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**Sector Reports to UNEP – A Trade Union Response
Overview of Sustainability and General Comments**

CAVEAT

The following report is based on information obtainable by the author during the course of research and writing. Attempts have been made to obtain input from appropriate labour groups. However, it is important to note that there may be relevant policy documents and points of view not represented here.

This document is subject to change as additional input may be forthcoming. Please ensure that you are reading the most recent version. Therefore this report should be considered an introduction to trade union thinking on these issues rather than a final or complete position.

1. Foreword and Executive Summary

1.1 Foreword

The Trade Union Advisory Committee (TUAC) to the Organisation for Economic Cooperation and Development (OECD) along with the International Confederation of Free Trade Unions (ICFTU) welcome this opportunity to provide our response to the Industry Sector Reports being prepared by international industry associations under the auspices of the United Nations Environment Program (UNEP); Division of Technology, Industry, and Economics.

When seeking information on the sustainability of any industry, it is important to remember that the input from industry management and industry associations is only one-half of the story – the owners' part. Workers, through the unions which represent them, are able to complete the picture.

Business hopes to ensure that its positive contributions to sustainability are appropriately recognized. Trade unions, as part of both "industry" and civil society, acknowledge that in many cases, industries and sectors have made important progress in the areas of technology development and technology transfer, environmental management systems and tools, and voluntary initiatives.

We also note, however, that there are many unfulfilled past promises, and complex future challenges for industry. These are neither uniform between industry sectors, between nations, nor even within single nations and industry sectors.

The Trade Union Advisory Committee, along with the International Confederation of Free Trade Unions, will in the first part of this paper detail labour's vision of sustainability. In the second part, we will briefly analyse the present status of the various industry sectors, and future challenges to the various industry sectors, in living up to our vision sustainability.

1.2 Table of Contents

- 1 Forward and Executive Summary
 - 1.1 Foreword
 - 1.2 Table of Contents
 - 1.3 Executive Summary
- 2 Implementation of the Three Dimensions of Sustainability
 - 2.1 Sustainability – A Labour View
 - 2.1.1 Social Sustainability
 - 2.1.1.1 Socially Sustainable Workplaces
 - 2.1.1.2 Sustainable Societies
 - 2.1.2 Economic Sustainability
 - 2.1.3 Environmental Sustainability
- 3 Sector-Specific Means of Implementation, Challenges, and Goals
 - 3.01 Advertising
 - 3.02 Agriculture, Food, and Drink
 - 3.03 Construction, including Cement
 - 3.04 Chemicals, including Detergents
 - 3.05 Finance, Insurance, and Accounting
 - 3.06 Metals and Mining
 - 3.07 Oil and Gas
 - 3.08 Power Generation
 - 3.09 Forestry, and Pulp and Paper
 - 3.10 Textiles
 - 3.11 Tourism
 - 3.12 Transport

1.3 Executive Summary

The simplest definition of sustainable development states that we must meet the "needs" of today's generation without sacrificing the ability of future generations to meet their needs. This simple definition becomes more complex upon examination of the word "needs". "Needs" does not just mean environmental or economic concerns, which is a common misinterpretation, but includes environmental, economic, and social concerns.

The concept of "sustainable development" has proven to be difficult for many people to fully understand. Perhaps that is because it requires integrative rather than compartmentalized thinking, and is not well adapted to explanation in five-second media "sound bites". Environmental, economic and social concerns must be addressed simultaneously. Very simply: if we fail to protect the environment we will have no jobs, no communities, and no future; but if we attempt to impose environmental solutions that ignore economic and social realities, we will face disaster of a different sort. Practitioners of the scientific professions, for example, need to occasionally put aside their technical and scientific training and reflect upon the broader consequences of what they do.

The first objective along the path towards sustainability will be to integrate consideration of all environmental, economic, and social impacts into all of society's decisions; whether these take place within governments, corporate boardrooms, or other institutions of civil society. Reaching this objective will in turn require a review of decision-making processes (particularly the application of consensus-building as a decision-making tool in settings that previously have neither acknowledged consensus-building as a need nor an opportunity). For sustainability, consensus-based decision making implies the consent of those affected by the decision. It may even require a complete reconstruction of many existing institutions, structures, and decision making methods - some of which are quite resistant to change. Finally, the integration of environmental, economic, and social thought into those decision-making processes will necessitate the utilization of human wisdom and knowledge from the widest possible range of sources and across the widest possible range of disciplines.

Industry, broadly, have made progress in recognizing some of the environmental imperatives of sustainable development and integrating them into their economic decision-making. Labour applauds this progress and encourages its continuation but notes that the recognition and integration of social needs into corporate decision making has made far less progress.

Every industrial sector has its own particular challenges and concerns, with considerable variation between and within regions and sectors. Sustainability for any sector can only be achieved when each of those challenges and concerns is dealt with in a consensus-seeking, integrative fashion that attempts to balance the environmental, economic, and social imperatives of sustainability.

Environmental non-governmental organizations (ENGOS) and business have significant expertise and are powerful advocates for the environmental and economic components of sustainability, respectively. Unions, too, have a particular expertise regarding the environment and the economy that differs from that of ENGOS and business. However, the social component of sustainability is the component that unions feel has been rather neglected in the debate; and coincidentally is the area in which we are most uniquely qualified. It falls therefore upon labour to speak up for social needs - as it has so often in the past.

(Note: By ENGOS, we do not refer solely to major national and international organizations, but include local and community-based environmental, and environmental justice, groups.)

As a minimum, trade unions believe that we can start addressing the social component of sustainability by promoting or developing, and fully implementing:

- the International Labour Organization (ILO) Core Labour Standards;
- the United Nations Universal Declaration of Human Rights;
- “Just Transition” programs;
- The United Nations Secretary-General’s “Global Compact” Initiative;
- Industry Voluntary Initiatives and Agreements

Of these five, “Just Transition” programs occupy a unique position within labour’s view of sustainable development. Briefly, a “Just Transition” program ensures that the costs and benefits of moving towards a

more sustainable future are shared fairly; and especially, that the workers, families and communities who rely on industries or activities dubbed “unsustainable” by society are protected during the transition to more sustainable activities. First and foremost, they are a necessary prerequisite to making any substantial progress on environmental issues. Secondly, the existence and quality of “Just Transition” programs are indicators of social sustainability.

2. Implementation of the Three Dimensions of Sustainable Development

2.1 Sustainability – A Labour View

Sustainable development has been simply defined as development which meets the needs of the present without compromising the ability of future generations to meet their own needs. This simple definition becomes more complex upon examination of the word “needs”.

Some environmentalists hold present patterns of economic development responsible for the gross deterioration of the global environment. Business, in reaction, has attempted to define the environmental and social goals of sustainability as subsets of economic prosperity.

If we fail to protect the environment, we will eventually face certain economic catastrophe and social disintegration. It has been remarked that the economy is a wholly-owned subsidiary of the environment. On the other hand, if we consider only narrowly defined environmental or economic issues in isolation from their social links and impacts, we may destroy cultures, societies, communities, enterprises, and individual working peoples' lives and have nothing to offer them in return. Balancing and integrating all of these concerns is the essence of sustainability.

Environmental, social, and economic concerns are frequently described as “the three pillars of sustainability”. While this is a useful analogy in the sense of acknowledging the requirement for each to ensure the stability of the whole, it is also problematic. Pillars are very solid and distinct objects. Perhaps a better image for a discussion of how to integrate these needs is that of three puddles of paint on a plate, slightly stirred. The interfaces (social-economic, social-environmental, environmental-economic) are blurred and indistinct, and there is great difficulty in separating one from the other. Not only that, but within each component exists a myriad of subsidiary interfaces.

The need to integrate concern for all of the dimensions of sustainability into decision-making systems has been criticized as being too complex and complicated to be made operational. We contend that it seems more complex than it needs to, because society has not practiced it; and that therefore the solution to learning how to do it, is to practice doing it. Early thinkers on sustainable development often pointed out that it would require an integrative, rather than the traditional compartmentalized, analysis to move society towards sustainability. Has the analogy of “three pillars” pushed us back towards a compartmentalized approach? Perhaps it is necessary, given the structure of modern human knowledge, wisdom and thought, particularly in academia. But is it sufficient?

Fairly standard and well accepted indicators of economic performance exist. Environmental indicators of various sorts have been proposed and there is an emerging consensus on at least the broader categories of what they are. Clearly, however, social indicators have been the poor relation in policy analysis.

In order to both define our view of sustainability and to establish the criteria which we will use to analyse the sustainability of the industry sectors, it is necessary to identify some of the goals and indicators for each of the three dimensions of sustainability.

2.1.1. Social Sustainability

Social Sustainability depends upon paying due attention to all of those things that protect and enhance communities and help ensure the fulfilment of individual human beings. Essential to the preservation of the natural environment and the enhancement of economic growth, the social component of sustainable development focuses upon many of the characteristics that human beings value most highly. Our creativity, our intelligence, (both as individuals and as cultures), our abilities to communicate, form families and communities and care for each other, are all factors in the social dimension of sustainability. The social dimension includes concern for fairness, equity and justice.

The most prevalent views of sustainable development call for the integration of economic and environmental decision making. There is a crucial third component missing from this analysis, namely, the social component. This is not to suggest that there will simply be economic priorities, environmental priorities, and social priorities. Rather, the point being made is that we will not succeed in reaching our goal of sustainability if we continue to try to address them separately. Our decision making processes and the evaluation of the success or failure of our policies and programs will have to look at the impact they have had in all of these areas.

The International Labour Organization Core Labour Standards; the United Nations Universal Declaration of Human Rights; “Just Transition” programs; the United Nations Secretary-General’s “Global Compact” initiative; and industry voluntary initiatives generally set goals or standards of behaviour, but with a few exceptions, do not specify indicators. Thus, one could determine which nations have ratified the ILO Convention on the Worst Forms of Child Labour (No. 182), and whether they have enforceable regulations in support of it. However, one would still have to examine some carefully chosen indicators to determine whether there was compliance. For each of the above, appropriate indicators need to be examined in order to determine the extent to which they are effectively implemented in an industry, sector, or nation.

Some of these indicators may be quantifiable, but many will of necessity be qualitative at best. For example, the best objective indicator of the existence of freedom of association is the existence of an effective and independent trade union. In the absence of an independent trade union, there is no easy test of whether or not there is freedom of association; i.e. it is impossible to determine whether the workers did not form a union because of a lack of perceived need, or as a result of intimidation or coercion. Therefore evaluating other available evidence as to whether, say, freedom of association exists, in the absence of the existence of an independent trade union, will never produce a definitive “score” but will remain qualitative and to some

extent based on the professional judgement of the evaluator. This does not mean that the presence or absence of freedom of association is of less or greater importance than economic performance, which can be quantitatively evaluated.

Over the years, considerable progress has been made in identifying and utilising economic and environmental indicators of sustainability. With a few exceptions (see bibliography) there has been little work done, and even less consensus reached, on social indicators.

The Global Reporting Initiative, or GRI, is perhaps the most well-known global effort to develop an appropriate set of environmental and social indicators to supplement the economic indicators that are already widely used. However, the social indicators available under the GRI are still under development.

Despite this, it has become increasingly obvious that greater attention needs to be paid to the social dimension of sustainability. The recent protests against the socially unsustainable aspects of corporate globalism may be considered at least partially a response to the inability of present social policies to mitigate the disruptive effects of rapid change.

Trade unions emphatically reject the trend to try to subsume the social dimension of sustainability within the economic (e.g. arguing that employment is the social aspect of economic sustainability, or that GDP is an appropriate guide to social well-being.) The complexities of the social component of sustainability are too many, and too great, to be easily calculated by assigning dollar value “costs” or “benefits” to them. What is the cost-benefit analysis of having a child and raising it to maturity? - an activity that everyone has played a role in, if not as a parent then certainly as a child! The fact is, that this fundamental human activity cannot be costed in traditional economic terms; nor can many of the other activities upon which a healthy society is based .

It is the *raison d'être* of the labour movement to improve the quality of working people's lives. However, we have long realized that this cannot be done without improving the quality of life for working people's families and the communities they live in. That is why trade unions believe that we have some important insights to share on social sustainability and social indicators; insights won over many decades of studying how best to support and nurture the societies in which we operate.

Therefore, we wish to provide our thoughts on what constitutes the social side of a sustainable workplace; and what constitutes, more broadly, a sustainable community and a sustainable society.

2.1.1.1 ILO Core Labour Standards

The necessary foundation of a socially sustainable workplace is respect for the dignity and human rights of workers. The minimum criteria for that dignity and respect for human rights are articulated in the ILO's (International Labour Organization) Core Labour Standards (sometimes referred to as Fundamental ILO Conventions.)

There are eight ILO Conventions that have been identified by the ILO's Governing Body as being fundamental to the rights of working people. They are intended to apply to all workers, whether the country of work is a developed nation or a developing one. All other workplace rights are considered to build upon these fundamental rights, in that they provide the tools of the conditions necessary for workers to strive to improve their individual and collective working conditions.

Freedom of association

1. Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
2. Right to Organize and Collective Bargaining Convention, 1949 (No. 98)

The abolition of forced labour

3. Forced Labour Convention, 1930 (No. 29)
4. Abolition of Forced Labour Convention, 1957 (No. 105)

Equality

5. Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
6. Equal Remuneration Convention, 1951 (No. 100)

The elimination of child labour

7. Minimum Age Convention, 1973 (No. 138)
8. Worst Forms of Child Labour Convention, 1999 (No. 182)

All of these should be very nearly self-explanatory; however complete text and detailed explanations are available from the ILO <http://www.ilo.org> if desired.

2.1.1.2 United Nations Universal Declaration of Human Rights

More broadly than simply the workplace, the question remains “what is both necessary, and sufficient, to define a sustainable society” from a trade union point of view. This is a subject for further development.

However, one starting point is the United Nations Universal Declaration of Human Rights; and the additional declarations, treaties, resolutions and other documents which the United Nations has produced in support of it. Because of its importance, we quote the Universal Declaration here in its entirety:

Universal Declaration of Human Rights

Adopted and proclaimed by General Assembly resolution 217 A (III) of 10 December 1948

PREAMBLE

Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people,

Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law,

Whereas it is essential to promote the development of friendly relations between nations,
 Whereas the peoples of the United Nations have in the Charter reaffirmed their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women and have determined to promote social progress and better standards of life in larger freedom,
 Whereas Member States have pledged themselves to achieve, in co-operation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms,
 Whereas a common understanding of these rights and freedoms is of the greatest importance for the full realization of this pledge,

Now, Therefore THE GENERAL ASSEMBLY proclaims THIS UNIVERSAL DECLARATION OF HUMAN RIGHTS as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.

Article 1.

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

Article 2.

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty.

Article 3.

Everyone has the right to life, liberty and security of person.

Article 4.

No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.

Article 5.

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

Article 6.

Everyone has the right to recognition everywhere as a person before the law.

Article 7.

All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination.

Article 8.

Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

Article 9.

No one shall be subjected to arbitrary arrest, detention or exile.

Article 10.

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

Article 11.

(1) Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defence.

(2) No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

Article 12.

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.

Article 13.

- (1) Everyone has the right to freedom of movement and residence within the borders of each state.*
- (2) Everyone has the right to leave any country, including his own, and to return to his country.*

Article 14.

- (1) Everyone has the right to seek and to enjoy in other countries asylum from persecution.*
- (2) This right may not be invoked in the case of prosecutions genuinely arising from non-political crimes or from acts contrary to the purposes and principles of the United Nations.*

Article 15.

- (1) Everyone has the right to a nationality.*
- (2) No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.*

Article 16.

- (1) Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.*
- (2) Marriage shall be entered into only with the free and full consent of the intending spouses.*
- (3) The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.*

Article 17.

- (1) Everyone has the right to own property alone as well as in association with others.*
- (2) No one shall be arbitrarily deprived of his property.*

Article 18.

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

Article 19.

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Article 20.

- (1) Everyone has the right to freedom of peaceful assembly and association.*
- (2) No one may be compelled to belong to an association.*

Article 21.

- (1) Everyone has the right to take part in the government of his country, directly or through freely chosen representatives.*
- (2) Everyone has the right of equal access to public service in his country.*
- (3) The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.*

Article 22.

Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Article 23.

- (1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.*
- (2) Everyone, without any discrimination, has the right to equal pay for equal work.*
- (3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.*
- (4) Everyone has the right to form and to join trade unions for the protection of his interests.*

Article 24.

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

Article 25.

- (1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event*

of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

(2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

Article 26.

(1) Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.

(2) Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace.

(3) Parents have a prior right to choose the kind of education that shall be given to their children.

Article 27.

(1) Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.

(2) Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

Article 28.

Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.

Article 29.

(1) Everyone has duties to the community in which alone the free and full development of his personality is possible.

(2) In the exercise of his rights and freedoms, everyone shall be subject only to such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society.

(3) These rights and freedoms may in no case be exercised contrary to the purposes and principles of the United Nations.

Article 30.

Nothing in this Declaration may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.

If we truly view the above rights as important, then of course special attention must be paid to the protection of the rights of those whose rights are most frequently violated, including: women; children; indigenous peoples; and displaced persons/refugees.

Trade unions believe that the necessary prerequisites for a sustainable society are expressed in the Universal Declaration on Human Rights in some manner or degree. However, there are some criteria that we believe bear further explanation and elaboration:

(1) Wealth and Income

Economic activity is probably unsustainable if it increases social disparity to the point where large numbers of citizens feel dispossessed of their human, economic and political rights. Trade unions view absolute wealth, and income, as a criterion of economic sustainability. However, social sustainability may have as much to do with unequal distribution of wealth and income as absolute levels. Therefore a sustainable society should strive to minimize:

- Disparity of wealth and income between rich and poor (ratio of inequality): between nations and within nations; between regions, and within regions; between communities and within communities.

- Disparity between genders
- Disparity between ethnic groups

(2) Education

Trade unions see the primary goal of education as the production of informed, engaged citizens and the attainment of knowledge and skills necessary for productive, rewarding employment as an important secondary goal. Thus, a sustainable society ensures:

- Universal access to quality education
- Minimum basic literacy levels for almost all citizens
- A high level of average educational achievement

(3) Health

Human health, both physical and psychological, lies somewhere near the boundary between the social and environmental dimensions of sustainability. Nevertheless, most analysts would place human health under the “social” heading. A sustainable society should strive to:

- Maximize life expectancy
- Minimize infant mortality
- Minimize illegal drug use
- Minimize the suicide rate
- Provide adequate and equitable access to health care, – both preventative and treatment based

Achieving these goals requires looking at the underlying causes of the problems, rather than solely trying to address the negative outcomes. It has been rightly said that a gram of prevention is worth a kilogram of cure.

(4) Law and Justice

Several articles of the Universal Declaration on Human Rights refer to the law enforcement system; from police enforcement through trial and sentencing procedures to punitive and correctional actions imposed by society. A sustainable society will have:

- Access to a fair justice process
- Low real crime rates
- Small prison populations
- Effective rehabilitation and reintegration schemes
- Low rates of re-offence

(5) Equal opportunity to participate

It is our belief that a sustainable society engages, rather than excludes, the full participation of its citizens. Thus, we support the intent, in Article 29 of the U.N Declaration, to move towards real democracy. Beyond this, however, it is one thing to talk about everyone having equal access to employment and social services, but without addressing the barriers they are only words. For example, women with children are not able to participate in the workforce or in other aspects of society without a well developed child care system. Another example is information. Citizens must be able to freely access objective information, or at least information that reflects the range of viewpoints. Thus, a sustainable society should enhance every

citizen's right to fully participate in society by:

- Provision of affordable child care
- Ensuring the existence of free and healthy media sector that is not beholden to a narrow base of owners or interests

(6) Environmental Justice

“Environmental Justice” is meant to describe fairness and equity in society, particularly in connection to decisions and actions taken or avoided to protect (or fail to protect) the environment. In 1972, the British journal “The Ecologist” published “A Blueprint for Survival” which anticipated the concept of sustainability.

Among other things, the article asserted that a stable society required minimal ecological disruption, conservation, a stable population, and “a social system in which the individual can enjoy, rather than feel restricted by, the first three considerations”. An example of unfairness lies in “letting the market decide” where to locate a dangerous industrial facility or toxic waste dump. Experience around the globe shows that in the absence of any other controls, such facilities will be inflicted upon minority and/or low income communities. An unregulated contest of economic might between huge economic interests and impoverished communities is not a fair fight. This problem has been labelled “environmental racism” by some. A sustainable society would ensure that no one group is unfairly burdened with the costs of industrial production or environmental change, while another group reaps the benefits. Therefore, a sustainable society is one in which:

- The costs and benefits of society are shared fairly between and within communities, regions, and nations
- Social dumping and runaway production are minimized
- Corporate decision-makers recognize that shareholders are not the only stakeholders
- Corporations and the wealthy make direct contributions to the social fabric
- “Just Transition” programs exist to protect those most adversely impacted by necessary environmental change.

2.1.1.3 “Just Transition” Programs

The last point under (6) above is so important to the labour movement that it requires separate and significant elaboration.

Trade unions believe that sustainability requires that investment in the social infrastructure be recognised as legitimate and necessary for a prosperous future in the same way as investment in environmental protection or economic development. We reject bland attempts to subsume social indicators within - often very imperfect - economic indicators, such as national income or GDP, or simple employment levels, for the reasons stated above in section 2.1.1; and because gross employment levels will always ignore disparities in regional and sectoral unemployment burdens. While such disparities always exist, they become a special case when linked to actions taken to reach goals within one of the other dimensions of sustainability, particularly the environmental dimension. They will be viewed as a special case because the “visible hand of regulation” to protect the environment will always be experienced by workers in a different way than the “invisible hand of the marketplace”.

The investment in the social infrastructure that is the sine qua non of reaching sustainability is an investment in “Just Transition” programs.

For trade unions, the question is not whether the economy and society must transform themselves in order to become more environmentally sustainable. The question is when we will do so, and how. These are not two questions, but one. In other words, we will take action on environmental issues when we believe that we know how to do so, and when we are likely to be able to secure the greatest possible consensus - especially among those affected - for such action.

Part of the resistance to implementing e.g. the Kyoto protocol on climate change, is a manifestation of our current inability to answer this. Industrialists fear their facilities become obsolete overnight, with the stroke of the regulators’ pen. Workers - and the families and communities that depend upon them - fear for their jobs or, more correctly, future employment and/or security.

Their fears are not unfounded. Massive change in the way our society operates must take place to preserve the environment and move towards sustainability, even if significant numbers of “green” jobs are created in the process. Like it or not, a transition is coming - and cannot be left to the marketplace. The only way to ensure a Just Transition, is to create structured programs to facilitate it and to deal with its consequences.

If, for example, we wish workers in the fossil fuel industries - and their unions - to support efforts to control greenhouse gases today, we must tell them what they will do tomorrow. Some of those who oppose the Kyoto protocol, oppose it because they have no answer to the “tomorrow” question. So they pretend that climate change is a myth, or if it is not, that there is nothing we can do about it. It is important that we do not underestimate the power of labour on this issue. Energy workers in support of the Kyoto accord are a powerful rebuttal of spurious economic arguments. However, workers lined up with those who oppose environmental measures are an insurmountable barrier to change - at least for a time.

If workers are blackmailed with their jobs, the environment will lose. Therefore workers must not be asked to make this choice. Trade unions are determined to avoid becoming the "last defender of the indefensible". That is why we have developed a "Just Transition" policy.

If the question is HOW to remove the greatest barriers to moving towards sustainability, the answer is, “Just Transition”.

Jim MacNeil, who represented Canada on the Bruntland Commission, said “If we change the way decisions are made, we will change the decisions that are made”. Just Transition recognizes the right of society - in consultation with stakeholders - to decide, even in a precautionary manner about environmental issues. (Note: please see later section, 2.1.3.1 in this paper, on the precautionary principle). However, it asks that society consider who benefits from, and who pays the cost of, implementing measures to protect the environment. To avoid impasse, those costs and those benefits must be shared fairly - and NOT only between countries. Without Just Transition, workers, families, and communities will pay most of the cost of getting to “sustainability”. With Just Transition, most unions are able to support necessary changes.

Just Transition is more flexible and more extensive than traditional labour market adjustment programs. It includes support for communities, industries, and a period of income protection for workers - not to postpone the inevitable; rather, to move them from existing jobs to emerging ones, or to prepare for the next phase in their lives. It provides those affected with the greatest level of discretion and control possible. It proposes the protection of trade union rights and enhanced successor rights, to create institutional stability throughout the transition period. A fraction of the taxes already being collected on fossil fuels, for example, would more than fund the entire program.

Globally, a Just Transition embodies the “Rio Principles”, (the Rio Declaration on Environment and Development, UNCED, 1992) and in particular envisions environmental justice and an equitable energy supply. Safe, affordable and secure energy is a basic necessity of life. Our notion of environmental justice and energy equity goes beyond access, to all aspects of development, such as employment, culture, social costs, distribution of wealth, availability to developing nations, impacts on minority and disadvantaged groups, and inter-generational equity.

There is no future for trade unions, nations, or the planet in pretending that action need not be taken on environmental issues. Neither is leaving the problem for our children to deal with an option, since on at least some issues, the window of opportunity to effectively act may close before they get their chance. Yes, we have a responsibility to worry about jobs and the economy, but there are no jobs on a dead planet.

However, in the absence of a structured adjustment or transition program, it is clear that the costs of transition to a more sustainable economy will be borne principally by the workers and the communities that are dependent upon the ‘sunset’ industries. The question is therefore fundamentally who pays for, and who benefits from, a transition to sustainability.

This must be emphasized. For trade unions, Just Transition is not an optional addition to environmental planning policies, to be included if decision makers feel like doing so that day. On the contrary, Just Transition is the essential prerequisite of environmental change and the only way to prevent unnecessary conflict – and perhaps violent conflict – in society as that change takes place. Workers whose livelihoods, families and communities are threatened in the short and medium terms, and the unions that represent them, will resist change with all of their strength, if acceptable alternatives are not offered. Such resistance will prevent effective and consensual action on environmental issues, at least in the short term. Unions cannot and will not promote the kind of change that excludes workers from the process if their job security issues are not addressed effectively and explicitly or if the transition for their members is to a low-income non-union work environment. Our members do not need and will not tolerate their unions promoting the elimination of their jobs; and they do not need and will not tolerate union complicity in moving them into low-wage, non-union jobs. Union members are sympathetic to the cause of environmentalists, but are dependent upon their employers’ abilities to continue their jobs. If environmental change is forced in the absence of Just Transition arrangements, workers and their unions will inevitably end up on the “con” side of the environmental change debate. They will have no choice.

We contend therefore that a structured adjustment program is essential if we are to move in a deliberate, planned, equitable and efficient fashion to a more sustainable economy. Failure to have such a program fails our communities and our workers who did not choose to damage the environment but only found, through fate, that their employment was not sustainable. Worse still, it guarantees unnecessary conflict because in the absence of an adequate adjustment program, workers and communities are more likely to frame sustainability questions in terms of jobs versus the environment rather than jobs and the environment.

2.1.1.4 United Nations Secretary-General's "Global Compact" Initiative

United Nations Secretary-General Kofi Annan has challenged business, worldwide, to adopt the nine principles of a "Global Compact". This builds upon previous understandings of business as both the principal instrument of economic growth and a prime instrument of environmental and social change.

The Global Compact is a voluntary initiative being promoted by the UN Secretary-General. It is not a code of conduct in the usual sense as there is no procedure for monitoring compliance. Indeed, companies do not sign anything in a contractual sense, they commit themselves in a moral sense. The only obligations are those that companies impose on themselves. Many UN agencies may play a role in the Global Compact; for example, the ILO is working to persuade business to abide by the internationally recognised minimum labour and environmental standards. However, it is principally businesses themselves who are called upon to act in the Global Compact.

The Global Compact aims to ensure respect for labour and human rights and the environment, in a globalized economy. It identifies nine principles in all:

Two human rights principles:

- (1) support and respect the protection of international human rights within their sphere of influence;
- (2) make sure their own corporations are not complicit in human rights abuses;

Four labour principles:

- (3) freedom of association (right to organize) and right to bargain collectively;
- (4) elimination of all forms of forced and compulsory labour;
- (5) effective abolition of child labour;
- (6) elimination of discrimination in respect of employment and occupation;

and Three environmental principles:

- (7) using a precautionary approach to decision making;
- (8) managing business enterprises in an environmentally responsible manner;
- (9) developing and implementing environmentally sound technologies.

The UN Secretary-General has asked all global stakeholders to embrace and enact it, and has said that this will require the effective involvement of trade unions along with management. Trade unions have responded that the Global Compact is best implemented by means of global union-employer agreements; agreements which give substance and credibility to voluntary initiatives.

Additionally, the Global Compact invites corporations to directly contribute money, and personnel to work

with the United Nations as “ambassadors of responsible development”. This noble idea carries with it a heavy responsibility if corporations are to act in this capacity without, at best, turning the Global Compact into a public relations exercise without real substance; at worst, using the access so provided to gain an unfair competitive advantage over local firms in the fight for market share.

The international labour movement believes that a commitment to the human rights and labour rights principles of the Global Compact will help to move the world towards social sustainability. This discussion has already been covered, above.

The three environmental principles of the Global Compact include: (a) using a precautionary approach to decision making; (b) managing business enterprises in an environmentally responsible manner; and (c) developing and implementing environmentally sound technologies. A more complete discussion of labour’s views of these principles can be found in this document below, under section

2.1.3 Environmental Sustainability.

Business clearly has an interest in demonstrating its commitment to sustainability. The question is whether it is completely ready to recognize the relationship between poverty, the environment, and patterns of development. Are global businesses ready to participate in the solutions to north-south issues, environmental refugees, armed conflict, and the spread of disease? Does business recognize that poverty destroys both the environment, and culture? Business has traditionally tended to take an economist’s view of these problems in the belief that they can be solved through trade and restructuring; economic instruments, free markets, innovation, new technologies (especially energy) and continuous improvement, “full cost” accounting, life-cycle analysis, etc.

International business has come up with a “triple bottom line”: “responsible economic growth, environmental and natural resource conservation, and social responsibility”. While businesses sometimes recognize that, in pursuing profit, they have to take account of community interests and social values, their explicit and implicit rules of governance limit the extent to which they can commit to social responsibilities. In particular, this threefold scheme of sustainability has generally left workers out of the equation. This only reinforces the need for business to take seriously the challenge of the Global Compact, and to embrace and enact it through the negotiation of global union-employer agreements.

2.1.1.5 Industry Voluntary Initiatives and Agreements

The UN Secretary-General’s Global Compact is an example of a voluntary initiative, but there are many others that are developed and implemented unilaterally by industries or their associations.

These voluntary initiatives have an uneven reputation within the labour and ENGO communities. However, it can be said that far too much time is spent arguing over "regulatory versus non-regulatory approaches", by which is often meant the choice between traditional regulations and such things as voluntary initiatives or agreements. Even the most optimistic advocate of voluntary initiatives will agree that an appropriate

regulatory framework is required in order for business to function. What is therefore being debated are alternative and frequently complimentary approaches to legislation.

It is as ridiculous to assume that all of industry will ultimately become self-policing as it is to assume that all citizens will one day become self-policing. Just like people, some corporations are responsible and trustworthy while others are not. The present ideological fascination with "deregulation" has proven to be impossible to apply consistently even by the ideologues. The solution to at least some of our environmental problems lies in regulation, not deregulation. There is nothing about a deregulated free market economy that will ensure environmental protection. We will not be able to "shop our way to sustainability". Neither does strict government regulation guarantee sustainability, as has been amply demonstrated in some parts of the globe.

Common to many of these industry voluntary initiatives are standards or "industry challenges" to be met and an internal reporting and verification process. As a supplement to, and not a replacement for, enforceable regulatory standards, trade unions view industry voluntary initiatives and agreements as a desirable and even necessary consensus building process within industries and industry sectors which can serve to spread "best practices". Industry voluntary initiatives are at their most effective within the workplaces of the industries which promote them. However, without independent third-party verification and in particular without effective worker participation, they lack the credibility they need to achieve their potential.

There is a great deal of positive news in the industry reports to UNEP. Much of this falls under the category of "Industry Voluntary Initiatives". Trade unions believe that voluntary initiatives are necessary, although not sufficient, to improve the sustainability of industry. Furthermore, there is probably some exaggeration of the successes of voluntary initiatives and a tendency to minimize discussion of its failures.

The key to progress has been the clear understanding that voluntary initiatives are supplemental to, and not replacements for, regulatory approaches. In geographic areas where the implementation of industry voluntary initiatives has been less than successful, the key to future progress lies with the appropriate regulatory authorities, and with industry itself. The appropriate regulatory authorities must recognize that commitments by industry, no matter how noble, must be supplemented by a system of regulation and enforcement that sets at least a baseline of performance. The industry must recognize that partnership with people affected by their actions, that is to say stakeholders, especially labour, is not an option but a prerequisite for both the credibility and effectiveness of their voluntary initiatives.

Voluntary initiatives or agreements must have as their goal the acceleration of positive change, in all three of the dimensions of sustainability. Effective involvement of trade unions could assist compliance and thus credibility and effectiveness. Key issues for further analysis include identification of the most effective forms of voluntary agreements; establishment of appropriate regulatory frameworks within which voluntary agreements could most effectively operate; and agreement upon the practical guidelines for implementation, monitoring, reporting and tackling non-compliance.

2.1.2 Economic Dimension:

A sustainable economy requires that all citizens of the community have an income sufficient to provide for good shelter, health care, education, community infrastructures, and protection of the environment. The attainment of such income must not depend upon an unreasonable number of hours of labour per day, per week, per month, per year or per lifetime. A sustainable economy will increasingly provide , quality jobs that enhance environmental sustainability, and communities where people have the opportunity to develop their full human potential.

Traditional economic indicators, as used in national budget statements or corporate annual reports, are well known and well accepted. They have the advantage of being relatively easily quantified and relatively easily compared. They have the enormous disadvantage of tending to look at economic factors in isolation from environmental or social impacts. So, the Gross Domestic Product will go up, at least temporarily, as the last tree is cut. And corporate annual reports look upon employees as “costs” rather than as human beings who have families and who participate in communities.

The industries that have contributed to the UNEP industry sector reports all have a clear focus on their economic sustainability, or they would not continue to exist. Although the industry sectors include facilities of every size, they are dominated by large companies, many of them multi-nationals. Many could claim, with some justification, that they have contributed to sustainable communities by providing opportunities for quality employment. However, it would be unfair for many of the large multinational corporations to claim that they have contributed to employment growth. At precisely the time when the world is beginning to talk about ‘linking’ the economy and the environment, companies have been very successfully de-linking productivity from employment – to the detriment of workers. All of the benefits, both actual and potential, of industry as a group of global entities have been mitigated by the desire of much of industry to shed staff in recent years rather than create employment. Thus, the record of many industry sectors in recent years has been one of employment destruction rather than employment creation. Against this background it is likely to become increasingly difficult for companies to claim that they are worried about jobs in the face of increasing demands for environmental protection!

2.1.3 Environmental Dimension

Activities tend to be environmentally sustainable when they:

- 1) use materials in continuous cycles;
- 2) use continuously reliable sources of energy;
- 3) increase resource and energy efficiencies (something that is going to be required in orders of magnitude in the future, rather than incrementally as in the past)

Activities are probably not environmentally sustainable when they:

- 1) require continual inputs of non-renewable resources;
- 2) use renewable resources faster than their rate of renewal;
- 3) cause cumulative degradation of the environment;
- 4) lead to the extinction of species.

In addition, somewhere on the boundary between environmentally and socially sustainable indicators it can be said that activities are probably sustainable if they:

- 1) require resources only in quantities that could be made available to the majority of (some would say all) people on the planet;
- 2) rely primarily on human qualities such as creativity, communication, coordination, appreciation, and spiritual and intellectual development.

A sustainable environment requires that materials, energy and natural resources be used in a manner that provides for both present and future generations. It also requires the maintenance of biodiversity and human health. It requires the protection of air, water and soil and the preservation of animal and plant life. Without the preservation of the natural environment, neither social nor economic sustainability is possible.

For further thoughts on what constitutes environmental sustainability, the reader is referred to the “Rio Principles”.

2.1.3.1 The Precautionary Principle

One of the key “Rio Principles” of environmental sustainability is the application of the “Precautionary Principle”. Labour believes that decision making systems that allow society to deal with hazardous substances or dangerous processes have several dimensions. Characterizing them as “precautionary” or “risk based” is unhelpful without a careful examination of where, and along each dimension, the particular system lies.

At the outset, one should consider the dimension of purpose or intent. Here the question is are the decision-makers attempting to use good science, in an open and transparent manner, to develop sound policies to prevent harm? Or are they hoping to create the impression of scientific certainty where none exists, argue cost versus benefit, avoid legal responsibilities, or justify a previous decision to take no action at all?

A second dimension to be considered is whether the nature of the input data is predominately objective, or subjective. At one extreme, only hard, measurable data, related to the intrinsic hazard properties of the substance or situation would be used. At the other extreme lie decision making systems which use a great deal of soft, assumption-based or derived data such as outcomes, or costs.

A third dimension concerns the error sensitivity of the overall system. Decision making systems that allow the public to deal with hazardous products or dangerous activities in an inclusive and transparent manner, utilizing the collective wisdom and judgement of appropriate stakeholders, will be relatively insensitive to errors in a single piece of data. On the other hand, decision making that attempts to be very mathematical and quantitative, that is done in private by “professionals”, and that uses complex formulae to bridge data

gaps with estimates and assumptions can be very sensitive to errors in the individual pieces of data which form the basis of those estimates and assumptions.

A final dimension might be considered to be the response dimension. At one extreme, the proposed response to a hazard will be based on the need to prevent the perceived potential negative outcome, by eliminating hazards or controlling hazards at the source. At the other extreme, decisions will be based on the desire to minimize the effects, or costs, of the potential negative outcome.

Based on where, on each of the above dimensions, a particular decision making system lies it will tend to be described as “precautionary” or “risk based”. Few decision making systems are pure examples of one, or the other. More frequently, “risk assessment” and “risk management” methodologies attempt to incorporate at least some of the philosophy of the precautionary principle in different ways and to varying degrees. However, building conservative assumptions into a risk assessment process does not make it a precautionary approach.

Labour believes that it should be an objective to move all decision making schemes, corporate or civil, towards the “precautionary” end of each of the dimensions described above. The one factor which will, above all others, facilitate that, is broad stakeholder involvement. It has been frequently noted that risk assessments tend to differ greatly depending upon whether those doing the assessment actually face the risk.

2.1.3.2 Technology Transfer and Co-operation

A good case can be made for the entire question of “intellectual property” to be re-examined in terms of who benefits, and who pays the price, from current intellectual property rights. The chemical industry, pharmaceutical, entertainment, and software industries, are amongst the most enthusiastic supporters of the concept of “intellectual property”. Intellectual property, in turn, is one of the most serious barriers to technology transfer and cooperation, particularly between the developed and the developing world.

A system of rewarding innovators without crippling development must be devised. Also, the ethics of certain types of intellectual property; particularly in the fields of biology and genetics, must be given the highest priority..

Having said this, sustainability requires research. In order to determine those activities that are sustainable, we must increase our base of knowledge and understanding. We do not have enough knowledge and understanding, for example, on the toxic effects of chemicals. We possess even less knowledge and understanding of the consequences of these products in the environment.

Technology transfer and cooperation can potentially be one of the engines of sustainable development, particularly in the developing world.

2.2 Conclusions

Many of the various industry sectors have been making progress in the technical areas of resource conservation, environmental protection, and pollution prevention, while continuing to make a significant contribution to the economy. Their track record leaves something to be desired, however, when the social element of sustainable development is considered. Many industries have become net destroyers of jobs. The developing world and low-income areas of the developed world continue to attract a disproportionate share of toxic production facilities and waste sites.

Industry, or business, will always be a high-profile target for environmentalists. That is because the defining institution of our age is the corporation; and in particular, the multinational corporation. Corporations need to make every effort to improve their environmental performance while responding to the Global Compact challenge to play a major part in economic development. However, unless corporations pay greater attention to the social dimensions of sustainability, they will suffer from a loss of public support, and potential backlash, in the end. We will then no longer be talking of “corporate social responsibility”. Rather, we will be demanding “global corporate (social) accountability”.

3 Sector-Specific Means of Implementation, Challenges and Goals

3.01 Advertising

ADVERTISING

The advertising sector has an important role to play in moving society towards sustainability. Advertising’s ability to not merely inform; but shape and create markets, can be a force for positive, or negative, change. The industry must recognize its power and act responsibly to support, rather than hinder, sustainable development.

The advertising sector has begun to recognize that the environmental impact of a product has marketing value. However, the sector has generally failed to understand that social sustainability is as important as environmental sustainability.

It is the role of advertising to inform and influence the “free-market” system. Advertisers can therefore be forgiven, somewhat, for tending to believe that the “market” can by itself become a system for achieving sustainability, without the use of regulatory power. Labour does not believe this to be the case. Market tools, marketing, and market influence should be viewed as complimentary to, and not as a replacement for, an appropriate legislative and regulatory framework. This framework, in turn, will not achieve its goal unless linked with a planned, structured transition towards sustainability that includes some justice for potentially displaced workers (“Just Transition”).

It is very important from a sustainability point of view for the advertising industry to provide clear and accurate information. The industry has attempted to do this, and this has given rise to various sorts of “green labelling” or “ethical procurement” schemes and the like (hereafter referred to as “sustainability labelling”). Unfortunately, if consumers wish to know whether the product they are contemplating the purchase of contributes to social sustainability, or not, there is very little verifiable information available. One cannot tell

by examining a product, for example, the conditions under which it was made. Therefore, while consumer education and sustainability labelling are important initiatives that the advertising industry should support, the industry should also remember that there are limits to what such initiatives can achieve.

However, if sustainability labelling schemes are to have their maximum potential in shaping the consumer market, there is a need to develop better indicators of environmental, and social, performance. This in turn will require a multistakeholder consensus process to avoid the development of "my expert is better than yours" type arguments.

Advertising in the year 2001 continues to promote a "more is better" morality. Products are introduced and promoted if they can be sold at a profit, not because of any societal or environmental good (or ill) they may create. Major and thoughtful changes to developed society's infrastructure would be required, for example, to wean developed nations from their dependency on private automobiles. This would require public policy decisions and the use of regulatory authority. In the absence of any willingness to address such structural issues, a belief that we can "shop our way to sustainability" is rather naive.

Beyond the basic necessities of life, much of current industrial production is geared to supplying wants, rather than needs, of the populations of developed nations. Many of these wants are created and magnified by advertising and business propaganda. There is a general conviction that the desire for a product should necessarily follow the ability to make it, and this desire is fuelled by advertising. Combining this belief with the profit motive, we find that decision making about new products is based on whether or not someone can make money on it, not on the usefulness of the product, its societal value, or its environmental impact. The key to achieving environmental sustainability, is to promote the idea that a sustainable economy (including a reasonably equitable mechanism for the distribution of wealth, such as access to decent employment), and sustainable communities, will drive global sustainability - from the grass roots up.

Decisions made by advertisers strongly affect consumer behaviour, and thus both corporate and governmental behaviours. This decision-making, traditionally done without regard to environmental and social impacts, is an instrument which can drive a broader movement towards sustainability. Unfortunately, there exist several reasons why this sector has not fulfilled its potential as a force for sustainable development. One of the most significant of these is the reluctance to question the ethics of providing advertising services for any and all clients – including the promotion of products which do not contribute to, or contribute negatively to, sustainability.

The advertising industry, like many other economic sectors, is contemplating or has adopted voluntary initiatives. As a tool to build consensus and forge professional codes of ethics for the behaviour of those working within the industry, this is all to the good. In addition to its own voluntary initiatives, advertising plays a role in the promotion of the voluntary initiatives of other industrial sectors. In order to properly address particular problems, there is a need to decide whether voluntary guidelines, codes of practice, or regulation is the most appropriate tool. Industry initiatives on environmental management, product policy, etc. and non-regulatory guidelines such as the chemical industry's "Responsible Care", or ISO14000, may help build a consensus on product stewardship. Advertising can play an important role in making these

initiatives meaningful. However, voluntary initiatives can only be credible with an effective means of independent, third-party verification of performance, and can never entirely replace regulatory action. They complement, rather than replace it, much like the consensus in society that murder is wrong is necessary, but does not eliminate the need for laws against murder.

The advertising sector has a significant environmental footprint of its own, especially in respect of the many large office towers that are owned or primarily occupied by companies from this sector. However, when the potential for the advertising sector to be a driving force for sustainable development is discussed, it is generally their influence rather than their direct actions that are considered. While not having strong direct links to land, water and resource issues (with the exception of office towers, mentioned above) the advertising industries are very strongly connected to sustainability issues in an indirect sense.

Finally, advertising is by its nature more available for established industries with substantial financial resources than for industries that are new and relatively unknown. This can be a significant obstacle to change, and change is necessary to build a sustainable future.

CONCLUSION - ADVERTISING

The advertising industry is a unique industrial sector in that its greatest role in moving society towards sustainability is not in how it directly affects the environment but in how it presents the work of others.

Advertising is both an example of and a messenger for “business”. Industry, or business, will always be a high-profile target for environmentalists. That is because the defining institution of our age is the corporation; and in particular, the multinational corporation; who are also the world’s heaviest users of advertising. Corporations need to make every effort to improve their environmental performance while responding to the Global Compact challenge to play a major part in economic development. However, unless corporations pay greater attention to the social dimensions of sustainability, they will suffer from a loss of public support, and potential backlash, in the end.

3.02 Agriculture, Food, and Drink

AGRIFOOD – INCLUDING FERTILISERS AND FOOD PROCESSING SECTORS

The following section is extracted verbatim from the document:

Good Food, Safe Work: trade unions and sustainable development

by the:

International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations (IUF)

Contents:

background

summary

introduction: agricultural workers and the global food production chain

core components of sustainable agriculture - the IUF view

- a) recognition of, and support for, the current and future role of waged agricultural workers in sustainable agriculture*
- b) acceptance of core (and agricultural) ILO international labour standards as a key component of sustainable agriculture*
- c) active links between waged agricultural workers and small farmers/landless workers*
- d) sustainable employment and employment conditions*
- e) health, safety and environment in agriculture*
- g) reversing the exclusion of agricultural workers and their trade unions from participation in sustainable food system decision-making*
- h) reform of land ownership and control*
- i) agricultural trade policy*
- j) food security and food safety*
- k) training, education and capacity-building for agricultural workers' trade unions*

the contribution of agricultural workers' trade unions to sustainable agriculture

IUF affiliates and sustainable agriculture

IUF recommendations

appendix: agricultural workers and international labour standards

Background

Two key and interlinked international processes that the IUF wishes to influence are:

- The international work on sustainable agriculture which is being promoted through Agenda 21, Chapter 14 on Sustainable Agriculture and Rural Development (SARD), and the successor concept of the Multifunctional Character of Agriculture and Land (MFCAL).

This work is coordinated by the UN Commission for Sustainable Development (CSD). The CSD was established to oversee and coordinate the implementation of Agenda 21, which is the programme of action for global sustainable development in the 21st century that was adopted at the United Nations Conference on Environment and Development (UNCED), the "Earth Summit", in Rio de Janeiro in 1992.

Within the CSD and the UN Food and Agriculture Organization (FAO), the IUF is urging recognition of United Nation's International Labour Organization (ILO) labour standards as a key component of the definition and practice of sustainable agriculture, and of the SARD, and MFCAL concepts. This in turn should lead to their adoption and implementation by governments and employers.

- The discussions on a possible ILO Convention on health and safety in agriculture, which will begin in June 2000.

The IUF sees its work on improving agricultural health, safety and environmental standards as directly linked to promoting sustainable agriculture. One measure of progress towards sustainable agriculture would be the

adoption, ratification and implementation by governments of a comprehensive ILO Convention on H&S in agriculture.

In turn, the IUF wishes the ILO to fully acknowledge and integrate into its main work programmes the work on sustainable agriculture – past and future – being carried out under Agenda 21 and the CSD. IUF sees better integration as a means of promoting core international and agricultural labour standards as a central component and measure of sustainable agriculture.

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FAO's new theoretical approach to sustainable agriculture is called the Multifunctional Character of Agriculture and Land (MFCAL). "Evolving from Sustainable Agriculture and Rural Development (SARD), the concept of the Multifunctional Character of Agriculture and Land (MFCAL) encompasses the entire range of environmental, economic and social functions associated with agriculture and related land use. The concept is based on the assumption that agricultural systems are intrinsically multifunctional, and have always fulfilled more than just their primary aim of producing food, fibre and fuel. Analysis of the multifunctional character contributes to understanding the potential linkages, synergies and trade-offs that can help to achieve sustainability in agriculture and rural development. The MFCAL approach provides a policy orientated analytical framework for the achievement of SARD goals." (FAO/Netherlands Conference on the Multifunctional Character of Agriculture and Land, 12-17 September 1999, Maastricht, The Netherlands, "Issues Paper: The Multifunctional Character of Agriculture and Land)

MFCAL attributes three major functions to agriculture and related land use. These three functions are:

- social: "achieving greater social equity and increasing opportunities for rural societies" (Issues Paper, op cit, p vii);
- economic;
- and environmental.

Summary

The IUF represents over three million waged agricultural workers worldwide. These workers are the women and men who labour in the crop fields, orchards, glasshouses, livestock units, and primary processing facilities to produce the world's food and commodities. They are employed on everything from small- and medium-sized farms to large industrialised farms and plantations.

They are waged workers because they do not own or rent the land on which they work nor the tools and equipment they use. In these respects they are a group distinct from farmers.

At the international level, IUF is seeking to increase the contribution of agricultural trade unions to sustainable agriculture by gaining:

- International recognition of, and support for, the contribution of waged agricultural workers and their trade unions to multifunctional, sustainable agriculture

Being at the heart of the production system, these workers already play an important role in sustainable agriculture. They can make an even greater contribution to sustainable agricultural production in the future given appropriate backing, support and resources.

However, recognition of the important role that waged agricultural workers and their trade unions do and can play in the development of sustainable agriculture, and the new concept of the Multifunctional Character of Agriculture and Land (MFCAL), is almost totally lacking at present. This issue must be urgently addressed.

- **International acceptance of core and agricultural ILO labour standards as a central component and measure of sustainable agriculture**

Agriculture should only be regarded as sustainable where core international labour standards of the United Nation's International Labour Organization (ILO) are applied. Core ILO labour standards cover freedom of association, the right to bargain collectively, elimination of discrimination with respect to employment and occupation, no forced or bonded labour, and elimination of child labour (see Appendix). Chapter 29 of Agenda 21 on Strengthening the Role of Workers and their Trade Unions (in sustainable development), which was adopted at the UN Conference on Environment and Development (the Rio "Earth Summit") in 1992, also recognises these as the basis of sustainable workplace change. In addition, other agricultural labour standards must be adopted in accordance with the standards listed in the appendix to this document.

Introduction: agricultural workers and the global food production chain

The IUF organises and represents workers throughout the global food chain in:

- **Agricultural Production**

The IUF represents some 3 million waged agricultural workers. These workers are the women and men who labour in the crop fields, orchards, glasshouses, livestock units, primary processing facilities, and associated activities such as crop processing and packaging, livestock food preparation, irrigation, pest management, and grain storage, to produce the world's food and commodities. They are employed on everything from small- and medium-sized farms to large industrialised farms, agricultural units, and plantations.

They are waged workers because they do not own or rent the land on which they work nor the tools and equipment they use. In these respects they are a group distinct from farmers.

They are part of the 450 million agricultural workers in waged employment, approximately 40 percent of the world's agricultural labour force. The share of waged employment in agriculture, including the number of wage-dependent smallholders in agriculture, is continuing to increase in virtually all regions, and it is now a central feature of employment and income in rural areas.

Furthermore, women now account for 20-30 percent of total agricultural waged employment although their employment is often of a casual and seasonal nature and is therefore subject to considerable measurement difficulties. Women's role as farmers is increasingly being recognised and measures are being taken to ensure that credit, extension services, etc. are available to them. A similar shift now has to take place to recognise the role of waged women workers in agriculture and in the primary processing that often takes place on farms. The emergence of new sectors, especially horticulture and cut flowers, and women's role in these sectors also has to be recognised. Trade unions are already working to ensure better participation and increased representation of women in decision-making bodies.

- **Food Processing**

Food industry workers then turn the raw agricultural produce into industrial and consumer products in the form of processed foods. The food industry presents many facets, from the traditional labour-intensive activities often found in developing countries to the capital-intensive, high value-added processes more common in the industrialised world. It includes slaughtering, preparing and preserving meat; milling grains and manufacturing bakery products; canning and preserving fish products, fruits and vegetables; manufacturing vegetable and animal oils and fats and animal feeds; and processing sugar, coffee, tea etc. In addition to primary processing, the food industry is increasingly engaged in the manufacturing of higher-stage processed products such as convenience and frozen foods. The drinks industry covers such activities as distilling and blending spirits and processing malt, malt liquors, wine, soft drinks, fruit juice, milk, mineral water etc.

- **Food Catering and Consumption**

Millions more workers in the hotel, restaurant and tourism sectors then prepare and serve the agricultural and processed food products to consumers.

- **Workers in Ancillary and Support Industries / Services**

The IUF recognises that there are many other groups of workers in support and ancillary services to agriculture all along the production and consumption chain: agricultural research staff, agricultural extension agents and health and safety inspectors, and so on. The IUF represents and promotes the interests of all groups of workers and their trade unions in the agricultural and food industries.

Focus on Agricultural Workers

This document, however, focuses on the role and needs, present and future, of waged agricultural workers in sustainable agriculture. There are many reasons for focusing on waged agricultural workers:

? They are one of the largest occupational categories in the world. There are today an estimated 450 million agricultural wage workers, with women representing 20-30 percent of this total. Temporary, migrant, and child labour form a significant part of this workforce;

? Their employment is often unstable, and temporary, migrant and landless workers face particular difficulties. Employment problems have increased as the impact of globalisation has led to less and less permanent labour and a more casualised and marginalised workforce;

? They are amongst the most under-recognised, under-valued, excluded, and discriminated against section of the workforce;

? They are often poorly paid, with wages well below those earned by industrial workers. They and their families often live below the poverty line. It is one of the great injustices of this world that those who help feed the world are often least able to feed themselves and their families. Such a situation is completely unsustainable;

? Workplace conditions and environment vary from poor to downright dangerous and unhealthy. These workplaces can be everything from an arable field or orchard to a poultry shed. In the language of Agenda 21, these workplaces are not sustainable. According to ILO estimates, there are 170,000 fatalities (waged agricultural workers, farmers etc) every year in agriculture. Improved conditions in the workplace – an essential element of sustainability – usually result in improved standards of protection and health for the surrounding community and for the general environment as well;

? There is a history of exclusion – from health and safety and social security/compensation laws, and from consultative and decision-making processes affecting their industry and livelihoods;

? In many parts of the world they are denied fundamental human rights: the right to freedom of association, to organise and collectively bargain with employers.

The trade unions organising these workers both wish and intend to play a greater role in the development and promotion of sustainable agriculture. The IUF, its member organisations, and the three million plus agricultural workers we represent have much to contribute - from practical knowledge and experience to organisational and political support. The unique perspectives and experiences we bring to sustainable agriculture are particularly relevant to the social and economic dimensions of this issue.

Core components and measures of sustainable agriculture – the IUF view

a) Recognition of, and support for, the present and future roles of waged agricultural workers and their trade unions in sustainable agriculture, and the acceptance of appropriate language/definitions

The IUF is seeking recognition of, and support for, the contribution of waged agricultural workers to multifunctional, sustainable agriculture. Being at the heart of the production system, these workers already play an important role in sustainable agriculture. They can make an even greater contribution to sustainable agricultural production in the future given appropriate backing, support and resources. The IUF and its affiliates are seeking support from governments, international organisations, employers and public interest groups to increase the contribution of waged agricultural workers in this area.

To help achieve this, the important role that waged agricultural workers and their trade unions do and can play in the development of sustainable, multifunctional agriculture must first be formally recognised. At present, this recognition is almost totally lacking. There is not one single mention of agricultural workers – let alone the trade unions that represent them - in either the UNCED Agenda 21, Chapter 14 which created the concept of Sustainable Agriculture and Rural Development (SARD), or in the successor concept of the Multifunctional Character of Agriculture and Land (MFCAL). In these documents and the intergovernmental processes that go with them, the 450 million waged agricultural workers who actually work in the fields, livestock units, etc. producing the agricultural products, remain invisible and unacknowledged.

In particular, there is a need to distinguish between farmers, who own or rent the land and equipment and who often employ labour, and waged agricultural workers, who are employees and who do not own or rent the land on which they work or the equipment they use.

The Chairman's Report from the FAO/Netherlands Conference on the Multifunctional Character of Agriculture and Land, Maastricht, the Netherlands, 1999, which is to be presented at CSD-8 in April 2000, recognises the omission of waged agricultural workers and has taken a first step to remedy it. Paragraph 25 of this Report states that "Agricultural workers and other involved stakeholders must be involved directly [in the implementation of Agenda 21 and the World Food Summit Plan of Action]".

The IUF wishes to see this wording adopted by the CSD and amplified to include specific reference to agricultural workers' trade unions.

Next, UN agencies and Member States must take a further step forward and adopt language recognising the role of waged agricultural workers and their trade unions – the organisations which organise and represent them - in multifunctional, sustainable agriculture. Such a recommendation is in line with agreed language in Agenda 21, Chapter 29 on strengthening the role of trade unions in sustainable development. In this chapter, the commitment to increasing the role of workers and their trade unions in sustainable development is explicitly stated. The language in Chapter 29 on workers and their trade unions should be used in SARD and MFCAL.

The IUF chooses the term "agricultural workers" in preference to "farmworkers" as it better reflects the broad nature of plantations, horticulture and primary agricultural processing.

The IUF recognises that agricultural workers form part of the larger rural workforce. ILO Convention 141(on Rural Workers' Organisations) defines rural workers as women and men who are:

- *wage earners:*
 - working on a permanent, casual, seasonal or migrant basis;
 - for large or small farming, forestry or fishing employers; and receiving a wage in return for their labour; or
- *self-employed:*

- sharecroppers and tenants who work land or boats they do not own and pay rent in cash or a share of the harvest to the owner;
- small owners who themselves work their own land or boats to get their living; or
- *landless and unemployed people living in rural areas.*

The IUF and its members support and defend the rights of rural workers as expressed in ILO Convention 141.

b) ILO international labour standards as a key component and measure of sustainable agriculture

The work that waged agricultural workers do is often badly paid and many live below the poverty line. Basic labour rights such as freedom of association are often denied to them. They are frequently excluded from health and safety and social security/compensation laws covering other groups of workers. Workplace conditions can vary from poor to hazardous.

For trade unions, an agricultural system that is based on unsafe working practices and exploitation of workers is both unacceptable and unsustainable. Improving labour standards - nationally and internationally - must be seen a key element of sustainable agriculture. In particular, application of core ILO labour standards, i.e. freedom of association, right to bargain collectively, elimination of discrimination in respect of employment and occupation, no forced or bonded labour and elimination of child labour, is essential.

In particular, CSD and FAO must adopt, and the SARD/MFCAL concepts must incorporate, appropriate language on acceptance of core ILO labour standards as being a central component and measure of sustainable agriculture. In addition, the other agricultural labour standards (listed in the appendix) must be adopted.

c) Developing links between waged agricultural workers and small farmers/landless workers

Having argued earlier for clear recognition of the distinction between waged agricultural workers and farmers, the IUF recognises that there are many similar issues in sustainable agriculture affecting both groups. There are in fact many similarities in the roles and needs of waged agricultural workers and small farmers and landless workers. In developing countries, for example, many smallholders supplement subsistence income with wages earned by working on large commercial farms and plantations during the harvesting period.

The IUF is actively promoting closer working links between waged workers and small farmers and landless workers through its Land & Freedom Project. In some countries, IUF-affiliated unions are now actively recruiting and organising these groups.

Globalisation and structural adjustment policies have worsened the economic and social conditions of the rural population through labour market changes such as the contracting out of formal sector employment, the flexibilisation of waged employment and the deregulation of wages and labour conditions. In agriculture, privatisation has caused job losses in plantations, increased casualisation of the rural labour force, and the marginalisation of the most unprotected workers, notably waged rural workers and small subsistence farmers and their families, as subsidies and social security benefits have been dismantled.

As rural employment becomes increasingly casualised, the distinction between waged rural workers and the rest of the working population becomes less and less clear-cut. As a result, waged agricultural workers have become potential allies of disadvantaged rural groups such as subsistence farmers, tenants and sharecroppers, the unemployed and the landless. They are engaged in similar activities, share the same environment and often come from the same household. Although there are sometimes tensions and conflicts between these different sectors, relations based on solidarity and mutual support can be developed as their interests converge and common strategies are elaborated to tackle common problems.

The IUF is increasingly being contacted by organisations of small farmers seeking international affiliation in order to become part of an international structure offering mutual support. Finding an effective model to allow us to work more closely with small farmers and landless workers is a central issue which the Land and Freedom Project is addressing.

d) Sustainable employment and employment conditions

The IUF and its affiliated organisations are committed to ensuring that decent pay and working/living conditions for waged agricultural workers are accepted as essential elements of SARD and MFCAL. Agricultural workers are amongst the poorest of the world's poor. "In the least developed countries, more than 60% of the rural population live below the poverty line." (International Federation of Agricultural Producers (IFAP): Rural Poverty and Sustainable Development - A Policy Statement by World Farmers, Paris, France 1998) Those who help feed the world are least able to feed themselves.

Furthermore, there is a large gap between the average earnings of industrial workers and their agricultural counterparts. For example, the union representing agricultural workers in the UK (RAAW/TGWU) has calculated that in 1999, average earnings for agricultural workers were 26.4 percent less per week than the average production worker's wage. The gap is generally much greater in the developing world.

Wage labour, including the number of wage-dependent smallholders in agriculture, has been increasing for over a decade in all regions. Labour markets now play a central role in determining employment and income levels in rural areas. (International Labour Organization Sectoral Activities Programme: Wage workers in agriculture: Conditions of employment and work. Geneva, 1996, TMAWW/1996)

Waged employment in agriculture is found in virtually all countries, although its share in total agricultural employment varies considerably among regions and countries. ILO data suggest that waged employment varies from 12 percent in Asia Pacific to over 80 percent in Eastern Europe and Central Asia.

A significant feature of waged employment is the growing share of women agricultural wage labourers.

Agenda 21, Chapter 29 on Strengthening the Role of Workers and Trade Unions, emphasises the need for sustainable development which leads to sustainable employment. Based on the recognition that sustainable employment should be a key element of multifunctional sustainable agriculture, the IUF supports government policies aimed at promoting and protecting rural employment.

e) Health, safety and environment in agriculture

Improving health, safety and environmental (HSE) standards for agricultural workers, farmers, and the public, including regulation and enforcement, must be included as one of the key components of SARD and MFCAL. Furthermore, there must be recognition that improving HSE standards in the workplace - the farm, plantation or agricultural unit - can result in improved standards of protection for the public and the environment, especially with regard to exposure to pesticides and other agrochemicals.

Agriculture is simply not “sustainable” if the present level of fatalities, accidents, poisonings and ill health is not drastically reduced.

Agriculture is one of the most hazardous sectors in both the developing and industrialised countries. It is ranked as one of the three most hazardous industries together with mining and construction. According to ILO estimates for 1997, out of a total of 330,000 fatal workplace accidents worldwide, there were some **170,00 deaths among agricultural workers**. The highest frequency and fatality rate of injuries are caused by machinery such as tractors and harvesters and cutting tools.

Exposure to pesticides and other agrochemicals is a major occupational hazard which can result in poisoning, death and, in certain cases, work-related cancers and reproductive impairments. The World Health Organization (WHO) estimates that, **at a minimum, 40,000 people die annually from pesticides and a further 3-4 million are severely poisoned**, especially in developing countries where the more toxic materials continue to be widely used and easily available. 16,000 male banana workers in Costa Rica, Honduras and the Philippines, many of them IUF members, became sterile as a result of the uncontrolled use of the pesticide DBCP. DBCP use was banned in many industrialised countries in the 1970s but continued to be manufactured for export and use in many developing countries.

Furthermore, the agricultural worker lives and works in the same environment, and for her/him occupational health and general health are more closely related than in the case of the factory worker. Agricultural work - and this is one of its most distinguishing characteristics - is carried out in a rural environment where there is no clear cut distinction between working and living conditions. The many workers and their families who live where they work face extra dangers from, for example, exposure to pesticides and other agrochemicals in water, air, contaminated soil and residues in the farm produce they eat, and accidents to children with farm machinery and equipment.

Human suffering cannot be assigned a monetary value. Economic losses can, and accidents and ill-health place enormous burdens on economies and enterprises alike. There are no specific figures for the agricultural industry of the economic losses associated with poor HSE standards but the costs are undoubtedly high. One UK study of hours lost in industry due to workplace-related health problems suggests a figure of USD 8.1 billion in lost salaries and wages - and this does not include lower productivity, temporary staff overtime, damage to morale, loss of customers etc.

f) Child labour and sustainable agriculture

The widespread use of child labour is a major problem. The ILO estimates that in developing countries alone, there are at least 120 million children aged 5 to 14 years who are fully at work and a further 130 million who work part time. It is estimated that at least 90 percent of economically active children in rural areas in developing countries are employed in agriculture. ILO statistics for 1996 from 20 developing countries put the proportion of economically active children aged 5 to 14 years in the agricultural sector at 74 percent. As this 1996 ILO report states, “The implication of these figures is clear. If the majority of working children are located in developing countries and a large proportion of these children are employed in agriculture then the exclusion of agriculture from national legislation represents the exclusion of large numbers of children from the ambit of protective legislation”. (Child Labour in Agriculture - A Survey of National Legislation. ILO; Geneva, 1996)

Children work because their parents don't earn enough to support the family. The IUF believes that improving conditions for waged agricultural workers will in the long-term reduce child labour. However, more immediate action is required, and the IUF is working with international institutions like the ILO to eradicate the most hazardous forms of child labour in the short term. The IUF has signed an agreement with the International Tobacco Growers Association to work together to eliminate child labour in the tobacco industry. Through its training and education programmes it has enabled affiliates to secure collective bargaining agreements which commit employers to eliminate the use of child labour.

g) Reversing the exclusion of agricultural workers and their trade unions from participation in sustainable food system decision-making

Worker participation in food system decision-making is important and should cover all aspects of food production. Historically, agricultural workers and their trade unions have been, and are, excluded from decision-making processes affecting their industry and livelihoods.

Compared to workers in other sectors, agricultural workers are under-protected. They suffer markedly higher rates of accidents and fatal injuries than other workers with very few resources available for prevention or compensation. There is a history of exclusion rather than inclusion in labour laws, regulations and enforcement. Protective legislation and social welfare benefits rarely apply because:

- agriculture tends to be excluded from general labour provisions;

- effective observance of existing protection and benefits is generally poorer in the agricultural sector - in many countries, agricultural workers are excluded from any employment injury benefit or insurance scheme.

The SARD and MFCAL concepts must incorporate the recognition that an essential measure of sustainability is the inclusion of agricultural workers and their trade unions in relevant food system decision-making processes.

h) Reform of land ownership and control

The World Food Summit Plan of Action, Commitment One, Paragraph 15, Objective 1.2, sub-paragraph 1(b) calls for the establishment of “legal and other mechanisms, as appropriate, that advance land reform, recognise and protect property, water and user rights to enhance access for the poor and women to resources”.

The IUF supports this statement and sees land reform as a critical component of sustainable and multifunctional agriculture. The IUF’s Land & Freedom Project is addressing this issue, and many IUF affiliates are working in their countries on land reform and related issues.

(i) Agricultural trade policy

The IUF is active in international organisations including the World Trade Organization (WTO) and the European Union (EU) to ensure that the development of agricultural trade policy is firmly based on sustainability. Current WTO rules exclude from regulation “production processes and methods”, i.e. the social and environmental conditions under which commodities - including agricultural products - are produced. This reduction of all goods to tradeable commodities undermines laws designed to protect worker and consumer health, the environment and food safety, all of which are essential components of sustainability.

The IUF is committed to transforming the present rules and structures of world trade to promote sustainability and the satisfaction of human needs.

j) Food security and food safety

The mandate of the IUF in relation to food security is laid down in its Rules. Article 2, paragraph 6 states that “Within its specific sphere of activity, the IUF shall actively promote the organisation of the world’s resources in food for the common good of the population as a whole, and it shall seek adequate participation of labour and consumer interests at all stages of national or international policy-making relating to the production, processing and distribution of food and associated commodities.”

The IUF participated in the World Food Summit in 1996, urging the authors of the Action Plan to recognise the contribution of agricultural workers, and not just farmers, to food security and the importance of their

inclusion in all aspects of the Action Plan. For the IUF, it is a fundamental principle that food security cannot be established without addressing the needs of these workers who remain amongst the poorest of the poor.

Food security cannot be achieved at the expense of food safety. In addition, the means of access to safe food must be improved as it is poor people - many of whom are our members - who are often the least able to afford safe food. The IUF believes that it shares much common ground with consumer groups on the issue of food safety and can act jointly with such groups in approaches and discussions with the agricultural and food producing, processing, and distribution companies. IUF affiliates in agriculture and food processing have an important role in helping protect public health from the often negative effects of globalisation and deregulation on food quality standards, and the increasing control of transnational corporations (TNCs) over the food chain.

The IUF recognises that food systems cannot be sustained unless the natural ecosystems on which they ultimately depend are protected for future generations. Hence, we support measures through the CSD to protect and improve biodiversity and the general environment.

k) Training, education and capacity-building

Training and education for agricultural workers and capacity-building initiatives on sustainable agriculture for their trade unions are needed to reverse the systematic exclusion of agricultural workers and their trade unions and to empower them to participate fully in the development of sustainable agricultural production systems.

The contribution of agricultural workers' trade unions to sustainable agriculture

The IUF is committed to strengthening national affiliates' work on promoting sustainable agriculture through national campaigning, recruitment and organising.

Agricultural workers' trade unions can make a vital contribution to sustainable agriculture as **advocates** at local and national levels, specifically as

- campaigners/promoters
- trainers.

Agricultural workers' knowledge and skills, organised and applied through their trade unions, place them in a unique position to **promote sustainable agricultural practice** and **agricultural diversification**, in the interests of:

- job maintenance and job creation;
- ensuring a better income base for enterprises;
- added value to agricultural produce with multi- functional agriculture;
- local production and consumption

Unions can help reduce the **hidden social and environmental costs** of agriculture by, for example, reducing pesticide use through better training and more efficient application. Securing greater continuity of employment would also significantly boost worker productivity.

Unions can also strengthen social and political support for sustainable agriculture by building links with **small farmers and their organisations**, as well as with **other relevant networks**.

In order for workers and their unions to be able to contribute more fully to sustainable agriculture, however, a number of barriers need to be removed and/or overcome. Many traditional, cultural, social, political and legal barriers impede the effective participation of agricultural workers and their trade unions in sustainable agriculture. Among these are the following:

- rural traditions of authoritarianism, hierarchy, dependency and control;
- workers are often dependent on employers for their homes as well as jobs;
- migrant workers are dependent on employers for the right to stay in a country;
- the unequal legal situation of agriculture compared with other sectors, e.g. the exemption of agriculture from all or part of national labour legislation;
- agricultural workers are often geographically isolated and socially marginalised;
- high levels of illiteracy (especially among women workers), which along with social marginalisation, lowers agricultural workers' levels of self-confidence and reduces their skills as advocates.

These barriers must be systematically eliminated if agricultural workers and their unions are to assist fully in the construction of a sustainable system of agricultural production.

IUF affiliates and sustainable agriculture

In 1996, CONTAG, a Brazilian trade union confederation organising agricultural workers, in co-operation with the national trade union centre CUT, initiated a project on sustainable rural development based on land reform. The project involves developing alternative models of land reform for landless workers, awareness-raising, education and research, as well as national political campaigning through the "Cry of the Earth" movement (Grito da Terra Brasil).

SiD, the Danish General Workers Union has introduced a nationwide organic farming initiative entitled *For Posterity - For Nature's Sake - Ecological Farming*. The initiative's primary objective is to safeguard the environment for future generations and public health today and in the future. A secondary objective is to guarantee employment in the entire agriculture sector including horticulture and forestry.

About ten years ago the Swedish Agricultural Workers Union SLF started an education programme to stress the importance to its members of moving agriculture towards sustainability. New study material, "Plant for Life", was produced in 1998 for SLF members to use in their education study circle courses. The knowledge gained is to be used in negotiations/discussions with the employers on concrete measures contributing to sustainable agriculture.

In 1998, the IUF launched a *Global Pesticides Project (GPP)* whose goal is to build national and regional union and IUF capacity to work on pesticide issues within the context of sustainable agriculture, including the related issues of integrated pest management, pollution prevention, and genetically manipulated organism biotechnology.

In the first phase, the GPP is focusing on four African countries - Ghana, Tanzania, Uganda, and Zimbabwe - and six IUF-affiliated unions are involved. Target groups include rank-and-file trade union members, shop stewards, branch officials, union committee members, national union leaders and officers, pesticide policy makers, and environmental/consumer organisations.

At national level, the main activities are to extend trade union education study circles to provide training on pesticide health, safety and environment (HSE) issues. Study circles are courses designed to provide basic and advanced training for union members working on farms and plantations and union officers and committee members on all aspects of union organisation, recruitment and activity. There is a strong emphasis on gender issues and on training women union members.

The GPP has concentrated on training the trainers. The first step in extending the study circles to pesticides HSE is to train local study circle leaders who will then teach other courses and help in setting up new study circle groups.

The national work is linked to the IUF's activities at the international level. The IUF is promoting its policies through international pesticide and chemical fora on the environmentally sound management of toxic chemicals/pesticides and through the UN Commission on Sustainable Development review process on sustainable agriculture. The goal is to ensure that appropriate international policies are developed for the sound management of pesticides including promotion of sustainable/ethically produced agricultural crop/livestock products, integrated pest management (IPM) techniques, and other non-chemical alternatives. This includes working on, for example, the Prior Informed Consent Procedure for Certain Hazardous Chemicals in International Trade, OECD/FAO Pesticide Risk Reduction Project, and National Profiles to Assess the National Infrastructure for Management of Chemicals plus any relevant Action Programme(s) resulting from the Profiles.

The IUF is also working with *the Global IPM Facility* (a joint World Bank/ FAO/ UNEP/ UNDP Programme based at the FAO in Rome) on plans to provide training for GPP trainers and union members on integrated pest management. The goal is for IUF members to then promote this technique in negotiations with agricultural employers, agri-business trade associations, governments etc. as an alternative to hazardous synthetic chemical pesticides.

Within the IUF Land & Freedom Project, the Asociación Nacional de Trabajadores Agropecuarios (ANTA) in El Salvador is campaigning for agrarian reform. ANTA's programme calls for state landholdings in excess of 245 hectares (a total of 9,682 hectares) to be transferred to 12 ANTA cooperatives, to benefit 4,353 peasants.

The agrarian reform law passed in the Philippines in 1988 mandated the distribution of land previously leased or owned by foreign companies to waged agricultural workers. In order to service its members who were transformed from wage workers into small farmers, the National Federation of Labor (NFL) created the Foundation for Agrarian Reform Cooperatives (FARMCOOP) in Mindanao. This organisation provides legal assistance and other support services to workers who were formerly in the employ of the transnational produce corporation Dole. In the wake of agrarian reform, Dole was able to impose production and selling conditions which were highly unfavourable to small farmers, whether on cooperatives or owned family farms. FARMCOOP is currently fighting on behalf of these farmers for a more equitable contract system.

Recommendations

What needs to be done and what types of international support are needed to help trade unions play a more active role in sustainable agriculture ?

1. There must be formal international recognition, especially by bodies like the CSD, FAO and ILO, of the present and future roles of waged agricultural workers and their trade unions in sustainable agriculture.

In developing the SARD and MFCAL concepts, FAO and CSD must recognise and work with **agricultural workers and their trade unions** as a distinct stakeholder category. This is in line with agreed language in Agenda 21, Chapter 29 on strengthening the role of workers and their trade unions in sustainable development.

2. There must be international acceptance, especially by the CSD and FAO, of core and agricultural ILO labour standards as a central component and measure of sustainable agriculture.

The SARD and MFCAL concepts must be modified to incorporate appropriate language on ILO core labour standards, as per the series of documents (EN/CN.17/1998/L.10 and its two Annexes) adopted at the UN Commission on Sustainable Development (CSD) meeting in 1998. These documents agree to key enabling mechanisms to promote trade union involvement in the implementation of sustainable development plans.

The ILO for its part needs to more fully incorporate the concepts of SARD and MFCAL in its main work programmes.

3. SARD and MFCAL must develop a specific section on employment conditions and sustainable employment promotion as central features of sustainable agriculture, and generate appropriate data, information, policies and progress indicators.

The ILO for its part, in line with the resolution on sustainable agriculture adopted by its Tripartite Sectorial Meeting on Agriculture in 1996, should conduct research on the employment-creating potential of sustainable agriculture. (ILO: *Notes on the proceedings*. Tripartite Meeting on Improving the Conditions of Employment and Work of Agricultural Wage Workers in the Context of Economic Restructuring. ILO, Geneva, 1996, TMAWW/1996/14, p 30)

4. SARD and MFCAL must develop criteria and activities on health, safety and environment standards as a central feature of sustainable agriculture, and generate appropriate data, information, policies and progress indicators.

The ILO's work on agricultural health and safety must, at the same time, fully integrate the concepts of SARD and MFCAL in its main work programmes.

5. International organisations like FAO and ILO should cooperate with the IUF to develop and implement courses on sustainable agriculture to raise awareness among local and national trade union leaders. This includes helping train union trainers to educate union members and so help build trade union capacity for improved advocacy and practical action on sustainable agriculture.

Appendix: agricultural workers and international labour standards

International Labour Standards Covered in the Declaration on Fundamental Principles and Rights at Work

(adopted by the International Labour Conference at its 86th session, Geneva 1998):

Convention Nr. 87: Freedom of Association and Protection of the Right to Organise Convention, 1948

Convention Nr. 98: Right to Organise and Collective Bargaining, 1949

Convention Nr. 29: Forced Labour, 1930

Convention Nr. 105: Abolition of Forced Labour, 1957

Convention Nr. 100: Equal Remuneration, 1951

Convention Nr. 111: Discrimination (Employment and Occupation), 1958

Convention Nr. 138: Minimum Age, 1973

Agriculture-specific Conventions

Freedom of association

Convention Nr. 11: Right of Association (Agriculture), 1921

Convention Nr. 141: Rural Workers' Organisations, 1975

Labour administration

Convention Nr. 129: Labour Inspection (Agriculture), 1969

Conditions of work

Convention Nr. 99: Minimum Wage Fixing Machinery (Agriculture), 1951
 Convention Nr. 101: Holidays with Pay (Agriculture), 1952

Social security

Convention Nr. 25: Sickness Insurance (Agriculture), 1927
 Convention Nr. 36: Old-Age Insurance (Agriculture), 1933
 Convention Nr. 38: Invalidity Insurance (Agriculture), 1933
 Convention Nr. 40: Survivors' Insurance (Agriculture), 1933
 Convention Nr. 12: Workmen's Compensation (Agriculture), 1921

Employment of children

Convention Nr. 10: Minimum Age (Agriculture), 1921

Plantations

Convention Nr. 110: Plantations, 1958

CONCLUSION

One the goals for the WSSD must be to help strengthen the role and contribution of waged agricultural workers – whether permanent, temporary or seasonal - and their trade unions to sustainable agriculture and rural development (SARD) including world food security (WFS). (To increase their role and contributions both as workers producing much of the world's food and agricultural commodities, and as citizens).

This issue needs to be urgently addressed as in Agenda 21, Chapter 14 on SARD, the role and contribution of waged agricultural workers - who are often amongst the poorest of the poor – to sustainable agriculture have remained invisible and unacknowledged.

To increase the contribution of waged agricultural workers and their trade unions to sustainable agriculture and global food security, political, technical and financial support are needed to:

1. Ensure the recognition of the role and contribution of waged agricultural workers and their trade unions to SARD and WFS as a distinct category who play a central role in world food production and security but are distinct from farmers
2. Promote the international acceptance of core and agricultural labour standards of the International Labour Organisation (ILO) as a central component and measure of sustainable agriculture

To build on the language already agreed on in Chairman's summary of the Multistakeholder Dialogue on Sustainable Agriculture at CSD-8 for, “*CSD support for international rules that incorporate core labour standards as contained in relevant ILO instruments*”

3. Improve health, safety and environmental standards in agriculture by ensuring WSSD support for ratification of the *ILO Convention No 184 on safety and health in agriculture*. The Convention's implementation should be seen as an important step towards achieving sustainability in agriculture by reducing the estimated 170,000 deaths annually of both farmers and waged agricultural workers, pesticide poisonings and ill health
4. Promote sustainable employment and employment conditions to ensure that decent pay and working/living conditions for waged agricultural workers are accepted as part of the solution to SARD and WFS, and as a major means of poverty alleviation
5. Help trade unions eliminate child labour in agriculture by improving wages and conditions for waged agricultural workers. The widespread prevalence of child labour in agriculture is another element undermining sustainable agriculture and food security as it maintains the cycle where household income is insufficient to meet the needs of families. Children work because their parents don't earn enough to support the family.

3.03 Construction, including Cement

CONSTRUCTION

The following is excerpted from the International Federation of Building and Wood Workers (IFBWW) document:

“Towards Sustainable Industrial Development in Construction, Wood and Forestry”

(Draft of December 17, 2001)

1. Sustainable development - a trade union perspective

Policies on sustainable development interlock with core union areas: the development of business and industry, employment and working conditions as well as health and safety. Union involvement in these discussions is vital, both at the political and strategic level, as well as at the practical, operational level. The IFBWW sectors will be enormously affected, which is why it is important for the IFBWW to raise its voice on the issue.

- Globally, the last ten years have seen a decline in both the area and the quality of the world's forests. Unsustainable management of forests has gone hand-in-hand with the denial of rights or voice to workers or their communities. Discussions on sustainable management of the world's forests must integrate environmental, economic, and social aspects. Successful models in the industry already exist to show that better practices, such as low-impact logging, effective public participation, participatory decision-making, and integrated planning can lead to win-win solutions.

Forest certification, for example, is promoted by trade unions because it employs market-based strategies to promote sustainable forest management, which protects workers jobs at the same time, as it protects a key element of our natural environment.

- The Timber and Wood Workers Union (TWU) in Ghana has established a tree nursery and plantation which has become a showplace for good forest practices, and a focus for effective training in sustainable practices. These include reforestation, occupational health & safety, and forest certification. A gender awareness program based on local level needs identified by research has worked to establish women's structures and to improve the condition of women in the workforce. The TWU is now sharing its experience with other unions, and has exchanged with unions in Burkina Faso and Kenya, where similar forest and training efforts are now underway.
- German union IG BAU is collaborating with government and employers' federations in a programme to renovate buildings, contributing to climate protection measures, whilst creating sustainable jobs. The *Alliance for Work and Environment* aims to renovate 300,000 apartments, create 200,000 jobs, reduce CO2 emissions and lower heating bills for tenants, landlords, and the State by about US\$4 billion, through reduction of unemployment costs and increased income taxes etc. The immediate objective is to improve insulation of buildings, advanced heating technologies, and use of renewable energy - like photovoltaic or solar thermal systems. Thousands of new jobs are anticipated in the construction, heating, sanitary and air-conditioning sectors, as well as in building service. Financing for the programme is provided by the German government, which will spend less than US\$1 billion in the next 5 years. As well, a total of US\$5 billion will be available through credits at favourable rates of interest.
- Over 100,000 workers currently die world-wide each year as a result of exposure to asbestos, and fatality rates are expected to continue to rise, especially in developing countries where asbestos is being increasingly and more aggressively marketed. Trade unions were therefore quick to follow-up on a ruling by the World Trade Organisation in 2000 against Canada's appeal of a ban of asbestos by France. The WTO decision paves the way for more countries to support a world-wide ban on this product that was spearheaded by the IFBWW and the ICFTU Executive Board, effective December 2000. Trade unions representing workers, who produce asbestos, building workers exposed to asbestos products, and their communities expect governments and employers to provide asbestos workers with a "Just Transition". Governments and employers have a responsibility to all workers in the asbestos industries to ensure that they do not have to trade their health for their jobs, and asbestos workers should therefore be entitled to a Just Transition to new, safer and decent employment.

These examples illustrate that there are several areas of common interests between the stakeholders in the construction, wood and forestry industries, which can create a framework for sustainable industrial development and a win-win situation for the industries:

- Productivity of the industries can be raised by better trained workers and work organisation and health and safety training;

- Efficiency and productivity of small scale and big companies can be improved in order to achieve a stable employment situation and permanent employment relationships;
- A regulated construction and labour market can prevent unfair competition and social dumping;
- Social dialogue on all levels with social partners, which are well organized and representative, lives up to the right for workers to organize and to collective bargaining.
- Use of energy efficient materials and responsible use of chemicals, including waste disposal, benefit workers and society as a whole.

Vital components of the concept of sustainable industrial development are that the three pillars of sustainability - economic viability, ecological protection and social responsibility and participation of workers and their unions in decision making are respected. The IFBWW's vision is that the realisation of the initiatives that we call "sustainable working life" is regarded as a decisive step towards sustainable industrial development. "Sustainable working life" entails decent pay and working conditions, a meaningful job with prospects, a good working environment, continuous human resource development and secure employment.

- The IFBWW wants to ensure that the governments, companies and development agencies work to promote sustainable industrial development at enterprise, national, regional and global level.
- The IFBWW believes that a pre-requisite for the promotion of sustainable development generally and at industrial and company level is the involvement of union representatives.
- The IFBWW encourages the international trade union movement to prioritise the concept of sustainable industrial development in their future work.

2. What is sustainable development?

The simplest definition of sustainable development states that we must meet the "needs" of today's generation without sacrificing the ability of future generations to meet their needs. This simple definition becomes more complex upon examination of the word "needs". "Needs" does not just mean environmental or economic concerns, which is a common misinterpretation, but includes environmental, economic, and social concerns.

The concept of "sustainable development" has proven to be difficult for many people to fully understand. Perhaps that is because it requires integrative rather than compartmentalized thinking, and is not well adapted to explanation in five-second media "sound bites". Environmental, economic and social concerns must be addressed simultaneously. Very simply: if we fail to protect the environment we will have no jobs, no communities, and no future; but if we attempt to impose environmental solutions that ignore economic and social realities, we will face disaster of a different sort.

The necessary foundation of a socially sustainable workplace is respect for the dignity and human rights of workers. The minimum criteria for that dignity and respect for human rights are articulated in the ILO's (International Labour Organisation) Core Labour Standards (sometimes referred to as Fundamental ILO Conventions.)

There are eight ILO Conventions that have been identified by the International Labour Organisation as being fundamental to the rights of working people. They are intended to apply to all workers, whether the country of work is a developed nation or a developing one. All other workplace rights are considered to build upon these fundamental rights, in that they provide the tools of the conditions necessary for workers to strive to improve their individual and collective working conditions.

Freedom of association

1. *Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)*
2. *Right to Organise and Collective Bargaining Convention, 1949 (No. 98)*

The abolition of forced labour

3. *Forced Labour Convention, 1930 (No. 29)*
4. *Abolition of Forced Labour Convention, 1957 (No. 105)*

Equality

5. *Discrimination (Employment and Occupation) Convention, 1958 (No. 111)*
6. *Equal Remuneration Convention, 1951 (No. 100)*

The elimination of child labour

7. *Minimum Age Convention, 1973 (No. 138)*
8. *Worst Forms of Child Labour Convention, 1999 (No. 182)*

All of these should be very nearly self-explanatory; however complete text and detailed explanations are available from the ILO <http://www.ilo.org> if desired.

Often it has been the case that the ecological and economic dimensions have overshadowed the social dimension. This is something that the IFBWW strongly objects to. The social dimension is of particular importance for a trade union organisation, since employment, working conditions and the working health and safety environment form a large part of this dimension. Sustainable development is not only a matter of economics and the environment, but it is also about *people*.

The aspiration towards economic growth or a clean environment must not be allowed to overshadow the fact that it is actually *people* who create this growth in value and keep society going with their work. Progress must not be at the expense of the workers. Exploiting or repressing fundamental workers' rights, strain and accidents at work must be prevented and avoided, if it really is a question of real sustainable development.

The IFBWW believes that a sustainable working life is a pre-condition if it really is going to be a matter of sustainable development. Labour is not just a good that can be consumed, as you think best. Pay and working conditions must be good enough for workers to last a whole life. Also after a full working life, it should be possible to have a good life.

What is a sustainable working life?

A sustainable working life is characterized by:

- *Stable employment and permanent employment relationship*
- *Fair pay and decent working conditions*
- *Appropriate social insurance*
- *A meaningful job with prospects*
- *A good working environment, so that the labour force maintains its health during an entire working life*
- *Continuous human resource development, so that the labour force maintains its value on the labour market*
- *Co-determination and democracy*
- *Solidarity with colleagues*
- *The possibility of working even after your working ability has been reduced*
- *No discrimination against women at workplaces*
- *No child labour and any form of forced labour in our sectors*
- *All workers are free to choose their employment and work under conditions where they are free to leave when they choose*

One "problem" with the social dimension and a sustainable working life is that the factors cannot be immediately quantified in terms of money however be used for benchmarking. Inadequate rights, stress, exclusion from the labour market and accidents at work are not always measurable. However these conditions have an enormous impact on the individual worker, companies and society.

3. Sustainable development in IFBWW industries

In the building, building materials, wood and forestry and allied sectors there are already today good prospects for a transformation towards sustainable development. The IFBWW sectors can quite easily be transformed to become more sustainable and the IFBWW would like to stimulate this transformation.

3.1. The building and construction sector

The building and housing sector is responsible for 30 - 40% of the total energy consumption of society (90% contributes to the running of buildings), about 40% of material use and a large proportion of total waste. It is interesting to discuss sustainable development in construction against the background of the use of resources.

The building sector is enormously important for the economy, employment and the environment. The construction industry globally represents a \$ 3,5 trillion market volume and a workforce of around a 100 million. Construction creates employment, protects the environment, facilitates modern means of transport

and also improves the living conditions of mankind. Infrastructure and building improve health, education, employment and the economy as a whole.

"Production in the construction sector differs from other industries." This is a view often heard in the construction sector and there is great deal of truth in that statement. In other industries there is a far greater dynamism compared to the construction sector and technological progress is moving much faster in many other sectors. The reason for this is that, as a result of the market and international competition, there is a constant pressure for change, a tendency less pronounced in the construction sector.

The construction sector also differs from other business sectors on the production side. Buildings increase in value regardless of how badly they are maintained. The constant increase in value has to do with the character of the product. A building is not a disposable product; instead it is a product that is expected to "last" for many years. With the right maintenance and renovation, a building can age with dignity and can be constantly adapted to changes as regards function and use. Due to this longevity of the finished product, it is important that a number of considerations are made before a construction project is launched.

The IFBWW would like to emphasise that the whole *lifecycle of a building* must be thought through before the start of the building process: from conceptual development and realisation, to management and maintenance and lastly the demolition of the building. The building work cannot only be valued based on the price of the construction. The architecture, quality, lifetime, multipurpose, ecology and working environment on the building site are important factors that should be taken into account. A public building policy should contribute to the promotion of a holistic approach in construction where every stage of construction is taken into account in the decision-making process.

As shown in the illustration *"life-cycle of construction"*, the link between the economic, environmental and social conditions is very close in construction. The three dimensions are interdependent and what happens in one of the dimensions has repercussions on the other two. It is essential to think through all three dimensions and the link between them before planning a construction project. When it comes to the actual construction work and the running of the building, creation of a positive and dynamic interplay between the three dimensions ensures sustainable economic, ecological and social development.

A further requirement as regards buildings and housing is the demand for *quality*. Buildings and construction activities must be "sustainable" in different respects. That does not only mean sustainable in the physical sense, but also in the economic, ecological and social sense. Actually the construction sector can play a very strategic role in various national strategies of recent years for the creation of a "sustainable society".

The IFBWW believes that it is high time that the social dimension is put on the agenda. The social dimension is above all about pay and employment conditions for people who work in construction. It is also important to ensuring a good working environment, participatory decision-making and further training and from a broader perspective safeguarding the idea of a home and employment for all.

From an economic point of view the inclusion of the social dimension will not make construction more expensive. As already mentioned, the conditions in the three dimensions have an impact on each other. For example, a good working environment reduces the risk of heavy, straining work, leads to fewer accidents at work, fewer sick days, and thus shorter construction times and lower costs for the total construction. Improved energy consumption and the use of quality materials are important for the indoor climate in the finished home and for the pleasure of living in the building. At the same time, improved energy consumption reduces the total operational costs for the homes.

Building materials

The cement industry has several key issues to address, in terms of environmental sustainability:

- *Energy use*
- *Carbon dioxide emissions in the manufacture of cement*
- *Incorporation of recycled materials*
- *Waste produced in the manufacturing cycle*
- *Condition of abandoned quarries, and remediation*
- *The impact of choice of material on such factors as traffic noise, dust, energy efficiency of buildings, etc.*

The manufacture of cement from mineral feedstock requires a huge energy input. Most of that energy, worldwide, is presently supplied by coal; the burning of which releases large amounts of carbon dioxide along with other pollutants such as nitrous oxides, sulphur oxides, and particulate. However, the manufacture of cement has an additional environmental burden to account for, besides the energy input. The chemical reactions involved in converting limestone to cement release very significant amounts of carbon dioxide, as well.

Globally, combining carbon dioxide - emitting energy input (even recognising that all potential energy sources for a cement kiln are not equal in this regard), with the carbon dioxide produced via the chemical reaction, means that over one ton of carbon monoxide is released to the atmosphere for every ton of cement produced. This is very significant, even as a percentage of total anthropogenic carbon dioxide releases to atmosphere. It has been estimated that the cement industry may be responsible for 8 percent of this total.

The cement industry can do much to improve this record. Increased energy efficiency, alternative fuels, and incorporation of greater quantities of waste materials, e.g. fly ash, in the final product all have the effect of significantly reducing the overall environmental "footprint" of this important industry. Other wastes and emissions must be controlled, as well.

Another significant environmental "charge" that has been levelled against the cement and concrete industries is the condition and fate of quarries, where limestone, gravel, sand, and other raw materials are obtained. The record of the industry in managing the environmental impacts of these sites, and remediating them when their economic life is over, has been less than completely responsible.

Finally, the cement and concrete sectors need to examine the positive environmental impacts that the choice of materials can have on such factors as energy efficiency of buildings, indoor air quality, traffic noise, dust generation, etc. The cement sector has begun to recognise that the environmental impact of a product has marketing value. However, the sector has generally failed to understand that social sustainability is as important as environmental sustainability.

In total, the cement industry is huge. A large quantity of global cement requirements is supplied by small, locally owned plants. Because it is heavy and bulky, cement is not traded in large quantities on the global market, and most cement is used relatively close to the location in which it is manufactured. However, a few large multinational corporations have been able to gain control of overall pricing and market access by controlling strategic positions in national and local markets. This process has continued in both developed and developing countries, and in the transition economies. The social impacts of that pricing and market control, and of the privatization of former state-controlled cement facilities have been largely ignored. The cement industry, like many other economic sectors, is contemplating or has adopted voluntary initiatives. As a tool to build consensus and forge professional codes of ethics for the behaviour of those working within the industry, this is all to the good. However, voluntary initiatives can only be credible with an effective means of independent, third-party verification of performance, and can never entirely replace regulatory action.

Initiatives for the promotion of sustainable development in the construction and building materials sector:

- *Ensuring comprehensive training and further training*
- *Securing adequate occupational safety and health, and accident prevention.*
- *Employment in permanent and secure jobs*
- *Ensuring the right to form trade unions (freedom of association) and to collective bargaining as laid down in the Conventions No. 87 and 98 of the International Labour Organisation*
- *Focusing on quality in building (both product as well as process)*
- *Regarding construction from the holistic perspective that includes all the stages of the life span of a building (planning, building, operation, renovation, demolition, re-use, waste), for example making complete economic calculations in order to make a "from the cradle to the grave" assessment*
- *Drawing up key figures and systems for benchmarking in order to be better able to compare different types of construction work*
- *Carrying out lifecycle analyses to assess the total environmental impact of the construction work, including the impact on the working environment*
- *Motivating the increased use of environmentally correct projects, environmental labelling of building products, green accounting practices, working environment accounting practices as well as planning human resource development*
- *Formulating state building and housing policy programmes and establishing goals and control instruments. In a public building policy, demands can be put on the building process*

itself. At the same time, the state as client acts as a good example and shows the way for other clients

- *Providing the legal and financial framework for investments which lead to employment through housing programmes appropriate to the needs of all people, as well as social and cultural infrastructure, urban renewal, and infrastructure projects in line with environmentally and socially sound practices.*
- *Implementing measures for the controlled use, and eventual phasing out of dangerous substances such as asbestos*
- *Ensuring the maximum use of locally available natural resources, renewable building material, and local personnel as well as cost-effective technologies to the needs and characteristics of the country.*
- *Promoting investments and provide tax incentives for environmental friendly building activities including energy saving measures.*
- *Establishing funds for construction projects for use in time of recession.*
- *Ensuring minimum labour standards in the execution of public contracts by implementing ILO Convention No. 94 concerning Labour Clauses in Public Contracts.*
- *Ensuring that research programmes for construction industries, including social issues, are expanded.*
- *Complying with ILO Convention 169 concerning Consultation with Indigenous Peoples whose land is affected by construction projects, and compensation rights in the event of relocation.*
- *Influencing the UN, the WTO, World Bank and regional financial institutions, companies and governments place an importance on "sustainable working life" and show respect for environmental protection and land management in the planning and carrying out of construction projects.*

3.04 Chemicals, including Detergents

CHEMICALS, including DETERGENTS

This report will deal with the chemicals, and detergent, industries together. While there are differences, there is significant overlap. However, PLEASE NOTE that not every comment that follows will apply equally to every aspect of either of these two very large, and very diverse, industries. Notwithstanding this, the discussion on "Responsible Care" generally applies to the chemical industry only; although some detergent manufacturers subscribe to the "Responsible Care" program. The detergent industry also is understood to have one or more of its own industry organizations and in some cases similar voluntary initiatives, for example industry codes of good environmental practice.

Although the industry sector includes facilities of every size, it is dominated by large companies, many of them multi-nationals. The chemical industry is fundamental to many other industries, frequently producing the basic material building blocks, intermediaries, and tools for many other types of production and services. On the other hand, the detergent industry tends to produce more products for end consumers, though it too is fundamental to a wide range of other industries and services.

As far as the social dimension of sustainability is concerned, this important industry groups' relationships with local communities, suppliers, clients and customers, investors and workers have been marred by secretiveness. As for labour relations, the chemical and detergent industries have an uneven track record of relations with their unions.

The chemical, including detergent, industries can make a positive contribution to improved quality of life and creation of opportunities for quality employment, in a sustainable manner. While this industry group does frequently provide quality jobs to its employees, at least in developed countries, it would be fair to say that neither the chemical industry, nor the detergent industry, has contributed to employment GROWTH. All the benefits, both actual and potential, of these industries have been mitigated by their desire to shed staff in recent years rather than create employment. Thus, the record of the chemical industry in recent years – as with so many capital-intensive industries - has as often as not been one of employment destruction rather than employment creation. The record of the detergent industry has been one of increased use of contracted, rather than permanent, work forces.

As stated above, the social dimension of sustainability is far broader than simply employment and includes all of the impacts of an industry upon families, communities, societies, and cultures. For example, the concept of “environmental justice” implies a fair sharing of the benefits as well as the costs of production. The developing world, and low-income areas of the developed world, continue to attract a disproportionate share of toxic waste disposal sites and new investment in toxic production facilities. Unless the chemical and detergent industries pay greater attention to social sustainability, they will suffer from a loss of public support, which in the end is the unwritten “production permit” needed to stay in business.

Regarding the environmental dimension of sustainability, the performance of these industries is again, mixed. In developed countries, this industry grouping has in general a fairly good record of adherence and compliance with national and international regulations and environmental agreements, e.g. climate change, ozone protection, persistent organic pollutants etc. This record is not quite so good in developing nations.

The chemical industry (based on the prevailing economic paradigm) has introduced some 67,000 chemicals into widespread industrial use. For only a handful of these do we have even limited human health data. Environmental effects are even less well understood. We in the labour movement have historically tended to view this as an occupational health problem, though the broader view, and one that is gaining greater currency amongst unions, is that it is really an environmental problem with an occupational aspect.

The chemical and detergent industries are widely criticized for their emissions, wastes, and secondary environmental effects resulting from the use of their products. There are responsible players within the industry attempting to manage emissions and wastes properly, and take some responsibility for how their products are used, but there are also irresponsible elements. There are opportunities to avoid responsibility, or evade waste disposal restrictions in almost every jurisdiction, for example by conversion of the waste from one physical form to another. This should be borne in mind while reading the following three

paragraphs on air, water, and land issues. Some members of the chemical industry have demonstrated a willingness to look for and use these opportunities.

The grouping of chemical and detergent industries is very broad, and includes many differing enterprises involved in many different industrial activities. Some of these have an enviable record in terms of air pollution. Others have a less enviable one.

Many, if not most, large chemical and detergent production facilities are situated next to large bodies of water. Cooling water for heat exchange as well as fire-fighting are two of the reasons for this. There has been significant progress in the last couple of decades in limiting the “blowdown” or single-cycle use of water in these industries, although this does to some extent still occur. Multi-cycle use is not the norm, although completely closed systems are rare (and perhaps not as desirable as their name implies). The effects of the end-use and disposal of chemical and detergent products remain a significant concern for water contamination.

The chemical and detergent industries are significant users of lands. One of the land use issues involves zoning and the placement of so-called “buffer zones” around large chemical production facilities. The need for this has been highlighted by events such as Bhopal, and more recently in Toulouse, France. Although an argument could be made that the industry itself is responsible for ensuring that a buffer zone is maintained, it should be noted that in some cases the industry was situated away from populated areas in an industrial area when it was first located, but local authorities allowed the construction of residences right up to the fence-line of the chemical facility, after it had been built. This experience illustrates that very often, local authorities are only minimally aware of or concerned with the kinds of industries in their midst, and are utterly unprepared for a major industrial accidents.

Facing all of these issues, it is no surprise that the chemical industry is the main industry that comes to mind when people think of toxic releases; and the detergent industry continues to figure highly in environmental concerns when people think of products they use. Obviously, the production process is far from the only cause for concern. Banning a chemical, for example, is a “supply side” chemicals management strategy. Supply side strategies are not the only ones used in the financial sector and it is difficult to see why the “demand side” of the chemicals sector has not been paid as much attention as the chemical producing industry. A “demand side” strategy could be of particular importance in the case of the detergent industry.

There is some pressure to force industries towards a closed-loop type of production where anything produced has to be reintegrated back into the system. This makes sense regarding specific waste streams or certain pollutants. However, the term “zero discharge” is often misunderstood. Although we can achieve zero discharge of selected pollutants, it is impossible to obtain zero discharge of all pollutants (including heat and carbon dioxide) simultaneously. When talking about “clean production” therefore, what is really meant is “cleaner production”. For these and other reasons, more promising than “zero discharge” may be new research into so-called “green chemistry”. In brief, this is the search for synthetic routes, processes and products that have, inherently, less potential to damage the environment. The industry could do much more

to further this research. “Green chemistry” is consistent with the precautionary approach urged in Agenda 21.

The manufacture of many chemicals and detergent products requires significant energy inputs. The chemical and detergent industries can do much to improve this record through increased energy efficiency, alternative fuels, and recycling of materials.

Besides pollution and energy issues, the chemical industry, in particular, should not be discussed without paying attention to the issues of conservation and management of resources for development. The chemical industry is widely regarded as an environmental liability – sometimes as much because it is highly ‘visible’ as for its intrinsic impacts. However, it is worth noting that, unique among all the industry sectors, the manufacture of petrochemicals is in fact a competing use for a non-renewable, depleting resource – petroleum and gas. The other major use of this resource is to burn it. An argument could be made that this portion of the chemical industry is inherently better at conservation and management of resources for development in that it produces durable, or at least value-added, products from a non-renewable and depleting resource and that this is probably preferable to simply burning it. The chemical industry is a unique industrial sector in that it provides many of the materials out of which a sustainable infrastructure will be built.

However, this industrial sector cannot ignore the fact that there are serious concerns about the sustainability of portions of it. Legitimate public and scientific concerns about environmental and human health effects are forcing governments to consider bans on certain products and production methods, and public support for chemical production facilities and many of their products remain low.

The chemical and detergent industries do undertake research and development of environmentally sound technologies, but can do much more. Present research includes the investigation of both “end-of-pipe” and “at the source” controls, but needs to heavily concentrate on the latter. Perhaps more pressing than process and production technology and product development should be research to remedy the inadequacy of present knowledge on the environmental and human health effects of existing, and new, products – including a need for a very considerable amount of traditional toxicology research. Spending on research and development in these areas is minor compared to spending on e.g. product development or production technology.

The chemicals and detergents industries, along with the pharmaceutical, entertainment, and software industries, are amongst the most enthusiastic supporters of the concept of “intellectual property”. Intellectual property, in turn, is one of the most serious barriers to technology transfer and cooperation, particularly between the developed and the developing world.

The chemicals and detergents industries have their own view of “Risk Assessment” and the precautionary principle; views that would not necessarily stand up to multi-stakeholder scrutiny or approval. Real stakeholder participation implies much more than after-the-fact communication of the outcome of an industry risk assessment done behind closed doors by self proclaimed “experts”. Trade unions believe that fundamental to good decision making about hazardous products and processes is full understanding and

acceptance of the decision by those facing the hazard. This can only be achieved through consensus decision-making.

Trade unions accept the right of society to decide, even in a precautionary manner, whether present patterns of production and consumption should be allowed to continue, or not. We will of course do our own research and make our interventions in that decision-making process. However, if society ultimately makes a decision that certain products or processes are no longer desired, then a Just Transition for workers in the threatened industries must be assured. On the employer side, it should be a condition for any environmental approval or compliance certificate that the employer have in place a local negotiated adjustment plan. Such plans would have to meet minimum standards in the same way as employment standards legislation protects minimum standards in employment generally. Environmental assessment approvals for projects with limited lives would require that acceptable transition mechanisms be in place.

Some of the major environmental problems of our day are inextricably linked in the public's mind to the chemicals and detergents industries, and this is not likely to change any time soon.

“Responsible Care”

It is impossible to discuss the sustainability performance of the chemical industry without discussing “Responsible Care”. Leading similar efforts in many other industry sectors, the chemical industry has attempted to implement a voluntary initiative encompassing the environmental, and to some extent the social, dimensions of sustainability.

NOTE: As mentioned previously, the following discussion applies primarily to the chemical, and not the detergent, industry. However, a few members of the detergent industry do participate in “Responsible Care”, and some aspects of other voluntary initiatives within the detergent industry share characteristics with “Responsible Care”.

“Responsible Care” is the chemical industry’s voluntary program to enhance health, safety, emergency preparedness and response, and environmental protection. “Responsible Care” is also intended to create a dialogue with stakeholders and raise the awareness of the community on issues of chemical safety and environmental stewardship, including releases to the environment. A great deal of the positive news in the chemical industry’s report to UNEP focuses upon activities that take place under the banner of “Responsible Care”.

The trade union movement does not wish, in this response to the chemical industry’s report, to repeat past arguments over the merits of "regulatory versus non-regulatory approaches", by which is often meant the choice between traditional regulations and such things as voluntary initiatives. We understand that there will always be a need for both. It is as ridiculous to assume that all of industry will ultimately become self-policing as it is to assume that all private citizens will one day become self-policing.

On the other hand, building a consensus between the industry and society regarding which behaviours are expected of them, is a necessary step towards achieving compliance with regulations. Achieving this

consensus requires extensive and ongoing dialogue and participation, with appropriate stakeholders and representatives of civil society. This has not occurred to any great extent.

Thus, while laudable in a sense, “Responsible Care” suffers from a lack of credibility due to its unilateral development and implementation. Little stakeholder input, especially from the trade unions, has been sought or included. Furthermore, there has been some exaggeration of the successes of “Responsible Care” and a tendency to minimize discussion of its failures. As a result, to many outsiders, “Responsible Care” seems more like a public relations or marketing program; rather than a true program to improve health, safety and environmental management or “ethical” social conduct.

The industry would argue that as part of “Responsible Care”, public communications and multi-stakeholder consultations do take place. Indeed, the industry has made a public commitment to reporting events to the community they operate in as well as to the regulatory authorities. Implementation of this principle is, however, somewhat inconsistent from jurisdiction to jurisdiction. In part, this is because it has relied upon “Public Advisory Groups” selected primarily by the industry as their main communications link with the community. These have served to broaden the perspective of the industry in some areas. Recently, however, the Public Advisory Group to “Responsible Care” in the United States has been disbanded, demonstrating the fragility of a consultative structure that relies upon the voluntary good-will of the industry. In the case of the United States, a change in the political climate and a consequent perceived change in the need for industry to consult with the public resulted in the disbanding of the Public Advisory Group.

Trade unions believe that the full participation of workers in “Responsible Care” can provide the program with the credibility it needs to achieve its stated goals; particularly in those areas of the world where the program is presently weakest. However, many chemical workers have not even heard about Responsible Care activities in their work places. “Responsible Care” needs to penetrate down through the company hierarchy to the plant floor level in order to become a truly important and effective program. Workers, via organizations such as the International Federation of Chemical, Energy, Mine and General Workers’ Unions (ICEM), are willing to lend their support to “Responsible Care” but only if the industry recognizes their legitimate right to belong to trade unions and their right to participate in the future of their industry. Recent attempts to negotiate and formalize a relationship between trade unions (represented by the ICEM) and the International Council of Chemical Associations (ICCA) broke down over the refusal of two American companies, Exxon and Dupont, to have anything to do with workers’ organisations.

The credibility of “Responsible Care” can only be established by making the workings of the program transparent. This requires regular, and formalized, multi-stakeholder involvement. If the international chemical industry is serious about building the credibility of “Responsible Care”, it must insist on the continued existence of effective Public Advisory Panels in all regions, and on the signing of the proposed agreement with the ICEM on “Responsible Care”.

Crucially, the chemical industry needs to agree to some level of external verification of performance. “Responsible Care” needs stakeholder participation – especially workers and their unions – in the development of appropriate auditing methods

The chemical industry often asserts that it wishes to maintain “best practice” for health, safety and environmental performance, wherever it produces or markets its products. There was hope that owners and managers of multinational chemical companies would be able to agree to set a world-wide baseline of environmental and social “best practice” through the “Responsible Care” program. This promise, however, is as yet unfulfilled.

“Responsible Care” presently covers only forty-six countries and, even within those countries, primarily the larger national and international companies. “Responsible Care” is supposed to be a commitment a multinational corporation carries with it, wherever in the world it may be operating. Yet, clearly, the commitments of the chemical industry under “Responsible Care” have the best record of implementation in the developed world and the lowest level of successful implementation and even recognition in the developing world. This unfortunately shows that the chemical industry believes that the need for visible commitment to health, safety and environmental principles is greatest in the developed world, while scrutiny of their activities in the developing world will be less intense as well as more forgiving of minor misbehaviours. In other words, the best performance is always to be found where legislation and regulation (or the credible threat of such ‘command and control’ methods) are strongest!

The lesson to be learned from this is that voluntary initiatives (such as “Responsible Care”) are supplemental to, and not replacements for, regulatory approaches. In geographic areas where the implementation of “Responsible Care” principles has been less than successful, the key to future progress lies with the appropriate regulatory authorities, and with industry itself. The appropriate regulatory authorities must recognize that commitments by industry, no matter how noble, must be underpinned by a system of regulation and enforcement that sets at least a baseline of performance. The industry must recognize that partnership with stakeholders, especially organized labour, is not an option but a prerequisite for credibility of their “Responsible Care” initiative.

Ideally, “Responsible Care” should focus its attention on improving performance in developing countries. Although many of the participants are multinational corporations, performance in the areas of health, safety and environment – even by operations of the same company - continues to vary between countries. In developing countries, the “Responsible Care” program should assist small- and medium-sized companies to develop capacity in health, safety, and environmental management. Beyond even the chemical industry itself, “Responsible Care”, with effective stakeholder participation (especially of workers and their unions), could help build capacity and understanding within governments and civil society. From the perspective of trade unions, “Responsible Care” is not a substitute for a legal framework. However, in many parts of the world there is not yet an appropriate regulatory framework. “Responsible Care” could play a stronger role in such countries in information sharing and in the education of workers and communities – and indeed government officials - about chemical safety and environmental issues. However, at present the participation of trade unions and other representatives of civil society is almost nonexistent in these countries.

The chemical industry has pinned much of its credibility on the success of the “Responsible Care” program. The international trade union movement stands ready to assist in this endeavour, which would in any case

be consistent with the stated principles of “Responsible Care” and its associated codes of conduct. The next move is up to the industry.

CONCLUSION - CHEMICALS

What are some specific goals that industry could set itself to meet over the next five to twenty years? There are three broad areas in which the industry could greatly enhance its sustainability. These are: (1) environmental performance; (2) social performance; and (3) structure and governance.

Environmental Performance

Industry needs to concentrate on research into “green chemistry” processes, precautionary approaches, resource efficiency and pollution prevention. This, unfortunately, does not eliminate the need to continue to consider end-of-pipe emission reduction, which must continue to be improved while other approaches are being researched and considered. Technology transfer and assistance are particularly needed in the developing world. Accepting responsibility for product use and disposal, even after sale to a consumer, is another area for improved environmental performance.

Social Performance

The industry needs to consider whether its passion for staff reductions has left its facilities in a hazardous, let alone socially unsustainable, state. Beyond the employment issues, which obviously are very important, the industry needs to become more fully engaged in the process of social sustainability. This includes examining its attitude towards its trade unions. In addition, the industry could do more in contributing to adult literacy and education programs, public health programs, and the like. Is the industry covering its fair share of general education and apprenticeship training? Trade unions could be effective partners in these social initiatives.

Structure and Governance of the Industry

The chemical industry needs to recognize that there will always be a need for both voluntary initiatives and effective, enforceable regulations. “Responsible Care”, for example, correctly recognizes the need to take a stronger role in product stewardship, but lacks the necessary credibility without the effective participation of stakeholders, particularly trade unions. The chemicals and detergents industries must take "cradle to grave" responsibility in product stewardship. Responsibility especially for the health of people exposed to chemical and detergent products (and not just ‘the environment’) should also be taken up by the industry. There must be an openness to the role of third parties in the independent verification of performance. The needs of this industry sector to meet its future challenges include the development of a clear and effective decision-making structure capable of responding to the sustainability challenges faced by the industry; whether they be predominantly economic, environmental or social or a complex interaction between all three.

3.05 Finance, Insurance, Accounting

ACCOUNTING, FINANCE AND INSURANCE

Everyone would agree with the statement that this group of industries has a significant impact on, and role to play, in moving the world towards a more sustainable future. As has been previously discussed, “sustainable” means sustainable in every sense: economic, environmental, and social. The social dimension of sustainability, of primary importance to trade unions, is complex and broader than simply jobs. Trade unions emphatically reject the tendency to try to subsume the social dimension of sustainability within the economic (e.g. arguing that employment is the social aspect of economic sustainability, or that GDP is an appropriate guide to social well-being.) Social sustainability is more than mere employment growth – indeed, slavery is a full employment system. We define social sustainability to include the quality of working life, security of employment, sustainable families, communities and cultures, and much more.

The financial sector frequently appears to have difficulty appreciating the social impacts of its decisions. They are not easily amenable to analysis by traditional accounting methods. The complexities of the social component of sustainability are too many, and too great, to be easily calculated by assigning dollar value “costs” or “benefits” to them. What is the cost-benefit analysis of having a child and raising it to maturity? - an activity that everyone has played a role in, if not as a parent then certainly as a child! The fact is, that this fundamental human activity cannot be costed in traditional economic terms; nor can many of the other activities upon which a healthy society is based.

Nor does social sustainability refer exclusively to the broader community, or culture, or north-south issues. The impacts of financial decisions by a single corporation on its own employees are of particular concern. A concrete example is the disaster to employees’ pension plans caused by the recent collapse of Enron stock prices. It is relatively simple to count the number of dollars lost. It is much more difficult to measure the emotional anguish of a couple, both Enron employees, who, even if they retain their jobs, have seen their retirement plans evaporate and now look forward to poverty in their senior years. Beyond that, their pain will be felt by their family and friends; and where Enron employees are concentrated, by entire communities. As potentially the biggest corporate bankruptcy in history, it raises serious questions about governance in the financial community. In the words of the head of the U.S. House Energy Committee, “Where was the SEC (U.S. Securities and Exchange Commission)? Where was the FASB (Financial Accounting Standards Board)? Where was Enron’s audit committee? Where were the accountants? Where were the lawyers? Where were the investment bankers? Where were the analysts? Where were the institutional investors? Where was the common sense?”

While this group of industries has a significant environmental footprint of its own (especially in respect of the many large office towers that are owned or primarily occupied by companies from this sector), it is not primarily this impact on sustainability that we are concerned with. It is instead the potential for the financial sector to be a driving force for sustainable development through its influence, rather than its direct actions, that are considered important. While not having strong direct links to land, water and resource issues (with the exception of office towers, mentioned above) the accounting, finance and insurance industries are very strongly connected to sustainability issues in an indirect sense. Decisions made by financiers and insurers strongly affect both corporate and governmental behaviours, and the accounting of costs, traditionally without regard to environmental and social impacts, is an instrument which can drive a broader movement

towards sustainability. Unfortunately, there exist several reasons why this sector has not fulfilled its potential as a force for sustainable development.

The financial sector continues to see the external social and environmental impacts of its decision-making through the microscope of financial risk. As is stated early in their draft UNEP report, “To the extent that environmental risk becomes financial risk, the financial markets pay attention. Not to do so would be financially irresponsible.” Indeed, in some ways the financial sector appears to be using the word “social” without an understanding of the human labour, community, cultural and other factors that it implies. It is to be hoped that the sector are able to look upon sustainability as something broader than risk management.

One of the most significant challenges for the financial sector is the continued reluctance to move beyond traditional accounting practices. This impacts sustainability in a wide variety of ways: the handling of internal, same-corporation trade and price setting; setting of interest rates charged to large multinationals as compared to enterprises in developing countries; and financial instruments in general. In most cases, money spent (for example) to treat illnesses results in increased profits for individual companies and a higher Gross National Product for countries. Good health, requiring no additional expenditures, does not contribute to the bottom line. (Volumes have been written on the subject of financial instruments, which we will not attempt to repeat here. Suffice to say that much of the discussion has been from the point of view of financial instruments wielded by governments, but that there are financial instruments within the control of the financial sector, as well).

Another challenge, are the divisions which exist in the accounting/finance/insurance sector, frequently even within the same company. For example asset management, insurance, and lending functions may exist under one corporate banner. There can be a lack of internal communications within the departments of some of firms. For example, the investment arm could be investing in oil and gas at the same time as the underwriting arm was worried about environmental liabilities in those industries.

Financing is typically more available for industries that are known, and more difficult to obtain for industries that are unknown. This can be a significant obstacle to change, e.g. it is easier to get financing to drill another oil well than to start a solar-energy facility. This is not to imply that the developing world should be denied opportunities for the development of resources such as oil; but rather that the financial community should reflect upon whether it is part of the reason why that country can see no other option.

The most important problem for the financial and insurance industries, and particularly the accounting profession, to keep in mind is that sustainability by its nature requires integrative, rather than compartmentalized, thinking. It may not be possible to fix a value for every environmental and social good in terms of monetary units. It may not even be possible to choose easily quantifiable indicators for those goods – particularly for the social dimension of sustainability. Decision makers in the accounting, finance and insurance sectors need to understand if some environmental or social value lacks accurately quantifiable indicators, that does not make it any the less important.

Like many other business sectors, the financial sector has moved forward with voluntary initiatives, such as e.g. the UNEP financial sector initiatives. One example worthy of mention, is the Global Reporting Initiative, or GRI. GRI is a joint initiative of the “ethical investment” community and UNEP. (“Ethical investment” funds are that portion of the investment community which attempts to weigh the environmental and social performance of a potential investment rather than solely its financial performance. In turn, “ethical investment” funds and GRI have driven a gradual trend for corporations, in their annual reports, to move beyond strict financial reports to “sustainability reports” or “triple bottom line” reporting. GRI tries to identify and recommend guidelines for such a broadened reporting standard.) While much more development of GRI is needed, particularly in the field of social indicators, and external verification and accountability, it remains a most promising example of an attempt to incorporate sustainable thinking in the corporate world, and by implication the accounting, finance and insurance sectors.

While much good can come of voluntary initiatives, it is not the entire answer. Even the most optimistic advocate of voluntary initiatives will agree that an appropriate regulatory framework is required in order for business to function. What is therefore being debated are alternative and frequently complimentary approaches to “regulation”. It is heartening to see that this industry sector’s reports recognizes this, and calls for “reporting legislation that obliges pension funds to state their policy on socially responsible investment”. Legislation should also be considered around the globe, obliging companies to report on their “corporate social accounting”. This, of course, would require the development of standard reporting criteria.

Standardized reporting will be a help, but not sufficient in itself, to guide us towards sustainability. There is nothing about a deregulated free market economy, whether one is speaking solely of the financial sector or of international business more broadly, that will ensure environmental protection. Neither will the free market guarantee social progress, or even stability. We will not be able to “shop our way to sustainability”. Neither does strict government regulation guarantee sustainability, as has been amply demonstrated in some parts of the globe. What is needed is a balanced approach to government regulation and self-regulation.

The industry needs to consider its own role in the paths taken towards development. What is the role of the accounting, finance and insurance industries in the creation, or elimination, of poverty and famine? In the draft UNEP report for the financial sector, concern is expressed about “the catastrophic global consequences, were growth in the third world to be conducted in accordance with the unsustainable pattern of industrialization pursued by the West”. While true, what is not stated is the role that the increasing debt loads on developing countries plays in eliminating the prospect of independent development; and the operation of TRIPS regulations (the Agreement on Trade Related Aspects of Intellectual Property Rights, Annex 1C to the Agreement Establishing the World Trade Organization) that prevent the free transfer of alternative technologies. Could the financial sector play a role in encouraging the exchange of clean alternative development technologies?

This group of industries recognizes, in its draft report to UNEP, that capital is a tool for social and environmental progress. This creates common ground for the industry, and the trade union movement, to discuss how to promote the responsibility of the financial community. Sustainability requires development, but not all development is sustainable. The financial sector ought to review past non-sustainable practices,

and identify its role in contributing to potential sources of conflict between the developing and the developed worlds. In this regard, it is worthy of mention that some of the international financial crises that have rocked the world economy in recent years are based upon non-sustainable lending and poor investment governance. This review should be a high priority for the international investment community, including international institutions such as the World Bank and the International Monetary Fund.

Much financial activity is unsustainable for economic, social and environmental reasons. Perhaps this would be a good time to raise the issue of corporate responsibility, and public policy initiatives to extract it. After all, society creates the conditions that allow corporations to exist and accumulate wealth, it is only reasonable that society receives some benefit in return. Traditionally we have believed that benefit to be employment, but in recent years capital accumulation does not seem to be linked to job creation. A proposed tax on all international financial transactions imposed by the United Nations, dubbed the “Tobin tax” after its inventor, would not only fund the U.N. but would dampen the currency oscillations that inhibit real investment and development. “Corporate social responsibility” is one part of the answer. Perhaps global “corporate social accountability” is another part.

CONCLUSION – FINANCE, INSURANCE, ACCOUNTING

Like many of the other industry sectors reporting to UNEP in this process, the financial sector has been making advances, and they should be commended for this. Their track record leaves something to be desired, however, especially when the social element of sustainable development is considered. Many industries, and much investment, have become net destroyers of jobs, communities, and cultures.

The defining institution of our age is the corporation; and in particular, the multinational corporation. Financial institutions of every sort are some of the largest of these. Unless corporations pay greater attention to the social dimensions of sustainability, they will suffer from a loss of public support, and potential backlash, in the end. Indeed, some of the recent protests against the present direction globalization has been taking society, may be an early indication of that.

The financial sector seems to be indicating its readiness to have a dialogue on sustainability with the rest of society. We encourage them to do so, by institutionalizing a process and identifying appropriate institutional interlocutors, including organized labour. Without these perspectives, the task of making the financial sector more of a contributor to sustainability, will be impossible.

3.06 Mining and Metals

MINING AND METALS

This extremely broad grouping of industries includes mining of all sorts, including coal, and the metals industries such as iron and steel, and aluminum. Obviously the diversity of challenges and goals makes putting together one response for them difficult, but there are similarities.

All depend, ultimately, on the extraction of resources from the earth. Thus, the label “extractive industries” excluding oil and gas, could be used.

The industry has tried very hard to portray itself in the best light possible. Nevertheless, the industry has much to answer for in terms of both social, and environmental, sustainability.

The industries within this grouping are potentially amongst the most resource intensive, polluting and dangerous on the planet. These industries also provide the goods and services without which many aspects of economic development would currently be unthinkable, both in terms of the products manufactured and the employment thereby created.

In its role as defender of the interests of those who work in the industries it represents and of the communities within which they work and live, the trade union movement therefore has an obligation to participate fully in defining, promoting and refining the concept of sustainable development.

Trade unions are a major stakeholder in the industrial sectors concerned. The views and role of workers in this process must be prominent. In addition to having specific knowledge of the economic and environmental dimensions of sustainability, we have positions on questions of “sustainable development and poverty reduction”, in other words, the social dimension.

Social Dimension:

The industries’ reports must be assessed against the generally bad public image the extractive industries have in the majority of countries in which they operate. For every positive case study presented in the report trade unions, NGOs and community representatives could present case studies that tell a radically different story. Concerns range from violation of worker rights, poor industrial relations practices, environmental degradation, civil conflict, collusion with dictatorships, corruption and the list goes on.

According to a recent study by Oxfam America, developing countries that rely heavily on oil or mineral exports suffer higher rates of poverty and child mortality, and spend more on their militaries than similar countries with more diverse economies. The report contests the conventional economic wisdom that developing nations prosper by extracting and exporting their oil and mineral wealth. The study reveals that oil- and mineral- dependent countries *have significantly worse records on poverty indicators than states with similar levels of income but little or no oil and mineral wealth*. For example:

- The more that developing countries rely on exporting minerals, the worse their standard of living is likely to be, according to a United Nations measure that factors per capita income, health, and education; Zambia, Zimbabwe, and Kazakhstan showed marked declines in the 1990s. Oil- and mineral- dependent developing countries have higher infant and child mortality rates, than other countries with similar income levels.

- Developing countries that are dependent on oil and mineral wealth face a much higher danger of civil war than resource-poor nations in any given five-year period. They spend a far higher percentage of their budgets on their militaries, diverting funds from programs that directly address the needs of the poor.

Trade unions concur, in general, with the Oxfam America recommendations that international financial institutions such as the World Bank take a number of measures to address these problems, including: Helping poor countries diversify their economies to make them less dependent on oil and mining; only supporting oil and mining projects in countries that are democratic and committed to using revenues for poverty reduction purposes; and supporting the creation of mechanisms for transparent monitoring and controlling of revenues.

Whilst minerals and metals companies cannot take responsibility for all of the distributive aspects of earnings from their activities, particularly those linked to resource extraction, they certainly need explicitly to recognise the nature and shortcomings of the environments in which they operate. For this reason, it is important to test this report and its understanding of "progress" against a set of objective standards. As outlined above, trade unions believe that the ILO Core Labour Conventions, the United Nations' Universal Declaration of Human Rights, and the Global Compact provide the most basic, credible, legitimate and necessary standards for socially sustainable industries.

International business frequently refers to a "triple bottom line" - "responsible economic growth, environmental and natural resource conservation, and social responsibility". While businesses sometimes recognize that, in pursuing profit, they have to take account of community interests and social values, their threefold scheme of sustainability has generally left workers out of the equation. This only reinforces the need for business to take seriously the challenge of the Global Compact, and to embrace and enact it through the negotiation of global union-employer agreements.

Although the extractive industries will come under the scrutiny at The World Summit on Sustainable Development (WSSD) scheduled in Johannesburg in 2002 at this stage no one is sure how much attention will be given to the issues of natural resource extraction, access, equity and sustainable livelihood of local communities. The link between existing conventions and poverty on one hand and the issues of mining and extractive sector work as one such activity that severely deteriorate environmental diversity, sources of livelihood of local communities and national economics continue to be marginal or completely silent.

Environmental Dimension:

Given the extreme diversity of this group of industries, this report will not attempt to itemize every environmental sin committed by its members. In any case, the industry clearly recognizes legitimacy of some its environmental critics, in that the industry reports attempt to respond to several of these. For this, at least, its authors should be commended. The industry does seem to be excessively optimistic, however.

However, it is obvious to many people, even many who wish it were not so (including those in the trade union movement), that current patterns of production, processing, transportation, trade and consumption are going to undergo radical change in the coming decades. The extractive industries, representing resource exploitation, will be a focus for much of that change.

CONCLUSION - MINING

Stakeholder dialogue, especially with trade unions, is essential. Trade unions are the crucial social partner for the extractive industries, and metals industries. Employees have much to contribute to the sustainability debate for this sector. If we, together with other social partners, could build a consensus on a sustainable vision for the extractive industries and metals industries, then we can be sure we will contribute to long term sustainable development and poverty reduction in a world that is currently characterized by massive levels of wealth inequality, social upheaval, mass unemployment and underemployment and unprecedented levels of poverty.

The extractive industries will continue to come under the spotlight at the national and global levels simply because of the high profile and high impact nature of these industries. Our task as trade unions in these sectors is to ensure that we articulate and promote an approach for the extractive industries that provides for the following:

- National policy development and strategies that address the needs of the poor, redistribute wealth and create quality jobs;
- Respect for all ILO core conventions on worker and social rights;
- Development of operations that are safe, productive and humane and that take care of the environment and have social plans for downscaling and closure.

3.07 Oil and Gas

ICEM response to the IPIECA/OGP preliminary draft report 'Fuelling Sustainable Growth: A Decade of Progress by the Oil and Gas Industry'

The report put together by the IPIECA and the OGP portrays the industry and its corporate players in a very good light. This is perhaps understandable given the remit of these organizations. Nevertheless, the industry has much to answer for in terms of both social, and environmental, sustainability.

Social Dimension:

Unfortunately, the report lapses on occasion into 'political correctness'. This is more visible in the introduction. If the industry wishes to quote Nelson Mandela then there also needs to be rather more frank recognition of the role – warts and all – the industry has played particularly in less developed countries as far as human rights and developmental rights are concerned. The authors could do worse than look at the ICCA Chemical Sector report which, for all its shortcomings, has been more ready to acknowledge the downside of the activities in the sector, and the challenges facing companies.

The report must be assessed against the generally bad public image the extractive industries have in the majority of countries in which they operate. For every positive case study presented in the report trade unions, NGOs and community representatives could present case studies that tell a radically different story

(e.g. Burma, the oil rich countries of the Middle East, the Trico saga, Columbia, Central Asia), where one can find ample evidence that the oil companies have a poor track record. Concerns range from violation of worker rights, poor industrial relations practices, environmental degradation, civil conflict, collusion with dictatorships, corruption and the list goes on.

On the other hand, the ICEM is extremely surprised that no mention is made of what we consider to be one of the best examples of joint trade union/company cooperation. This is the Global Agreement that has been signed by the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) and Statoil. Statoil has, rightly, been given credit elsewhere in the report for its leading edge environmental initiatives, but given the crucially important social aspect of the drive for sustainability, the absence of any mention of the ICEM/Statoil agreement is extremely puzzling. For the avoidance of any doubt, we attach herewith a copy of that agreement and strongly suggest that it be referenced in the report – preferably as a case study box. (*Incidentally, in the box 'Applying business principles globally' on page 39, reference is made to 'a trade union' one hopes that this is a typographical area and that the phrase 'trade unions' was intended – this needs to be corrected*).

Given the huge human rights issues that attend the oil and gas industry it is astounding that the IPIECA/OGP report contains a scant 2 pages, one third of which is taken up with only two case studies. If this is a measure of the interest in ethics and human rights then the readers will draw the inevitable conclusions. The last sentence of the 'Background' section on page 38 ends with the sentence 'It is a highly complex milieu, in which good intentions must be coupled with effective practices'. Given the length and depth of the subsequent chapter, this stands out as, frankly, a gratuitous statement. Where are the statements of good intentions which this chapter should address? More importantly, where are the examples of 'effective practices'? It is hard not to believe that many companies will be more than a little upset that this section isn't more visionary, more detailed and more committed. This is probably the best place for the ICEM/Statoil global agreement to be included as it would provide at least one beacon of hope in what otherwise appears to be a very dark section indeed.

According to a recent study by Oxfam America, developing countries that rely heavily on oil or mineral exports suffer higher rates of poverty and child mortality, and spend more on their militaries than similar countries with more diverse economies. The report contests the conventional economic wisdom that developing nations prosper by extracting and exporting their oil and mineral wealth. The study reveals that oil- and mineral- dependent countries *have significantly worse records on poverty indicators than states with similar levels of income but little or no oil and mineral wealth*. For example:

- The more that developing countries rely on exporting minerals, the worse their standard of living is likely to be, according to a United Nations measure that factors per capita income, health, and education; Zambia, Zimbabwe, and Kazakhstan showed marked declines in the 1990s. Oil- and mineral- dependent developing countries have higher infant and child mortality rates, than other countries with similar income levels. In these cases, oil dependency is linked to malnutrition. Worldwide, an average of 26.5 children per thousand are malnourished. In oil-rich Nigeria, the rate is 37.7 per thousand, and in oil-rich Yemen it is 51.7, one of the highest rates in the world.

- Developing countries that are dependent on oil and mineral wealth face a much higher danger of civil war than resource-poor nations in any given five-year period. They spend a far higher percentage of their budgets on their militaries, diverting funds from programs that directly address the needs of the poor.

Whilst oil and gas companies cannot take responsibility for the distributive aspects of earnings from oil and gas, they certainly need explicitly to recognise the nature and shortcomings of the environments in which they operate. For this reason, it is important to test this report and its understanding of "progress" against a set of objective standards. Here, we think the ILO provides the most basic, credible, legitimate and necessary standards for socially sustainable industries.

There are eight ILO Conventions that have been identified by the ILO's Governing Body as being *fundamental to the rights of working people*. They are intended to apply to all workers, whether their country is a developed nation or a developing one. All other workplace rights are considered to be based upon these fundamental rights.

Freedom of association

1. Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
2. Right to Organize and Collective Bargaining Convention, 1949 (No. 98)

The abolition of forced labour

3. Forced Labour Convention, 1930 (No. 29)
4. Abolition of Forced Labour Convention, 1957 (No. 105)

Equality

5. Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
6. Equal Remuneration Convention, 1951 (No. 100)

The elimination of child labour

7. Minimum Age Convention, 1973 (No. 138)
8. Worst Forms of Child Labour Convention, 1999 (No. 182)

History teaches that good labour standards are not obstacles but prerequisites to broad, balanced and sustained economic and social development.

United Nations Universal Declaration of Human Rights

The report also refers to the UN Universal Declaration of Human Rights. If the industry genuinely views these rights to be important, then special attention must be paid to those whose rights are most frequently violated, including: workers, women, children, indigenous peoples and displaced persons and refugees.

Trade unions believe that the necessary prerequisites for a sustainable society are expressed in the Universal Declaration on Human Rights in some manner or degree. However, there are some criteria that we believe bear further explanation and elaboration:

(1) Wealth and Income

Trade unions view wealth, and income, as critical criteria of economic sustainability. However, social sustainability has more to do with the distribution of wealth and income than with absolute levels. Therefore a sustainable society should strive to minimize:

- Disparity of wealth and income between rich and poor (ratio of inequality) between regions, and within regions.
- Disparity between genders
- Disparity between ethnic groups

(2) Education

Trade unions see the primary goal of education as the production of informed, engaged and responsible citizens and the attainment of knowledge and skills necessary for productive, rewarding employment as an important secondary goal. Thus, a sustainable society ensures:

- Universal access to quality education
- Minimum basic literacy levels are achieved by almost all citizens
- A high level of average educational achievement

(3) Health

Human health, both physical and psychological, lies somewhere near the boundary between the social and environmental dimensions of sustainability. Most analysts would, however, place human health under the “social” heading. A sustainable society should strive to:

- Maximize life expectancy
- Minimize infant mortality
- Minimize illegal drug use
- Minimize the suicide rate
- Ensure adequate and equitable access to health care, including medications

Achieving these goals requires looking at the underlying causes of the problems, rather than solely trying to

address the negative outcomes.

(4) Equal opportunity to participate

It is one thing to talk about everyone having equal theoretical access to employment and social services, but without addressing the practical barriers they are only words. For example, women with children are not able to participate in the workforce or in other aspects of society without a well-developed child care system. In addition, citizens must be able freely to access objective information, or at least information that reflects the range of viewpoints. Thus, a sustainable society should enhance every citizen's right to fully participate in society by:

- Provision of affordable child care
- Ensuring that a free and healthy media sector that is not beholden to a narrow base of owners or interests, exists

(5) Environmental Justice

Another example of unfairness lies in "letting the market decide" where to locate a potentially hazardous industrial facility or toxic waste dump. An unregulated contest of economic might between huge economic interests and impoverished communities is not a fair contest. This problem has been identified as one of "environmental justice" and has been labelled "environmental racism" by some.

United Nations Secretary-General's "Global Compact" Initiative

United Nations Secretary-General Kofi Annan has challenged business, worldwide, to adopt the nine principles of a "Global Compact". This builds upon previous acknowledgement of business as both the principal instrument of economic growth and a prime instrument of environmental and social change.

The Global Compact is a voluntary initiative being promoted by the UN Secretary-General. It is not a code of conduct in the commonly understood sense, as there is no procedure for monitoring compliance. The only obligations are those that companies impose on themselves. Many UN agencies may play a role in the Global Compact; for example, the ILO is working to persuade business to abide by the internationally recognised minimum labour and environmental standards. However, it is principally businesses themselves that are called upon to act in the Global Compact. Some have responded well (e.g. Statoil), others appear to have confined themselves to commitment more in theory than in practice. *It would be a major step forward if the IPECA/OGP report were to contain a recommendation that all oil and gas companies should commit themselves to the Global Compact and develop structure and mechanisms to ensure that this commitment is give full and credible effect.*

The Global Compact aims to ensure respect for labour and human rights and the environment, in a globalised economy. It identifies nine principles in all:

Two human rights principles:

- (1) Support and respect the protection of international human rights within their sphere of influence;
- (2) Make sure their own corporations are not complicit in human rights abuses;

Four labour principles:

- (3) Freedom of association (right to organize) and right to bargain collectively;
- (4) Elimination of all forms of forced and compulsory labour;
- (5) Effective abolition of child labour;
- (6) Elimination of discrimination in respect of employment and occupation; and

Three environmental principles:

- (7) Using a precautionary approach to decision making;
- (8) Managing business enterprises in an environmentally responsible manner;
- (9) Developing and implementing environmentally sound technologies.

The UN Secretary-General has asked all global stakeholders to embrace and enact it, and has said that this will require the effective involvement of trade unions along with management. Trade unions have responded that the Global Compact is best implemented by means of global union-employer agreements; agreements which give substance and credibility to voluntary initiatives. *Statoil is the only oil and gas company in the world to have responded positively to this challenge so far.*

Additionally, the Global Compact invites corporations to contribute money and personnel to work with the United Nations as “ambassadors of responsible development”. This noble idea carries with it a heavy responsibility if corporations are to act in this capacity without using the access so provided to gain an unfair competitive advantage over local firms in the fight for market share. *There clearly needs to be a high degree of transparency and clear structures and mechanisms for ensuring absolute integrity and credibility if such an approach is not to alienate the general public.*

The international labour movement believes that a commitment to the human rights and labour rights principles of the Global Compact will help to move the world towards social sustainability and, at the same time, provide the basis for the necessary cooperation in addressing the sometimes competing demands that will arise.

International business frequently refers to a “triple bottom line” - “responsible economic growth, environmental and natural resource conservation, and social responsibility”. While businesses sometimes recognize that, in pursuing profit, they have to take account of community interests and social values, their threefold scheme of sustainability has generally left workers out of the equation. This only reinforces the need for business to take seriously the challenge of the Global Compact, and to embrace and enact it

through the negotiation of global union-employer agreements.

In the developed world, the gas industry in particular seems to cling to the now thoroughly discredited notion that regulation is largely unnecessary and that the free market will solve most of the problems of energy supply. It must now be clear to any objective observer that the unregulated free market is not the most efficient way to provide essential energy needs. De-regulation and privatization of natural gas distribution systems has led, not to greater efficiencies, but instead to price instability and uncertainty of supply. The recent collapse of Enron, the energy giant responsible more than any other for preaching the gospel of de-regulation and privatization, makes our point in an effective, if ironic, fashion.

In the developing world, governments and international organizations, particularly the World Bank and the International Monetary Fund, must recognize that effective and consistent regulation is actually a necessary pre-requisite to development, including development of oil and gas resources.

Environmental Dimension:

It is obvious that the industry recognizes legitimacy of some its environmental critics, in that the industry report attempts to respond to several of these. For this, at least, its authors should be commended. The industry does seem to be excessively optimistic, however.

It is obvious to many people, even many who wish it were not so (including those in the trade union movement), that current patterns of energy production, processing, transportation, and consumption are going to undergo radical change in the coming decades. Unfortunately for this industry, much of that change will be occur within the oil and gas sectors.

While the industry faces many challenges in improving its environmental performance, as is discussed in the industry document, the overriding issue is clearly carbon emissions and climate change. Trade unions do not doubt the conclusions of the International Panel on Climate Change (IPCC) regarding global climate change. Neither do we doubt that action will be taken – willingly or unwillingly – to control and adapt to the effects of climate change. Taking end use of their products into account, the 122 largest oil and gas corporations account for 80 percent of world greenhouse emissions. This will be a challenge for both the industry, and the workers and communities who depend upon it, in the years to come.

Moreover, oil and gas are depleting, non-renewable resources. Trade unions would like to be as optimistic as the industry report seems to be on the extent of reserves, however our conclusion is that estimates of reserves are completely unreliable. In part, this is because it is in the interests of every link in the oil and gas chain, from producing countries to oil and gas companies to consuming countries, to exaggerate reserves.

Even if one accepted a wildly optimistic estimate of, say, a 1,000 year supply of oil and gas at current rates of use, what is almost never discussed is that consumption continues to rise. If annual consumption increases by only 5 percent per year, that 1,000 year supply can be depleted in just 80 years. In any case, as one oil company executive put it, the stone age did not end because the world ran out of stones. Similarly, the age of oil will end, not when the last drop is pumped out of the ground, but when it is no longer

competitive in price with alternative sources.

These facts are not lost upon the industry. Many oil and gas companies are attempting to redefine themselves as “energy” companies and are investing some of their vast wealth in alternative energy sources and new technologies. In other words, the industry is preparing for a transition from oil and gas to other sources of energy. Trade unions demand that employers and governments work with us to ensure that a “Just Transition” takes place for oil and gas workers, their families, and their communities.

“Just Transition” occupy a unique position within labour’s approach to sustainable development. Briefly, a “Just Transition” program ensures that the costs and benefits of moving towards a more sustainable future are shared fairly; and especially, that the workers, families and communities who rely on industries or activities dubbed “unsustainable” by society are protected during the transition to more sustainable activities.

First and foremost, “Just Transition” programs are a necessary prerequisite to making any substantial progress on environmental issues. Secondly, the existence and quality of “Just Transition” programs are indicators of social sustainability.

CONCLUSION – OIL and GAS

In conclusion, energy is more than a commodity – it is an essential human need. Oil and gas companies would do well to remember this, as they lobby governments to cater to their needs.

Stakeholder dialogue, especially with trade unions, is essential. Trade unions are the crucial social partner for the oil and gas industry. Employees have much to contribute to the sustainability debate for this sector.

the extractive industries will continue to come under the spotlight at the national and global levels simply because of the high profile and high impact nature of these industries. Our task as a union major in these sectors is to ensure that we articulate and promote an approach for the extractive industries that provides for the following:

- Country policy development and strategies that address the needs of the poor, redistribute wealth and create quality jobs;
- Respect for all ILO core conventions on worker and social rights;
- Development of operations that are safe, productive and humane and that take care of the environment and have social plans for downscaling and closure;

(ICEM, Brussels, 17 December 2001)

3.08 Power Generation

POWER GENERATION and ENERGY SERVICES

The sustainability of this sector can be discussed in terms of the social, economic and environmental dimensions of sustainability.

Social sustainability is much more than just jobs in the sector and in the industries it powers. It obviously includes employment, and from a trade union point of view employment is important. However, we reject attempts to subsume the social dimension of sustainability entirely within the economic. The complete pattern of development and its impacts on workers, their families, communities, cultures and nations is up for discussion. What is the industry's position on education and training, for example? What is the impact of electrification on urban planning, for instance? What is the impact on traditional industries and activities, and thus cultures? Is the industry prepared to ensure equitable access to energy as well as equitable sharing of the costs and benefits of the entire energy cycle? How has the industry treated its own employees and the communities that rely upon it in terms of e.g. the United Nations Universal Declaration of Human Rights, ILO Core labour standards? Has it respected aboriginal land claims? Does it have a plan in place for a Just Transition for workers who may be affected by societal decisions on energy production, distribution, and use?

The fundamental economic assumption of this industry appears to be that a deregulated free market will assure economic sustainability. Trade unions do not concur. Deregulation and privatisation have not led to greater efficiencies, lower prices, or reliable supplies of electricity. Rather, deregulation and privatisation have had the opposite effects. We do not believe that we can develop a sustainable global energy policy based on this discredited model. We believe that something more stable and sustainable is possible.

Energy policies and ownership structures should be defined in a democratic and transparent process. The situation in each country is unique, due to different structures, traditions, cultures, resources and circumstances. No one energy market structure has been proved to be the best in the world. Energy policy must be integrated into an overall industrial growth strategy that meets the needs of the population. It is a serious mistake to copy blindly examples from other countries.

Environmental sustainability is of course fundamental to the industry; and will in large part be the result of choices made in how to generate and supply electricity – the sources, and the scale, of power generation. Difficult as it may be, society needs to have the debate about which sources of energy are preferable over other sources. Industry has already done a great deal of research in this area and needs to share it with, and explain it to, society.

Trade unions believe that the many of the sustainability issues of this group of industries can best be discussed by at least partially separating the problems of:

supply; who are we going to provide electricity to;

mode; how are we going to generate it; and

governance; how is the industry going to be structured and regulated.

These three problems, in turn, present slightly different aspects when viewed from the developed world, or the developing world.

Energy must be regarded as an essential human need, and providers must therefore be conscious of their role in supplying an essential human need. Once a citizen or a community have engaged a corporation to

supply electricity, they have an obligation to supply. There must be security of supply. Also, there should be equality of consumers. There must be pricing mechanisms to ensure equitable access to the energy supply. Those who are rich should not be overtly advantaged. Power generation and energy services must be discussed in the context of two very different situations: that of the developed world, and that of the developing world.

In the developed world, the industry seems to cling to the now thoroughly discredited notion that regulation is largely unnecessary and that the free market will solve most of the problems of energy supply. It must by now be clear to any objective observer that the unregulated free market is not the most efficient way to provide essential power and energy services. De-regulation and privatisation of energy and energy services in several developed countries has led, not to greater efficiencies but instead, to interruptions in power supply, price instability, and uncertainty. The recent collapse of Enron, the energy giant responsible more than any other for preaching the gospel of de-regulation and privatisation, makes our point in an effective, if ironic, fashion.

Strong regulatory frameworks, based on national energy policies, are essential to ensure democratic control over this strategic sector. Regulation is a broad concept. Experience shows already that liberalised markets require in fact very detailed rules to avoid distortions and social and environmental dumping. A strong regulator who is subject to democratic control must have effective means to monitor the markets and to order changes when deemed necessary. Furthermore, there should be strong democratic control of regulatory bodies. Trade unions, community representatives, and other interest groups must be involved in all phases of the process, and represented in planning and regulatory bodies. Transparent and effective consultation is vital when formulating national and international energy policies as well as regulatory frameworks.

Regulation must provide for a level playing field as regards labour issues such as employment, sufficient staffing levels, health and safety standards, training and qualifications of staff. Laws, regulations and collective agreements are all possible means of creating this level playing field and preventing social dumping.

Based on experience in a number of countries, the labour movement is against privatisation, which leads to job losses, declining social standards, attacks on trade unions and higher prices for small consumers. However, in situations where capital is not available for investments needed to satisfy growing energy demand or upgrade existing facilities, the partial involvement of private capital can be acceptable. In these cases, governments must define framework conditions in such a way that private investors are required to recognise trade union rights, maintain a high level of employment and safeguard collective bargaining, health and safety standards, social benefits, training and retraining.

It is particularly worth noting that large industrial users of power thrive on security of supply and stability of price, not on unpredictable interruptions and wild swings in pricing caused by speculative frenzies. This certainly has implications for the preferred model of industry governance in the developing world as well as in the developed.

The problem in developing countries is somewhat different from those of the developed, although (as already mentioned) there are related issues of governance. There is a need to extend electrification to the world's estimated 2-billion inhabitants who do not presently have access to electric power. Doing so will have important and positive environmental, economic, and social effects. In many cases, these 2-billion people have not been provided electricity, because it has not been proven to be profitable in the short term, to supply them with it. Learning from recent mistakes in the developed world, an appropriate regulatory / institutional framework needs to be considered in advance of simply extending the grid. Trade unions believe that electrification can best be extended in the developing world, only by starting from a regulated model, not a de-regulated one. In addition, in some cases a re-examination of regional issues is needed where surpluses of power are not being sold or made available to nearby areas that need it, for a variety of reasons.

To continue, international organizations and governments must recognize that effective and consistent regulation is actually a necessary pre-requisite to development. Governments, at national, regional and local levels, have a role in planning and marshalling funding and other resources for the electrification project. Industry will then know the ground rules and the resources available, to start the project. Developed countries can, and should, contribute technology and expertise. Developed countries must lead by example: developing countries should not be asked to take up old technologies that the developed countries would not themselves use, for example.

It should be re-emphasized that nations, particularly developing nations, have the right to create their own energy policies. This includes choosing to develop national energy resources that they may have an abundance of. Rather than criticizing developing nations for choosing, e.g. coal over gas, the developed world needs to ask, "What are the conditions and structures, particularly those imposed by the World Bank, the IMF, and mounting and unsustainable debt loads on the developing world, that force those nations to believe that they have no other choice?" The utilization of low-emission technologies is generally lower in developing countries. Some of these technologies have been commercially demonstrated, but the owners of the technology are not making it available to developing countries. If the developed world wishes to promote these technologies, then the barriers to their utilization – frequently cost and irrational definitions of "intellectual property" - need to be looked into. Beyond new installations, there is considerable potential for environmental improvement in refurbishment of existing power generation stations.

Trade unions believe that social development can be enhanced by extending the electrical grid to areas not presently serviced, but electrification of these areas, by itself, is not enough. There must be equitable access not only to energy, but to the costs and benefits of generating, distributing, and servicing it. That means that the funding of electrification and the pricing structure which follows it must be such that people can afford to use the electricity. Further, there has to be reliability and stability to the energy system, including pricing, if electrification is to attract other forms of development and investment to these areas. The goal of electrification of regions presently excluded from the electrical grid can be met in a number of ways, including smaller-scale local generation using a variety of sources. Funding agencies and the industry itself

continue to overlook potential partners, and creative ways of engaging their participation. There must be a role for the various stakeholders.

Environmental issues are obviously important to the power generation and energy services sectors. There is a need for more detailed, life-cycle analysis of all of the various energy supply options; including coal, oil, natural gas, nuclear, wind, solar, hydro, tidal, geo-thermal and other alternative and renewable sources. While it is tempting to simply categorize these options based on their contribution to global climate change, a full range of environmental and social indicators are required in order to make sensible choices. Environmental analysis must not exclude, for example, the issue of electromagnetic fields. Social analysis must not exclude, for example, the issues of indigenous peoples. Finally, many of the environmental issues of the power generation industry are discussed only from the point of view of supply. Demand for electricity is at least as important an issue for environmental sustainability, as supply – in fact probably much more so in the longer term.

Should society deem that some sources of electricity should be phased out, while others encouraged to grow, then “Just Transition” measures need to be designed and implemented.

Minimum social standards must at all times be guaranteed. Trade unions think that without a balanced approach to transposing social standards into national legislation, there is a clear threat of job losses, declining social standards, growing inequality between consumers, loss of investment, and deteriorating environmental protection.

Stakeholder dialogue, especially with trade unions, is essential. Trade unions are an important social partner for the energy industry. Employees have much more to contribute to the sustainability issue than just e.g. health and safety at work (although that is an important issue we face in the power generation industry – particularly in coal mines). As representatives of the group of people with the most expertise in many of the problems being faced by the industry; as well as residents in the adjacent communities directly affected by local development patterns, and also as consumers of electricity, trade unions are ready to engage in a continuing dialogue with the industry on sustainability.

CONCLUSION – POWER GENERATION

Sustainability is a complex issue; particularly for this industry sector. Much of society still does not completely understand the concept; and those who do frequently do not appreciate the role of trade unions. Ultimately, consumers as well as power providers, must make choices. Those choices will not be based solely upon price. Full environmental and social costing is going to be of major importance to the power generation and energy services industry, as is the movement towards ethical investing, green labelling, and social marketing. By anticipating the environmental and social concerns of present and future consumers – and their families, communities and nations – the industry can assure economic sustainability for itself. To achieve this, the key starting point must be a full dialogue with trade unions.

3.09 Forestry, Pulp and Paper

FORESTRY, AND PULP AND PAPER

The forestry, and pulp and paper industries generate vast wealth and significant employment through the utilization of a potentially renewable resource. Around the world, over 47 million people depend on the forests directly for their livelihoods.

However, the key word in the preceding paragraph is “potentially”. In many parts of the world, forests are managed poorly, or not at all. Short term interest in profits has led to the use of inappropriate cutting methods, insufficient replanting, significant damage (sometimes permanent) to forest soils; damage to lakes, waterways, and flora and fauna.

In addition, the pulp and paper industry sometimes competes for the use of forests with recreational and conservation interests. The need to ensure the protection of spaces and species has focussed attention on both the extent, and nature, of forest company activities.

While much has been achieved in the last years there is still a very real need to ensure that union interests are not marginalized. Employment is an important, but not the only, consideration in the social dimension of sustainability. Because working forests are not found in urban areas, the forestry industry is unique in that many of its employees live and work in regions where there are few alternative sources of income. Therefore any economic cycles within the forestry industry directly affect the communities dependent upon it; more so than many other industries.

One of the problems in the forestry, and pulp and paper industries is their increasingly short planning horizon. The need to maximize profits in the next quarter is not compatible with sustainability in an industry where the principle resource may require 10, 20 or more years to reach harvestable size.

Today the forestry, and pulp and paper industries are being transformed by mergers and takeovers; frequently with little concern for the sustainability of employment, or of the families and communities that depend upon these industries.

This short term view, in turn, has made the forestry industries a favourite target of environmentalists. Trade unions are frequently sympathetic to the goals of environmental groups, although we are at times unable to support their actions. This only emphasizes the point that labour has its own distinct view of sustainability that differs from those of employers and environmentalists.

Trade unions understand that if pulp and paper is to be considered a sustainable industry, then its primary resource must be maintained in a sustainable state. We insist that sustainable forest harvest levels be based on the capacity of a forest eco-system to regenerate itself in perpetuity. This is a more complicated measure than simply comparing the amount of wood cut with the growth rate of new trees. In order to protect the forest eco-system, some areas of forest may have to be completely protected, while environmentally sensitive areas may require less intensive industrial activity. Wildlife and fish habitat must be considered as well, because all living things are part of the forest eco-system. There is also the important aspects of soil degradation and water run-off to consider.

In many parts of the world, there are simply no data on the sustainability of current forest use. Even where some data exists, its reliability is in doubt due to outdated inventories, and reliance upon unsubstantiated forestry companies' data. Reliable estimates are highly complex and must reflect different climatic zones, species, soil fertility, and age profiles of trees. It is our view that forest inventories must err on the side of caution, and that only conservative estimates should be used as a basis for calculating how much wood is standing and how much we can safely cut.

Trade unions believe that there must be a balance between legitimate use of the forest as a resource; and conservation. An approach to forest management that takes into account industrial needs as well as environmental considerations is termed "zoning." In simple terms, this means designating through a land use planning process areas of forest land that will be used primarily for industrial forestry, and designating other areas in which industrial forestry will be more restricted. Zoning does not imply the exclusive use of any area of the forest for industrial purposes, nor does it mean that the most fertile part of the forest is automatically zoned for logging. However zoning does provide the possibility to offset a decline in harvest levels in an environmentally sensitive area with a higher level of harvest elsewhere. Zoning may provide for intensive forestry practices – thinning, pruning, fertilization etc. – in areas that can support higher yields of timber.

In some parts of the world, former productive forest areas have been cleared for questionable and unsustainable uses such as marginal agricultural land. Returning these areas to productive forest would benefit both the environment, and the industry.

Increased attention to recycling programs can also benefit the industry by providing a reliable secondary source of fibre. Trade unions also believe that there is a significant future for paper made from non-wood fibres (including hemp, agricultural residues like bagasse, wheat straw, rice straw etc.) and that this should be encouraged through research and pilot projects.

Forest governance varies in different parts of the world. In some areas, forests are publicly owned with pulp and paper companies granted temporary rights to cut certain areas, or quantities of wood. In other parts of the world, the forests are primarily privately owned.

In all cases, local employment in the forestry industry, along with the pulp and paper mills or other industrial facilities that process wood, is the public good that societies seek.

In the era of globalization, forest companies are using their financial power to threaten governments to de-regulate the forest industry, to lower the costs of production. Companies want the right to close mills, throwing people out of work and breaking the link between harvesting the forest and providing jobs in forest communities.

Forestry is a global industry. But sustainable development demands that we act locally in forest management. Local authorities have shown that they can manage community-based tenures, provided that

adequate resources are available for planning and for the best practices of modern forestry. Likewise, small business and wood lot programs provide opportunities for workers to harvest and process timber.

Trade unions insist that the benefits of resource extraction be distributed in the regions where wood is harvested.

All forest users, large and small, and private forest land owners, must develop land use plans and forestry plans that are negotiated with community stakeholders and workers. Democratic or consensus-based local land use planning is the best way to determine which areas should be protected because of environmental values, and which areas are suitable for more intensive forestry operations. Land use planning will ensure that tourism, recreation and other forest uses are integral to forestry operations.

Trade unions believe strongly that the link between the right to harvest wood and jobs in the processing sector must be maintained and strengthened. Forestry companies like to mention the jobs that they provide, when discussing social sustainability. Unfortunately, the trend in the industry has been to substitute capital for labour. Even in the developing world, the labour intensity has dropped to about a third of what it was twenty years ago, but is still high compared to that in developed countries. The break up of integrated forest companies is a particularly disturbing trend in this regard. For example, when pulp and paper mills are no longer connected to a forest land base and are reliant on purchasing fibre from open markets, economic instability and "market chaos" results which encourages poor forestry practices. In many areas, the industry has sought to replace regular workers with contract workers who have less social protection.

Harvesting, whether on public or on private land, should be governed by forest practices legislation. Forested lands designated as working forests should be protected from deforestation or conversion to other uses.

The forestry, and pulp and paper industries must also pay attention to the rights of indigenous peoples. Indigenous peoples are playing a new role in the forest industry as a result of increased and evolving attention to their rights, particularly in land claims. Trade unions support this trend, but equally demand that the legitimate interests of workers be considered when changes in title and allocation of resources affect workers and communities. Environmental standards must not be weakened, and arrangements must be made to ensure the continuation of fibre supply to existing facilities, for example, when lands claims are settled. As indigenous peoples establish new forest industry operations on their own or in joint ventures with companies, workers' rights to form unions, and to be treated with dignity in a safe workplace, must be respected.

With respect to forest harvesting, clear-cutting is a legitimate forest practice, but only on appropriate lands and when the size of the clear cutting is relatively small. There are many different approaches to harvesting, including selective harvesting. Natural forests are diverse, and so are harvesting methods. The right harvesting method for a particular forest is the one that is most respectful to the forest eco-system, terrain and species.

Road building is a key issue in forest practices. Millions of hectares of forest land are transformed into roads by modern forestry. Road building practices, especially near waterways and on slopes, are chiefly responsible for slides and run-off that damage waterways and affect water quality, as well as impacts on wildlife. Logging roads are expensive, especially when properly constructed. However it is essential that the industry acknowledge the costs of poor road building and build roads to appropriate standards for heavy equipment. Some logging roads may be permanent; others must be deactivated, with the land returned to productive forestry. Since communities may well depend upon the continuing existence of a road after logging comes to an end, it is also important to discuss with affected communities plans for infrastructures when logging ceases.

Soil and land must be protected against mechanized logging methods that unnecessarily damage the forest floor. Often these poor practices are a choice by companies to reduce labour or cut costs or both. Good forest practices will not be the cheapest – they may be labour intensive or involve expensive technology (i.e. helicopter logging), or they may involve benign traditional methods such as the use of elephants in teak harvesting in parts of Asia.

Riparian zones, or buffer zones, around streams and lakes are also costly because large, accessible trees in these locations are protected. However, like other good forest practices, effective riparian zones are an integral part of modern forestry.

Training of forest workers is another key ingredient for improved forest practices. Investments in the workforce must ensure that forest industry workers, particularly those engaged directly in harvesting, have regular training and upgrading to provide contemporary expertise on the evolving science of managing forest eco-systems. Skilled workers who know how to identify and safeguard habitat and other forest values, will be the best protectors of the forest.

Forest management and forest practices also require a silviculture regime to ensure the regeneration of the forest and the best possible yield in subsequent generation forests. Basic silviculture refers to the replanting or regeneration of the forest. Intensive silviculture means additional treatment of the forest to promote its health and yield at harvest.

Trade unions, however, reject the "agricultural" or "plantation" model of forestry. Forest lands must remain in the first place as forests, with evolving forest eco-systems. After harvesting, these forests will not be the same as the virgin forest that previously existed. Nevertheless, a high degree of bio-diversity can remain, and these forests will not be mono-cultures of a single or a few designated species grown to achieve conformity and quick rotations. Second and third growth forests must continue to be forests with diverse species and life within.

The appropriate use of herbicides and pesticides is in limited, specific applications that minimize the impact on the environment. Too often, mass sprayings of forests are used as an "insurance policy" against potential damage from insects that would affect forest revenues. In other situations, herbicides are used as substitutes for labour intensive methods of addressing the problem.

Trade unions are also concerned over the growing use of genetically modified stock in regeneration programs. Until much more is known about biotechnology, the precautionary principle must apply.

Other silviculture practices such as brushing (weeding against competing growth), spacing, pruning, fertilization, tree breeding – do offer the prospect of increasing yields, although more research is needed in some areas. Forestry companies must be required to re-invest in the land base and to use appropriate silvicultural practices that can enhance yields from the working forest.

Global climate change is not unimportant to the forest industry, as growth zones for tree species and other effects such as flooding and desertification become more common. In addition, while trade unions have serious doubts about the security and efficiency of carbon sequestering schemes, there is a potential for good forest management practices to increase carbon sequestration by forests. Also, the use of forest products for longer periods will prevent the sequestered carbon that they represent from re-entering the atmosphere.

The core issue driving forest politics today is undoubtedly the need to protect forest biodiversity. “Old growth forests” or large, intact areas of virgin forest not commercially logged in the past, are key parts of the biodiversity equation. In the interests of protecting biodiversity, the United Nations Earth Summit in Rio de Janeiro in 1992 set the goal of preserving 12% of representative eco systems in their natural state.

Different categories of protected areas with different restrictions on use are implemented in various parts of the world. In most cases, however, industrial activity like logging, mining and hydro-electric dams are not allowed in protected areas. The movement to protect areas can create fear and conflict between forest-dependent communities and environmentalists.

The common goal that union members share with the Rio objectives is to create a network of protected areas that can protect bio-diversity in significant, intact natural eco-systems. Protected areas must balance the goal of bio-diversity protection with economic and community sustainability. We believe we can have both significant protected areas and a large working forest in which bio-diversity will also be protected to a high degree. Protecting bio-diversity within working forests requires the passing of endangered species legislation in every jurisdiction.

Sustainable development is interwoven with job security and community stability not only in the forests, but also in pulp and paper mills. Pulp and paper mills are among the largest, most capital intensive manufacturing facilities in today’s industrial economy. Typically, pulp and paper mills are located on major rivers or on tidal waters. Pulp and paper mills require large amounts of wood fibre, fresh water and electricity. Pulp and paper mills are also significant users and dischargers of toxic pollutants, including general organic content in effluent, organochlorines as the result of bleaching, air emissions, solid waste and sludge, and greenhouse gasses. Optimal utilization of all resources; fibre, chemicals and auxiliaries, energy and water must be the industry’s goal.

Pulp and paper with no chlorine compounds (TCF – "Totally Chlorine Free") is a proven technology; however market conditions make an industry-wide shift to TCF economically unviable at this time. Technology also currently exists for "closed loop" processes that virtually eliminate liquid effluent. Pulp and paper companies are holding back until the new technology becomes more cost effective, or until forced to change by regulation. Every environmental risk that pulp mills pose to their neighbours is also a health and safety issue for workers members inside the mill.

Our experience has proven that tough environmental regulations do not harm the pulp and paper industry. To the contrary, regulations have forced companies to almost completely eliminate the use of elemental chlorine in bleaching and the amount and toxicity of organochlorines in effluent is greatly reduced as a result. Regulations have forced companies to build secondary treatment plants to reduce organic content and suspended solids in effluent. These investments have improved the performance of the industry, secured greater public support, and satisfied more customers in world markets.

In the era of globalization, the transnational corporations that dominate the forest economy are often without long term commitment to the forest industry or forest communities. Increasingly, business decisions about forestry operations or a pulp and paper mill are motivated not by productivity issues in the workplace, but by financial markets and stock prices. To achieve these goals, forest companies are cutting costs, and seizing every opportunity to downsize the work force. Mergers and acquisitions are creating larger companies to facilitate rationalization and further reductions in costs. Mills that cannot keep pace with the program will be closed, regardless of the social consequences.

As the forest industry undergoes this structural reform, trade unions recognize the growing importance of non-timber economic activity. Tourism, recreation, the harvesting of herbs, mushrooms, berries and other products from natural forests are generating thousands of jobs. These economic activities are beneficial to forest communities and should not be in conflict with timber based forest activities.

The pulp and paper, and other forest industries, are increasingly integrated, global industries. As a result, forest-dependent workers everywhere are impacted greatly by forest policies and activities elsewhere. According to the World Resources Institute, world demand for wood will grow by 56% by the year 2010. Much of this increased demand will be met by the ravaging of tropical rain forests and frontier style exploitation of the Siberian forests. Only a minority of wood production comes from "managed" forests with sustained yield plans in place.

Globalization has had profound impacts on the forest industry, creating new pressures on forest resources and destabilizing world markets. However, globalization is not about increased trade in forest products. On a world basis, international trade in merchandise as a percentage of world Gross Domestic Product (GDP) has not dramatically increased. Globalization is about the freer movement of capital around the world, without regulations or policy controls of national or local governments.

In developed countries, companies threaten governments that unless there is deregulation and free trade policies, capital will flee the country and invest overseas.

In developing countries, globalization has resulted in massive amounts of capital concentrating in parts of Latin America and South East Asia where exploitation of labour, tax regimes and lax or non-existent environmental regulations were extremely favourable to companies. This resulted in south-east Asian pulp production increasing by 300% between 1996 and 2000, encouraging unsustainable forest operations and creating over-capacity in world markets. When this pumped-up Asian economy collapsed in 1998, it resulted in a major collapse of commodity prices as cheap Asian pulp flooded the market.

The World Trade Organization (WTO) is assisting these destructive investment patterns. The WTO is promoting fast track free trade agreements to facilitate capital movements and the rapid start up of new pulp mills and forestry operations. These free trade agreements also are used to over-ride or outlaw environmental or social restrictions on forest exports that may be imposed by national governments.

Whereas transnational forest companies want trade deals and laissez-faire government policies that reduce all economic decisions to the bottom line of costs, profit margins and shareholder values, the market place in the 21st century is becoming increasingly restrictive and imposing environmental and human rights values.

Forest certification is a means to promote sustainable forest practices. Market pressure in the forest industry underlies the world wide movement to certification of forest products. Certification establishes processes to ensure that consumer products have been manufactured from wood harvested in a sustainable fashion and that the manufacturing process meets environmental standards. There are many approaches to certification from various "eco-labels" to forest certification by independent auditors. Trade unions note the differences between forest certification options that are "process based" such as ISO 14000 and "results based" such as the Forest Stewardship Council (FSC). Within these schemes there is hardly any credible attempt to measure social sustainability. If social standards are included, trade unions believe that certification can provide protection for forest workers' rights, help build sustainable communities, and promote improved occupational safety and health. The International Federation of Building and Wood Workers promotes certification which includes the right to organize, job security, remuneration and living and working conditions, health and safety, participation, training, equality for all workers, needs of special workers, child labour, and indigenous peoples and community issues.

Forest companies know that changes are coming to the industry and are well prepared to protect their interests by adapting or reinvesting in other industries or countries. Forest communities and workers cannot so easily divest and move on.

Direct forest industry jobs will likely continue to shrink as a percentage of all employment in the world economy. But this trend should not be confused with the importance or vitality of the forest sector for future generations of workers.

Sustainable forest management does not stop at the forest's edge; it must include efficient and sustainable transport of products, minimising waste and hazardous materials in production and transportation, fair delivery and pricing for consumers, and decent work for all workers involved in the production of forest

products. It also involves building and construction practices where wood is promoted as a sustainably-produced resource. Whatever strategy is employed, workers must play a key role in its implementation.

Unions support “Just Transition” programs for the forest industry to enable our members to face the future with confidence. Given the enormous wealth and resources in pulp and paper, and forestry, we believe that major transformations towards a more sustainable future are affordable and practical. We understand “Just Transition”, in the first place, as transitions within the forest industry. There are few other viable options for forest communities apart from reinventing the livelihoods they secure from the forest resource. Workers are culturally connected to the forest industry, and in many cases a multigenerational attachment to forestry is a matter of personal and community definition.

Where environmental and economic conditions result in displaced forest workers, real support from transition agencies, including job placement in comparable employment, and training/ education and income support of up to four years to enable those workers who choose to re-train to successfully transition into new careers.

CONCLUSION – FORESTRY, PULP and PAPER

The forestry, including pulp and paper, industries have a significant role to play in moving the world towards sustainability. This industry sector also faces considerable challenges, many of its own making, as described above.

Trade unions believe that the following are what the industry needs, or needs to do:

- joint ecosystem and forest management planning through local land use and resource management proposals that bring together tenure holders, workers, industry, and community;
- a central role for government in planning, regulation and enforcement of standards, including labour standards; public repatriation of forest resources and an end to privatization of public forest lands;
- an end to excessive clear cutting, with a variety of harvest methods, with standards for silviculture, road building, soil protection, etc.;
- comprehensive recycling and reuse programs to prevent wastage of forest resources;
- adequate zoning to provide a balance of economic, social and environmental uses;
- comprehensive conservation measures to protect watersheds and vital habitat, as well as education and training on sustainable practices directed at industry, workers and the public;
- use of “green accounting practices”, working environment accounting practices and planning of human resource development;
- certification of forests and mutual recognition of systems and labelling of forest products (chain of custody);
- use of certified wood and forest products and promote certification of the pulp and paper, wood and furniture industries;
- integrate the idea of the lifecycle of products in systems that are going to have an influence over the environment and working environment;
- demand the use of certified products especially in public purchasing.

Consensus-based decision making with the involvement of all stakeholders will enhance the sustainability of the forestry, and pulp and paper industries.

In particular, worker participation models which ensure the involvement of workers and trade unions in developing industry strategies, forestry planning, and sustainability assessment methods (including workplace and social indicators) are urgently needed. This will include joint target setting, monitoring, reporting models with employers and joint implementation of change at the enterprise level and across sectors.

The full implementation by the industry of key elements of social sustainability, including the ILO core labour standards will assist the industry in reaching a more sustainable future.

3.10 Textiles and Tanning

It is disappointing, although perhaps not entirely surprising, that the textiles, garment, leather and related industries have failed to produce a report on sustainability for this UNEP process. Given their performance record in the three dimensions of sustainability, especially the social dimension, they might understandably be reluctant to hold it up for public scrutiny. In the case of other industry sectors, labour has been invited to respond to the employers' reports. In the case of this group of industries, the international trade union movement challenges the industry leaders to respond to this, our submission.

TANNING AND TEXTILES

This group of industries, including textile, garment, leather and shoemaking, is heterogeneous, with huge multinationals as well as small and medium-sized enterprises.

The textile, garment and leather and shoe industries have undergone globalization and severe restructuring in recent years. The social dimension of sustainability has been paid little attention throughout this process.

Textiles, garments, leather and shoes have experienced every downside of the globalization process. Historically the process of internationalization, meaning transfer, decentralization, trade and shipment of goods across borders began in these industries before any other. This was due to many factors. It was relatively easy to "globalize" these industries. For one thing, it is easy to move production, because of the nature of the production process, much of which can be done without huge machines, and massive capital investment. For another, employers have chosen to move production to any locale where they can seek lower and lower labour costs. Technological change has favoured this process, as well. Many famous brand names exist as "virtual corporations" with no production facilities of their own. Their main functions are to design, advertise, and take orders for products. Their actual production is contracted out to producers anywhere in the world.

Globalization within this group of industries, over the last couple of decades, has been mainly a process in which the most exploitative forms of labour practices have been utilized and institutionalized; including poor working conditions, lack of attention to basic safety, exploitation and blackmail of women workers, and even child labour. The International Textiles, Garment, and Leather Workers' Federation has concluded

that globalization in these sectors is based almost solely upon the search for lower labour costs and lower workplace and environmental standards.

It is difficult to even catalogue the abhorrent labour practices that have emerged over the last fifteen years under the economic agenda of laissez-faire globalization and free trade. Following the signing of the Uruguay Round of international trade agreements at Marrakech in 1995, there has been a steady deterioration. These sectors employ many women, who are able to work from their homes. In fact, there is a tradition and history of women working from their homes, in many parts of the world. The combination of this ability and tradition makes this group of industries a field where exploitation and abuse of women is much easier than for many others. Crowded, multi-story workplaces, locked doors, “sweatshop” working conditions, little light or ventilation, occupational diseases, an absence of even basic electrical safety, fire prevention and fire escape measures, as has been demonstrated in many recent disasters, such as the garment factory fires in Dhaka, Bangladesh, in the area known as Mirpur. Vicious and violent union busting is common.

Occupational diseases are rampant. In many other industries in developed countries, sophisticated approaches to ergonomics are being developed and implemented. In the world of contracted-out garment production, workers rarely even get chairs to sit on. In developed countries, workplace conditions are regulated but in the world of contracted-out garment production you may find workers working where they live, working on wharves and warehouses, working anywhere. In developed countries, child labour persists but the scope of the problem is limited. In the world of contracted-out garment production, the common use of child labour destroys the future for these children, their families, their communities, and their countries. To mention but one example among many; we cite the garments industries in Tirupur, near Coimbatore, South India.

Despite many things that are said about this industrial sector, it possesses the economic ability to change. The economic dimension of sustainability is, in this case, closely linked to the social. Profits are actually quite good, and liabilities are almost non-existent; as evidenced by companies’ ability to move freely to other areas. In Morocco, for example, employers can close their factories at any time, with no obligations or liabilities for the workers, and the families who depend upon them, at that production facility. The economic sustainability of the industry, from a trade union point of view, relies upon a “race to the bottom” mentality as production and jobs leave high-standard areas and in exchange, new workers receive very low wages and obtain very low standards in other areas.

The areas of greatest economic growth for the textiles, garments and leather industries is in the informal sector, and in the free-trade export processing zones (e.g. “maquiladoras” and similar zones). If the informal sector is counted, we believe that employment in these industries is actually growing, but we cannot base our answer on reliable statistics. Most of the workers are in countries where statistics do not exist.

The free-trade export processing zones are heavily exploited by the garments industry, perhaps more so than even the electronics industry (note: in the case of free-trade export zones, it is the garment industry, more than textiles and leather that is implicated). These zones, an outgrowth of the global market liberalization, free trade and deregulation mentality, have created many contrasting and contradictory

situations. For instance, often people working in these zones produce clothing that they will never be able to afford to buy, themselves. Secondly, it is very difficult for consumers in developed countries to understand the complete process of production of clothing. If you consider a shirt, it is possible that the manufacture of the fabric, the cutting, the sewing and the final finishing are all done in different countries. The label that people look at is only the label of the last process. The third is that markets are often flooded with massive imports of e.g. Chinese products, or sometimes even used clothing donated by well-meaning people in developed countries but then purchased and sold by unscrupulous profiteers in developing areas of the world – imported with no regard to social and environmental conditions - driving out local production. For example Burkina Faso (formerly Upper Volta) was a significant producer of cotton but now their market is full of imported fabrics (e.g. synthetic fabrics from the Far East) and their former factories, producing for local markets with local workers in cotton, printing, dyeing, now are closed.

Environmental impacts of this industry sector are very significant. Even more, there is a problem with environmental justice as the sector is concentrated in areas where the poorest people live, and there is little consideration for the living conditions of people in the areas of production. If you consider the environment in the strictest sense, meaning, e.g. the external effects of production, then it is worth noting that the worst effects result from the textiles and tannery industries. Two examples:

- (1) In textiles, very often, the dyes that are used are not well characterized for human or environmental effects. Worse, even European companies operating in other countries use some e.g. azo dyes, which are forbidden in many parts of Europe. This situation is so serious that some clothes may be potentially harmful for the health of the wearer, let alone the workers. Again with respect to dyeing, we cite the practice in Malaysia of waste dyes and by-products being thrown out in open water, with the consequent effects on marine fauna.
- (2) In tanning, frequently the conditions of tanneries in many countries are really appalling. In Niger, for instance, there is a special area in Niamey, located on the bank of the river Niger, where there are a lot of open-air tanneries. The tanneries throw their wastes on the bank of the river. Many families live and work in this area, even where the waste is being left to rot. The smell is unbearable, and yet families are living there, catching fish, raising their families – it is a nightmare situation. Similar conditions prevail in areas of Pakistan, Morocco, and in all likelihood other places.

Research on environmentally less-harmful tanning methods is actually very advanced, but there is a lack of will on the part of the industry to respect the environment. In Tuscany, there is advanced research on how the industry can convert or dispose of almost all of their waste in environmentally responsible ways. If they can do so, there seems no reason why this technology cannot be shared and distributed.

CONCLUSION – TEXTILES and TANNING

The labour movement's priorities for this sector are the implementation of the social standards described at the beginning of this document. Where women and children are exploited and working conditions are very poor in both quantitative and qualitative terms, this has to be the primary goal in terms of reaching sustainability.

Future challenges for this industry are linked to the continued liberalization of markets. We are obliged to think about how to face continuing globalization. Globalization is not an end in itself, but a process. The challenge is to be able to impose this process in a socially responsible manner.

Overlying this process are others, including technological change, and the re-organization of processes of production. However, as in the case of the other challenges mentioned, the social aspects need to be emphasized as the area where the industry must make progress over the next ten years.

The approach of many governments regarding respect for the law, including laws on labour and employment and other social standards, must change. We need enforcement of basic standards that in many cases already exist, and not just for multinationals but for enterprises of every size.

At the beginning of this new century, corporations like to talk about a new ethic of corporate social responsibility. Yet corporations are not their own creation, but are a creation of society. Societies - who grant them their charters of incorporation, and establish the conditions favourable to their growth (often at the request of these same corporations), surely have the right to expect something in return. Instead of corporate social responsibility, perhaps it is time to talk of corporate social accountability – i.e. what these companies owe to the outside world. This is real sustainability.

3.11 Tourism

TOURISM

The International Labour Organization (ILO) estimates that the tourism industry, one of the world's largest employers, employs 207 million people. Despite some concerns, trade unions see the future of the tourism sector in a generally positive light. Tourism can play an important educational role in moving society towards sustainability. Despite the recent shock to the global tourism industry caused by terrorist attacks, it would be wrong, in our opinion, to adopt a defensive approach. Governments should take the initiative and develop the capacity, in terms of research and data collection, to create tourism plans in partnership with stakeholders - especially workers. This is particularly true in those regions where there are few alternative sources of income.

A national or multi-national tourism plan would allow for the development of tourist regions while minimizing the potential negative impacts, while maximizing employment opportunities and assuring good working conditions. For example, developing the market for eco-tourism requires the maintenance of large and relatively unspoiled natural areas. In many parts of the world, traditional tourist regions are showing wear and tear from over-use. Cultural tourism requires a respect for cultural diversity, historical treasures, and liveable city-scapes. And finally, a tourism plan would anticipate the effects of vehicle, marine and air traffic on non-tourists and non-tourist regions.

Elaborating on the above, an effective tourism plan would:

- guarantee the rights of tourism workers, including the ILO core labour standards;
- protect lands and spaces by controlling urban sprawl;

- provide for sustainable transportation systems to facilitate tourism; including diversified modes of travel such as trains, bicycles, walking trails, etc. rather than solely aircraft and automobiles.
- implement a scheme of sustainability labelling of tourist facilities;
- include a plan for publicizing sustainable tourist sites and activities;

However, if tourism is to play a positive role in development, the industry also needs to pay attention to some of the negative aspects of tourism. For one example, the industry must do a better job of looking after the needs of its employees. Workers in this sector continue to experience low wages and poor working conditions relative to their skills. For another example of the need for planning, some eco-tourism sites must really be restricted in the number of visitors that are accepted, in order to prevent the attraction from becoming degraded.

A significant problem for the tourism industry is the health and safety of its workers. Workers in the tourism industry, in direct contact with the public, are especially vulnerable to harassment and threats of violence; and occasionally real violence. In fact the tourism industry leads all other industries in the prevalence of these hazards. Job insecurity and unusual working hours also contribute to stress and ill health.

For some tourism workers in some regions, the following hazards can be considered occupational hazards as well:

- HIV/Aids;
- Access to clean water;
- Access to sustainable sources of energy;
- Containment of waterborne diseases;
- Access to affordable housing;
- Access to primary education for their children.

Even the most optimistic will have to concede that, for tourism to be truly a “sunrise” rather than a “sunset” industry, it will have to do a better job of: respecting the rights of its present workers, especially the right to organize into a trade union; creating opportunities for new workers; and willingness to participate in consensus decision making about the sector.

Tourism can be educational. Tourism can create a bridge of understanding between the excessive consumption of the developed world; and the underdevelopment of the developing world. Nearly 25-million people in the world die each year because of a lack of clean water and adequate sanitation, and many citizens of the developed world are simply unaware of the problem. It is impossible to talk about sustainable development without addressing the issues of poverty and inequality.

CONCLUSION - TOURISM

International tourism has grown every year since the second world war. However, the events of September 11, 2001 appear to have had a lasting and negative effect on global tourism. For example, by December, 2001, the number of tourists to France, the world's most-visited country, has fallen 20 per cent. Many travel related business have gone bankrupt, and the remaining operators have been restructuring and shedding

workers. Business travel, hotels, car rental companies and other travel-related business are generally seeing reduced usage. Despite this, trade unions predict growth in this sector over the longer term. The growing demand for vacation time is unlikely to be reversed for long. For many people in the developed world, travel and tourism are looked upon as necessary stress relief against ever more demanding daily life .

However, the tourism industry needs to do much more to respect the rights of its workers in some areas. As stated above, these include the ILO Core Labour Standards, the U.N. Universal Declaration of Human Rights, and the U.N. Secretary-General's Global Compact. In addition, it needs to get serious about sustainability indicators and labelling of tourist sites and tour operators. The tourism industry needs to open up to provide greater transparency and disclosure of its activities. Industry voluntary initiatives and codes of conduct can play a role in supplementing, but not substituting for, sound legislative and regulatory frameworks. Finally, it needs to partner with its own employees in consensus decision making for the planning and implementation of a tourism plan.

3.12 Transport

TRANSPORT

Transportation, like many other industries, is becoming global. As trade unions stated at the 2001 annual meeting of the U.N. Commission on Sustainable Development, the globalization of transportation industries requires global partnerships to achieve the goal of a sustainable transportation system.

Environmentally sustainable transport systems would be those that are able to move people and goods using environmentally friendly technologies that do not disrupt ecosystems; minimize the use of non-renewable resources; conserve energy; and produce minimal pollution - in all its forms including noise, heat, and waste.

Socially sustainable transport systems would: ensure fair and equitable access to transportation for all citizens and facilitate a healthy level of social mobility; respect the rights of transportation workers and provide them with decent working conditions; enable trade without promoting needless consumption; and support the development of healthy communities, cultures and societies.

A lack of attention to worker health and safety concerns in the transportation field is certainly not sustainable. More attention must be given, for example, to the 250,000 fatalities which occur annually in transport-related activities, as well as to the severe fatigue and stress, violence, musculoskeletal disorders, and repetitive work injuries that are increasing dramatically with the introduction of new technology and processes. The International Transportation Federation (ITF) has worked with its national affiliates and with the ICAO and IMO to draw attention to the link between public (operational) safety and sustainable development, and the importance of 'human factors'. Fragmentation of the industry, for example, breaks the 'safety chain' as direct responsibility of operators is replaced by a web of legal/contractual relationships. The trade union strategy is to place emphasis on professional standards for employees, and to ask for state-regulated training standards through professional licensing, especially those in the safety chain.

Two urgent, international, occupational health and safety problems must be mentioned in particular.

The first is the continuing scandal of conditions in the ship-breaking industry. Nowhere is effect of a 'race to the bottom' more evident than in the ship-breaking business, in which workers toil in withering heat with little protection and few rights to scrap hundreds of ships every year for their scrap metal. Any health and safety legislation that exists is typically ignored completely. Equipment (cranes, lifting gear, pulleys, ropes and chains) is not tested, steel plates are cut without eye protection, protective clothing, gloves or boots, and steel is carried without attention to load limits. Workers are exposed to hazardous and explosive substances, asbestos, PCB's, lead, mercury, chromates, organic compounds, chemicals, as well as radiation and a whole range of physical hazards that take a terrible human toll and create an environmental nightmare. They often walk barefoot on beaches that are strewn with chemicals, toxins and splinters of steel, and others die or are injured by falling steel plates or equipment. Accidents are not reported or recorded, and workers who are injured or diseased typically lose their jobs.

The second is the HIV/AIDS epidemic, which is closely linked to patterns of development and transport in some areas of the world, particularly parts of Africa. Because of the wide-spread use of migrant workers housed in isolated single-sex "work camps", it must be understood that a social environment is created that facilitates the spread of this disease. Required to make frequent long journeys to keep transportation links open to these remote areas, transport workers are both part of the problem and victims of it.

Based on environmental and social goals, and of course economic realities, good decision making about transportation modes (air, water, land) and systems can take place. Too often, the only consideration in decision making is maximizing profit. This has led to the current situation, in which patterns of production and consumption requiring low unit costs of transport have become the norm. Quite simply, a great deal of current transportation activity (especially in developed countries) is neither environmentally nor socially sustainable.

Artificially cheap transport has provided new benefits and freedoms for consumers, but these have come at a heavy price in terms of occupational health and safety for transport workers, pollution, energy consumption and reduction in the quality of urban life. It has imposed an enormous cost in the exploitation of labour. Cheap transport is a key to global economic development, but today, it is also one of the biggest threats to the planet's environment.

The demand for cheap transport has created a "race to the bottom" mentality exemplified by flags of convenience in shipping, and the continuing pressure to deregulate the air travel industry. In the transportation world, the flag of convenience system is an example of a de-regulated system - not because regulations have been removed but because, (despite the existence of an International Maritime Organization) for the most part, they never existed. Governments like Liberia, Cyprus, Panama and others flagrantly abuse their responsibilities by offering themselves as countries of registration, purely as a means of making money. 'Flags of Convenience' (FOC's) which evade safety, social and environmental regulation, now account for a major portion of the sea transport industry, about 51% of total tonnage. An independent International Commission on Shipping published *Ships, Slaves and Competition*, a damning indictment of

the industry in 2001, and the UN Commission on Sustainable Development (CSD1999) itself noted the danger to social and environmental conditions posed by FOC's. When a ship that is built in Spain, owned by a Norwegian, registered in Cyprus, managed from Glasgow, chartered by the French, crewed by the Russians, operated under a Liberian flag, and carrying an American cargo, pours vast amounts of oil onto the Welsh coast, who takes the blame ? This was the question raised by the "Independent" newspaper reporting on the catastrophic oil pollution caused by the grounding of the Sea Empress in 1996 (22 February 1996).

Transportation is a key element of the greenhouse gas problem. Private automobiles, and all major commercial transportation modes in current use, depend upon fossil fuels. Some manufacturers have already begun designing engines that are able to utilize alternative sources of fuel. Electrical storage batteries, fuel cells, and hydrogen, and are the three most frequently cited examples of alternative, portable sources of energy for transportation. Automobiles are significant contributors to greenhouse gas emissions, especially in developed nations. The average car emits nearly 60 tons of carbon dioxide over its lifetime. However, despite recognition of this problem, the use of heavy, fuel-inefficient "sport utility vehicles" has become a status symbol. These new vehicles have lowered average fuel efficiency for new cars in 2000 by 13% compared to a decade ago, in North America.

Nevertheless, creating a sustainable global transport system will be much more complex than simply fitting cars and trucks with new types of engines. For example, there is no feasible alternative to fossil fuels for aircraft, at present; and the social problems created by ever-increasing numbers of private automobiles will not be solved, even if their environmental harm is minimized.

In spite of wide spread recognition of the need to reduce automobile emissions, public transit systems continue to be seriously under-funded and urban planning pays only lip service to the need to design communities that are less dependent upon private automobiles. Even conservative and anti-regulatory circles have acknowledged, for instance, that the UK simply cannot cope with a projected doubling of the number of private vehicles on the roads over the next two decades. Rail transportation is highly developed in Europe, and can become much more so elsewhere in the world. However, even in Europe, it has been shown that there is a risk that an excellent component of social infrastructure will be sacrificed to a particular kind of free-market ideology. This trend has been driven by new intermodal transport logistics companies who are dictating development of ports, with huge container stacking areas, deep water berths, and dredging operations. Accordingly, rail networks are reorienting themselves away from national public service to regional freight networks connecting these ports to continental markets. Both port development and rail liberalisation are being driven by international and regional competition for the business of container shipping, corresponding to the logistics needs of today's huge transnational corporations.

The airline industry, too, has warned that ever-increasing air traffic will lead, at some point, to many more fatal accidents. However, recent terrorist events have shown how vulnerable this industry is to the public mood. Experts have long known that short-haul air transport can be wasteful and inefficient; but with lengthy security measures to go through before boarding the aircraft, the travelling public now knows this, as well.

Historically, transport was recognized as an activity requiring state control; for example, laws banning foreign ownership of services such as ports, airports and airlines were considered vital to strategic national interests. Today, the ideology of corporate globalism has eroded national control. The transportation industry, like many others, has been subjected to ruthless and ideologically-driven privatization and deregulation in recent years. Many of these schemes have become disasters, creating the very opposite of a sustainable transportation system for the public, and in particular destroying the lives of many, many workers, families and communities in the process.

The privatized and deregulated market model for essential public services is now thoroughly discredited. With the examples of the British livestock and rail industries; the California electric utilities; and the collapse of energy giant and deregulation evangelist Enron, no rational observer can reach any conclusion but that such experiments have been utter disasters.

If there have been any winners, they are the global transportation companies and multinational manufacturing corporations, with their complex logistical requirements, demands for "just in time" delivery, and so on. "Just in time" delivery systems effectively impose an enterprise's warehousing costs on the public, since the stock is now "warehoused" in trucks on public highways. It likewise imposes a heavy toll on transportation workers' health and safety, not to mention the effects of traffic and noise on communities. Quite simply, it is a socially unsustainable practice.

In order for economic stability to be restored and for the environmental and social dimensions of sustainability to receive their due attention, appropriate regulatory structures at the international, national, regional and local levels are essential. Designing them will require a new approach: partnership.

Trade unions propose a partnership approach between public sector institutions, industry, trade unions, and NGOs. It must be emphasized here, once again, that social sustainability demands that transportation companies and planners respect the human dimension. This can only be achieved through genuine forms of participation and consensus decision-making. Decision making at every level can benefit; from the government to the boardroom to the shop floor; to facilitate transport planning which involve users, operators, government (at various levels), and workers.

As an example, environmental campaigners, local government councillors, community organisations and trade unions from the port cities of Antwerp, Bremen, Hamburg and Rotterdam worked together to influence political decision-makers on the planning of port development and its impact on the local environment, communities and employment.

Local authorities are well positioned in the energy/transportation nexus to strengthen decision-making for sustainable development. They already provide a wide range of services in a highly-efficient and responsive manner, and a long tradition of union-management cooperation. They must do more to involve community

groups, trade unions, employers and environmental NGO's in local process that feeds into national and international reporting and decision-making.

However, it is at the international level that regulatory action is also urgently needed. Capacity to regulate the international maritime industry, for example, has been undermined by flags of convenience and trade agreements. It is time to put some structure back in place, if we are serious about building a sustainable future in transportation.

Partnerships are the most effective way to change behaviour because they combine the elements of participation and education. At the very local level, commute-to-work transportation decisions made in workplace partnerships, would almost certainly lead to much higher average vehicle occupancy rates, for example. At the international level, the knowledge and expertise of trade unions is essential for good decision making on the issues of flags of convenience or ship breaking.

Whatever decisions society makes, the required changes amount to a transformation of the world's transport systems. Social sustainability demands that this transformation take place following a "Just Transition" model. A "Just Transition", as a minimum, will ensure the continuation of work, income and benefits whether or not with the same employer and whether or not in a related sector of the economy. When workers are protected, so are the families and communities that depend upon them. This lowers the barriers to change; but only if workers and the trade unions that represent them are full participants in the decision making process.

CONCLUSION - TRANSPORT

If we truly believe in sustainability, our needs are clear. We can choose to live with ever-increasing pollution, waste, public ill-health, traffic congestion and accidents in more and more countries around the world; or we can begin now to plan for sustainable transportation systems.

The principle that the polluter should bear the cost of pollution must be applied to transport industries, and form the basis for shifts in public policy that favour energy-efficient forms of transportation. . private investment is primarily concerned with the supply chain needs of world trade as determined by global corporations. This is having drastic effects on local transportation systems, as the needs of global supply chains frequently comes into direct conflict with the goals of regional and local planners, who are concerned with the local needs and effects.

Producer responsibility must be extended to include end-of-life for ships, trains, trucks, cars and planes. Not only does transportation contribute significantly to total solid and hazardous waste, especially in industrialised countries; increasing amounts of municipal and hazardous wastes increase the demand for transport to recycling, treatment facilities, land fills, incineration plants, and other treatment facilities.

Trade unions have shown that they are in a good position to play a central role in these efforts, especially through eco-audit and eco-label schemes, and consensus decision making in general.

Sustainable transportation systems are possible. The question is whether we have the will to make them happen. But change will inevitably come, whether through planning and sustainable decision making now, or in response to a future environmental crisis. Trade unions are ready to dialogue and participate in good decision making, today, to build sustainable transportation systems for the future.

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