative social and environmental outcomes if subsequent government recovery programs focus on unconditional industry bailout packages with no targeted stimulus for environmental or social infrastructure.

### KEY RECOMMENDATIONS:

- **Resilience:** The federal government should explicitly expand the goals of recovery packages to include environmental and social justice objectives in order to prepare for future crises by building more resilient social and economic systems. Bailouts should help to meet people's needs, including access to health, food, water, basic services, respect for human rights, and good governance preserving the biodiversity and healthy climate we rely on as a life support system. Bailouts should also foster resilience against the impacts of climate change, other environmental crises, and potential future pandemics, rather than focus on traditional measures of macroeconomic performance.
- **Sustainability:** New investments should focus on laying the groundwork for a more sustainable economy. These include: clean energy and sustainable transportation infrastructure (e.g., support to public transit agencies that have lost revenue, including financing measures to reduce and ultimately phase out fossil fuel-powered fleets and make transit more affordable and ultimately free); natural infrastructure and nature-based solutions (e.g., protection of forests, wetlands and other ecosystems); and sustainable agriculture and food systems.
- **Justice:** The current health and economic crisis is exposing systemic social and economic inequalities in Canada related to gender, racialized communities and migration. Greenpeace encourages the federal government to seek the advice of these marginalized communities on how to design its long-term recovery policies to reduce systemic social inequality.
- **Reconciliation:** Indigenous Peoples have unique rights within our legal system. The current health crisis is once again highlighting the ongoing legacy of colonialism faced by Indigenous communities, including a lack of clean drinking water and suitable housing. The federal government should consult with Indigenous communities on actions needed to protect the health of First Nations, Inuit and Metis communities in the near-term, as well as how longer-term recovery policies may advance reconciliation and the respect of Indigenous rights. This should include:
  - Full recognition of Indigenous title and rights. The recovery strategy should not be an excuse to bypass or ignore these rights, and should instead contribute to the protection, respect, and fulfilment of the rights of Indigenous Peoples, including to their ancestral lands and territories.
  - Full implementation of the [United Nations Declaration on the Rights of Indigenous Peoples](#), including the right to Free, Prior and Informed Consent and the right to maintain, control, protect and develop their traditional knowledge.

- **No bailout for oil and gas:** We should support workers in the oil, gas and petrochemical sector, but not corporations whose business models expose us to greater collective risk by accelerating climate change, pollution and biodiversity loss. These companies are already eligible for support via the existing federal COVID-19 Economic Response Plan and should not get an additional bailout.
- **Strong conditions:** Where the federal government decides to provide companies or sectors with bailouts, such support packages should come with strict conditions to protect workers and accelerate the transition to a low-carbon economy. Greenpeace recommends the following conditions:
  - Companies should have or should produce a sustainable business plan that includes a clear and credible direction towards real carbon neutrality in line with limiting global warming to 1.5 degrees Celsius and operating within all planetary boundaries (including zero-waste). For example, support to auto manufacturers should include a requirement for credible plans to phase out production of internal combustion engines.
  - Companies receiving bailouts should not have any cash flows to the shareholders (e.g.. no dividends or share buybacks) and no additional cash to management (e.g., no bonuses).
  - Companies receiving bailouts should maintain employment levels and pay (in contrast to the 2009 auto bailouts that allowed for massive job losses). Wages and related packages should not be renegotiated to the disadvantage of workers. There should be no disadvantageous change in worker representation on boards or other decision-making bodies.
  - Companies receiving bailout should end tax evasion and avoidance. This includes ending the use of tax havens.
  - In case of (partial) nationalizations, the bailout should happen at current highly-devalued asset prices or at even more discounted prices. The federal government should also use its ownership role to embed social and environmental objectives within corporate governance.
  - Government support cannot be accompanied by weakening of environmental and social rules.
- **Transparency:** As we learned in the response to the 2008 financial crisis, a lack of transparency is an invitation for backroom lobbyists to secure benefits that protect their profits at the expense of the public. Governments should consult as broadly as possible and, at a minimum, maintain a publicly-accessible [bailout database](#) that includes relevant analyses on the bailout's social, labour and environmental impacts.

## INFORMATION

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