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**Submission of TUAC to the UNEP Industry Sector Reports:
Mining and Metals**

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.

INTRODUCTION

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.

However, 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.

LABOUR'S VIEW OF 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. 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). 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 knowledge from the widest possible range of sources and across the widest possible range of disciplines.

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.

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.

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 (see explanation in following paragraph);
- 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, "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.

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.

Industry, broadly, has made progress in recognizing some of the environmental imperatives of sustainable development and integrating them into its 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.

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.

Conclusions

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.