



Work Plans

2019

Natural Resources Centre

2019 WORK PLAN

OUR ENERGY FUTURE

Canada is facing an uncertain energy future. Climate change and health concerns are driving a transition to cleaner sources of energy. At the same time, our country's wealth depends on exports of fossil fuels, demand for which is increasing globally. These two concurrent realities are playing out in an environment of increasingly strident and polarized debate. And the decisions that we make will have important and wide-ranging ramifications – for our environment, our prosperity, our quality of life and our global influence.

Smart energy

Our work in 2019 will help Canadians to understand the country's complete energy picture – both what we use at home and what we can sell abroad – identify credible sources of information, and recognize the ways in which different choices result in trade-offs. Specific projects will include:

- a travelling roadshow in partnership with various other think tanks and involved organizations that brings energy expertise to university campuses (a project that was deferred to 2019 to accommodate our work on Bill C-69).
- engagement with electricity producers, transmitters and users across the West on the need for a more integrated electricity grid.
- the development of a new scorecard approach to rank the performance of Canada against other countries in terms of energy production and consumption.

Carbon and climate policies

Carbon emissions and climate change affect everything from energy development to skills training to trade. While they already receive a lot of attention in the media and among researchers, there are some important gaps in the conversation.

In 2019, we will:

- tackle the issue of how responsibility for GHG emissions is attributed and the implications that follow from the current model, as well as what a more global outlook on emissions accounting looks like.
- develop a framework to identify what makes a good climate policy, including a set of metrics that can be used to rate existing or proposed climate policies using criteria such as effectiveness achieving desired outcomes, cost, equity, local impact, global impact, innovation, accountability and reporting burden.

Getting things built in Canada

It is increasingly difficult to get things built in Canada. A *Globe & Mail* editorial in June, 2018 stated that our society has become “too fussy, risk-averse, fractured, bureaucratic and litigious” to be able to build the type of infrastructure that originally made Canada great – and that we are falling behind globally as a result.

In 2019, we will continue to analyze, report on and influence policies – such as Bill C-69 – that affect whether major infrastructure gets built in the future.

The Natural Resources Centre champions
the responsible development of western canadian resources
to safeguard canada's prosperity.

Getting to 'Go'

Removing regulatory barriers to energy innovation

Innovation is key to Canada's transition to a cleaner energy sector. But in many cases, regulatory processes are slowing, and sometimes preventing, the adoption of innovations that could reduce GHG emissions and lower costs. This project will analyze the nature of the regulatory barriers and recommend changes to increase flexibility and adaptability without sacrificing the environment or well-being. In 2018, we conducted interviews and undertook research to understand the scale and scope of the problem. We published our report *Hot Commodity: Geothermal electricity in Alberta*, as a test case of the regulatory challenges facing a burgeoning clean energy technology.

In 2019, we will continue publishing reports and case studies on this topic – we will also hold a series of workshops and roundtables to engage innovators, regulators and others who are instrumental to the successful adoption of innovation in developing solutions.

Success in the Making

Effective partnerships between Indigenous communities and resource firms

Indigenous communities are increasingly forming alliances with natural resources firms to create economic opportunity and enhance self-sufficiency. However, too often the stories of these alliances remain untold. Our Natural Resources and

Human Capital Centres are working with Indigenous partners to highlight successful examples. In 2018, we completed a series of roundtables, and embarked on deep-dive case studies in Lac La Ronge (SK) and Lax Kw'alaams (BC) to document some of the ways success can happen.

In 2019, we will continue working with a range of Indigenous groups across the four western provinces to help further economic reconciliation through sharing experiences, expectations and plans for resource development partnerships and projects.

Adaptation

Getting ready for the challenges of tomorrow

A number of mega-trends are shaping how Canada operates in the world. Climate change. Shifts in geopolitics and global economic power. Demographic changes and a rising – and moving – world population. Technological acceleration. How prepared are we to face these challenges? What resources are needed, or can be leveraged? What new opportunities will emerge as a result of these shifts? This project, a collaboration of all three Centres, will help to answer these questions and lead the way to a sustainable, prosperous future for the West. In 2019, we will begin by examining what these trends are, and what effects they may have. We will then focus in on identifying how selected communities and others can adapt to both the negatives and the positives that these changes will bring.

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Trade & Investment Centre

2019 WORK PLAN

OUR TRADE FUTURE

Western Canada, and the country as a whole, have been rocked by repeated trade shocks from our two largest trade partners, the United States and China. Responding to these shocks means we must hold on to the trade opportunities we already have – and make gains in new markets. A new Pacific Rim agreement is opening Asia; market and technological changes are opening opportunities for new export industries uniquely suited for Western Canada like plant protein; and in all this Canada has advantages over one of its main rivals in foreign markets, the United States. In 2019, we will produce research, policy responses and public education on opportunities in this era of trade disruption.

China's relationship with Canada's West

China is the second-largest trading partner for each of the western provinces and for Canada as a whole, but there is still more we can do to improve trade and engagement with China. Our work on China will involve multiple fronts:

- In 2019, we will examine the implications of *Made in China 2025* (MIC2025), China's economy-wide industrial policy to become a superpower in advanced manufacturing capacity and technologies. This major research project will identify new areas of comparative advantage and potential investment conflicts for Canada with a particular focus on issues and opportunities for western Canada.
- Canada's agricultural exports to China have been hit by a series of non-tariff irritants such as plant disease control issues, which could be addressed through negotiations and agreements apart from a comprehensive free trade agreement. We will categorize agricultural trade issues with China, identify what relief China has granted its other trade

partners through its various trade agreements and develop an agenda for Canada to engage China on these issues to provide relief and protection for western Canadian farmers.

- We will continue the *China Brief*, a newsletter published every two weeks to help policy-makers and business to track developments in China of importance to Western Canada and our efforts to engage China. The brief, launched in 2018, has built a dedicated following for its strong overview of China-related policy and current affairs with a western Canadian lens.

How to deal with trade disruption

In every trade agreement, there are many winners – but also some losers. How do governments make decisions to provide compensation and transition assistance to those disrupted? How much is based on emotion or specific lobby efforts, rather than evidence? And which is fairly distributed? In 2019, we will conclude work begun in 2018 and publish a major report on mapping out mechanisms for Canadian government to provide assistance for individuals, communities and businesses affected by trade liberalization and to determine appropriate levels of assistance and compensation.

Province-state relations in the age of Trump

In an era when Washington, D.C. is locked in a stalemate and trade tensions continue to emerge, direct engagement by the provinces with their U.S. counterparts is more critical than ever. We will research and convene experts to define areas where sub-national engagement can be most effective and identify ways to make this engagement, which started during the USMCA negotiations, continues, is successful and lasting.

The Trade & Investment Centre advances the interests of Western Canada's export economy to hold on to existing markets, open new markets and have the trade infrastructure to reach both.

Building more and better strategic trade infrastructure

In Canada, and especially the West, we are fortunate to produce much of what the booming global markets want and need. But we lose out when we don't get our goods to markets fast or reliably enough – if at all. We will conclude our work on how to improve trade infrastructure by linking the private sector and its sophisticated logistics supply and production chain information to government decision-making to get trade infrastructure spending right.

The path forward for globally competitive plant ingredient processing

Since we released our 2017 report *Sprouted: The plant ingredient opportunity taking root on the Prairies*, the federal government has funded a plant protein supercluster in the Prairies, and foreign investment and interest have increased. Yet questions remain as to whether the Prairie provinces have the necessary capacity, regulatory frameworks and other assets needed to fully realize this opportunity. In 2019, we will provide recommendations to create a world-leading plant ingredients processing regulatory system in Canada, with possible implications for broader food processing regulatory reform.

Trade and competitiveness

In a turbulent time for global trade, with Canada fighting to defend its interests and open new markets, we will continue to provide evidence-based, non-partisan commentary in media interviews and public engagements, especially in the areas of North American and Pacific Rim trade.

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Human Capital Centre

2019 WORK PLAN

OUR SKILLS FUTURE

Changing world markets, automation and artificial intelligence are disrupting every workplace. In 2019, the Human Capital Centre has an ambitious agenda that builds on earlier work to show the way to implement a competency-based approach to workforce development and deployment. This will unlock the potential of our workforce and our education and training investment. The Centre will continue to champion the importance of basic skills to employment for individuals and economic success for the country.

New, different work for laid-off oil and gas workers: Putting competencies back to work

Laid-off oil and gas workers have developed significant competencies that can be useful in other sectors and occupations – the problem is that neither they nor potential employers realize it. In 2019, we will complete the analysis and reporting from our field work into transferable skills of workers displaced from the oil and gas sector. Public policy implications from this work will be identified and disseminated. A number of “What Now?” policy briefs as well as a major paper will be produced in 2019.

A competency approach to economic development

Jobs are being displaced through a variety of causes, from lower commodity prices to automation to changing policy choices that affect the economies of whole communities or regions. The Human Capital Centre will show how a competency-based approach to economic development is a workable – better – method to attract

new jobs to a community or region. Potential regions for study include those affected by the shut-down of the coal-fired generating plants in Alberta and Saskatchewan, and the hubs of industrial activity still affected by the downturn in the price of oil. We will look at the effects on employment and unemployment, and decision-making by employers and training providers. (Pending funding)

Building the competency frameworks Canada needs

The development of a pan-Canadian competency framework remains a priority for the Human Capital Centre. One way to achieve this goal is to develop competency profiles starting with specific jobs in specific sectors and over time, extend to all jobs in all sectors. In 2019, we will be involved in documenting the development of competency profiles and the related policy implications in at least three sectors – two that are new and an established one. Potential sectors include: occupations in drone operation, environmental impact assessment, landscaping and/or petroleum sector data management.

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a West that prospers as its people reach their full potential.
A competency-based approach to workforce development and deployment
allows more people and their employers to reach that full potential.

studies in Lac La Ronge (SK) and Lax Kw'alaams (BC) to document some of the ways success can happen. In 2019, we will continue working with a range of Indigenous groups across the four western provinces to help further economic reconciliation through sharing experiences, expectations and plans for resource development partnerships and projects. We will look at how to build the competencies required to achieve those successful alliances.

The economics of basic skills

Our 2018 report *Literacy Lost: Canada's basic skills shortfall* discussed the reasons for literacy skill loss and why that is a problem. Recent international analysis shows the close link between literacy rates of the adult population and GDP growth and productivity. The Human Capital Centre will look at the results for Canada, the policy and programming implications and what it means for economic competitiveness.

The hierarchy of skills acquisition

In Canada, literacy and numeracy are considered “essential skills.” As jobs change, these skills are more important than ever. So too are the so-called “soft” skills of problem-solving, critical thinking and decision-making. Unfortunately, all these skills are in short supply. What should policy-makers and program designers know about the best methods for adults to build these skills in adulthood and the most efficient order in which to learn them?

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