



**ENVIRONMENT DIRECTORATE
ENVIRONMENT POLICY COMMITTEE**

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**STAKEHOLDER CONSULTATION WITH MINISTERS: WRITTEN STATEMENT FROM TRADE
UNION ADVISORY COMMITTEE (TUAC)**

19 APRIL 2004

A consultation between representatives of business, trade unions, and environmental citizens organisations and Environment Ministers will take place on the afternoon of 19 April 2004, in advance of the Meeting of the OECD Environment Policy Committee (EPOC) at Ministerial Level on 20-21 April.

Written statements from the three stakeholder groups are available in advance of the Stakeholder Consultation at:

- *Business and Industry: ENV/EPOC/MIN(2004)7*
- *Trade Unions: ENV/EPOC/MIN(2004)8*
- *Environmental Citizens Organisations: ENV/EPOC/MIN(2004)9*

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IMPLEMENTING WSSD THROUGH PARTNERSHIPS FOR THE OECD'S ENVIRONMENTAL STRATEGY

- A. **Addressing Critical issues:**
 - **Climate Change & Energy**
 - **Globalisation, Trade & Environment**
 - **Decoupling & Resource Efficiency**
 - **Technology Innovation**
- B. **Implementing the Outcomes of the WSSD**
- C. **Assessing & Reporting for the OECD Environmental Strategy**

A. Addressing Critical Issues

OECD's Social Interface strategy implies that employment transition be central to addressing some critical issues of the next decade

1. The "Social & Environment Interface" of the OECD's Environmental Strategy invites governments to consider and address the links between environment and social conditions, including those related to employment and income distribution. With regard to employment and equity issues, the Environment Strategy specifically requests OECD members to:

- Ensure equitable access to natural resources and environmental services.
- Monitor and reduce disparities in exposure to environmental threats (across households, social groups and communities).
- Address actual and potential effects of environmental policies on employment and income distribution.
- Assess & address the social implications of environmental policies, in particular the removal of environmentally harmful subsidies.

OECD's 'Environment Strategy' highlights employment issues related to equity, access and social impacts.

OECD should strengthen its perspective on employment implications & promote Decent Work

OECD's Economic Development & Review Committee (EDRC)'s has too quickly cast aside the role of regulation in favour of unproven market tools.

2. The WSSD also called on Governments to take steps to ensure that industrial development be made to contribute to poverty eradication and sustainable natural resource management, including assistance to increase income-generating employment opportunities, taking into account the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. This is especially important given a current focus by the ILO to develop a Global Employment Agenda.

3. As indicated in paragraph #8 the OECD's Environment Policy Committee has produced a recent document on employment and environment. The EPOC is invited to consider the limited application of such research approaches to the social-environment interface because of their:

- Focus is limited to environment implications and not to social implications.
- Reliance on theoretical models that do not necessarily reflect implications for specific sectors or regions.
- Simplistic assumptions of employment factors. They examine whether single jobs are lost or created under certain scenaria but do not consider employment in its complexity, ie. part time/ long term employment, transitional employment, wages and benefits issues, or general socio economic security issues etc.
- Limited focus on industrialised countries only, despite the OECD's adoption of "improving living standards in developing countries", as a social indicator. See also paragraph #5.

4. EDRC's analysis of the country peer reviews (especially on environment issues) has provided evidence to show that:

- Voluntary agreements have limited applicability and should only be promoted as supplementary to regulation and other measures.
- Regulatory reform for sustainable development needs to take place with a view to reduce costs and increase effectiveness, especially through the integration of the activities of workplace actors, and workplace implementation measures, including with inspections and inspections systems. The EDRC has too quickly concluded that regulations have proven too costly without first examining the full cost of not sufficiently using them and considering the full potential of streamlining and integrating regulations for the purposes of sustainable development.
- The full distributional effects of a combined strategy to reduce the emphasis on regulation in favor of increased reliance on environment taxes (including the elimination of exemptions to them), as well as promoting tradable permits and eliminating subsidies are still not properly understood or addressed.
- The political problems and realities associated with removing exemptions and subsidies remain unaddressed.

OECD's adopted social indicators impose serious limitation on EPOC's Social-Environment Strategy

5. The OECD has adopted two social indicators as the purpose of the EDRC sustainable development reviews: 1) retirement incomes, and 2) improving living standards in developing countries (see also paragraph #20). These are inadequate because:

- They lack clear justification and support within OECD as well as with member States, especially in connection to stakeholders and Civil Society. There is a visible lack of democratic process within OECD for their adoption.
- The EDRC analysis of and justification for their adoption leaves an impression that the 'retirement incomes' indicator was adopted for other policy purposes rather than to play a meaningful role as an indicator from which to measure progress on sustainable development. This is especially significant considering that this chosen indicator engenders a contentious political agenda for increasing the working life-time of great proportions of the population, reducing public pension replacement, increasing the reliance on personal savings and reforming retirement income policy in favor of private schemes.
- The second indicator on 'living standards for developing countries' lacks connection to the first indicator and to many other aspects of EPOC's Social-Environment interface. It also lacks any connection to employment and Decent Work strategy and has been taken in isolation from the work of other institutions, including inter-governmental bodies.

OECD Strategy should better integrate occupational & public health with environment implementation measures

6. The Environment Strategy's Social Interface calls for national action related to health and safety (with a special emphasis on chemicals and hazardous substances) and for these to be integrated to public health and social issues, including employment consideration. WSSD has reinforced these points and has encouraged a link between occupational and public health (JPOI 46m) and a link between occupational health and safety with environment (JPOI 22, JPOI 44a). In practice this would imply:

- Better integrating the work of the OECD's Environment, Health and Safety Division within EPOC's Social-Environment strategy, especially with respect to developing workplace synergies between environment and OHS as related to chemicals, risk assessment & management issues, pollutant releases and pesticides. See also paragraph 14.
- Promoting coherence and integration of environment management systems with occupational health and safety (OHS) management systems, especially with the ILO Guidelines on Occupational Safety and Health Management Systems (ILO-OSH 2001). See also paragraphs 14-15.
- Promoting such integration within the implementation of the environment components of the OECD Guidelines for Multinational Enterprises.

EPOC must support full OECD integration of sustainable development work

7. TUAC considers the work of the OECD Ad Hoc Group on Sustainable Development and of the Round Table on Sustainable Development to be vital in ensuring that the OECD's Environmental Strategy be made to evolve within a well defined institutional process, which integrates the three pillars of sustainable development. Member States should be encouraged to continue their support of the programmes of work by these bodies, especially as they connect with EPOC's 'Peer Review' process for the social interface. Economic survey work by EDRC should also be supported but member countries should be encouraged to seek better cross-cutting integration in their own capitals with respect to "National Sustainable Development Strategies", especially by seeking the participation of social, labour, finance, environment and health Ministries.

***Critical Issue #1
Climate change
& energy:***

***Environment
Directorate study
clarifies possible
pathways***

8. Paragraph 3 summarises the limitations of' EPOC's employment research. However last November's 'Environment and Employment' study by the OECD Environment Directorate:

- showed that "the negative short term impacts of environmental policy on employment, for instance in the natural resource-based sectors, should be further analysed";
- provides an initial basis for properly analysing and better understanding the employment/climate implications;
- clarifies concepts to enable "scale of analysis" approaches to establish agreed criteria for future employment/climate studies;
- develops initial Bottom-up/Top-down analyses to clarify elements for effective research partnerships; and
- provides for a better understanding of the limits of NEMESIS simulations, ie. the 'New Econometric Model for Environment and Sustainable Development'.

BIAC & TUAC have called on OECD to facilitate employment research co-operation

9. The EPOC is asked to take note of a number of meetings in 2000 and 2001 between the Business Advisory Committee to the OECD (BIAC) and the Trade Union Advisory Committee to the OECD (TUAC), along with government and research experts, to clarify priorities and terms of references for an eventual employment and climate change research programme. Business and trade union participants agreed that a sustainable development approach to climate change is needed and that employment impacts must be better understood.

Collaborative research on employment is called for and must be integrated into all aspects of OECD work.

10. The recognition in the Kyoto Protocol of the impact of decisions by industrialized countries on the rest of the world, underlines the need for the OECD to encourage collaborative research with governments (including EU), the ILO and other actors. Furthermore, such research must be integrated with a focus for green job creation, connected to a "Global Employment Agenda", as advocated by the ILO, with information systems should be made to feed into an overall workplace assessment process described in paragraph #22.

Public investment procurement and oversight are a key to the success of social integration for Climate Change

11. Before effective employment policies can be put into place, more research is needed to determine the kind of employment transition programmes that are appropriate within the various industrial sectors, and in different regions of the world. Trade unions call for measures to:

- DEVELOP ELEMENTS OF 'JUST TRANSITION' PROGRAMMES, including employment promotion, to ensure that no sector or country unduly benefits or suffers from (i) climate change, (ii) mitigation measures, or (iii) adaptation measures. Transition programmes can be effectively integrated into economic policy & with the OECD DAC work on country studies related to climate change adaptation, as well as that by the Round Table on Sustainable Development on embedded carbon.
- DEVELOP PUBLIC INVESTMENT STRATEGIES that support Just Transition and identify financial and economic measures to support its implementation, including for income protection, redundancy procedures, re-employment, education and re-training within a programme of sustainable job creation and promotion.
- DEVELOP SOCIAL INDICATORS & CONDUCT SUSTAINABILITY IMPACT ANALYSES & ASSESSMENTS: A commitment to eradicate poverty and promote equality makes it imperative to measure and address the social dimensions of mitigation measures; e.g., specific reduction targets, as well as the Clean Development Mechanisms (CDM's), Joint implementation (JI), Emissions Trading (ET) and other flexibility measures. This requires the development of social indicators and other tools that reflect broad societal values. In particular the OECD's adopted social indicator "Improving living standards in developing countries" should be better linked to climate change work (see also paragraph #5) and to the Environment Directorates's *Development and Climate Change* project.

**German Alliance for 'Work and Environment'
Contributes to National Energy Planning**

A GOOD EXAMPLE OF A WISE INVESTMENT: DGB with the German unions are collaborating with government, environmental NGO's 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 2 million t/a 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. These effects could also be derived from a study of a joint project, *The renovation of a building – A chance for climate protection and the labour market* conducted by Greenpeace Germany and the German Trade Union IG BAU. The immediate objective is to improve insulation of buildings, advanced heating technologies, and use of renewable energy, such as 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 services. Financing for the programme is provided by the German government, which will spend less than US\$1,8 billion in the next 5 years. As well, a total of US\$8 billion will be available through credits at favorable rates of interest.

***Critical Issue #2
Globalisation,
Trade &
Environment***

12. The OECD should continue to take a leading role in promoting the understanding of distributive effects of current trends in globalisation, with a view for countries to meet the Millennium Development and other goals as a means of eradicating poverty, promoting equity and improving access by everyone to employment, resources and services. In practice this should translate into:

- Identifying practical local and national implementation measures for the current two social indicators adopted by the OECD (see paragraph #5), especially in regards to addressing issues of vulnerable groups, including the unemployed, women, children and the working poor.
- Undertake to broaden the use of social indicators as a tool for sustainable development, through more consultation with stakeholders.
- Improve the integration of social policy with environmental and economic measures, especially in regard to trade and investment issues. The current work of the OECD is dominated by a focus on integrating environmental with economic policy, while mostly excluding the social dimension, both in analysis and proposed implementation.
- Promoting both Government and Corporate social responsibility policies that are both measurable and reported for the purposes of performance review and evaluations.
- More closely working with the International Labour Organisation (ILO) and UNEP for the purposes of integrating the OECD's environment and social interface.

***Trade &
Environment must be
made to support
social integration***

13. Trade and Environment should be understood in their social context with an aim to better understand and address distributive effects. This should be an overriding perspective for:

- OECD's reviews of subsidies, taxes and other market measures to promote sustainable development. At present the social dimension is incorporated but tangentially (see paragraph #5).
- Promoting the uses of export credits and the OECD Guidelines for Multinational Enterprises and integrating these with activities of the GRI and Global Compact. Integrating the occupational health & safety systems with environment management systems would be important for this purpose (see also paragraph #5).
- Better understanding the net financial flows of Foreign Direct Investments (FDI) and Official Development Assistance (ODA) as these relate to debt and taxation of recipient countries for programmes that purport to meet environment or social goals. In this regard TUAC supports the continued work in this field by the OECD Round Table on Sustainable Development.

***Critical Issue #3
Decoupling &
Resource
Efficiency***

14. The notion of decoupling materials and energy flows from economic patterns of growth should be explored as a tool for minimizing both social as well as environmental impacts, especially where obvious synergies exist. Decoupling can be made to have more lasting impacts through:

- Providing more useful and trustworthy production information to consumers about products or services they buy, or otherwise pay for. This can be made possible through verifiable eco-labels that are based workplace reporting and assessments (see box on the TCO eco programme).
- Promoting more effective awareness raising among workers and consumers, aiming at building public support and confidence in measures to promote change.
- Making market-based instruments work better with regulations and with practical measures that involve stakeholders in the development and implementation of programmes.

***Chemicals should be
considered a cross-
cutting issue for
sustainable
development***

15. Paragraph 6 suggests a better integration of the OECD's work of its Environment, Health and Safety Division with other aspects of sustainable development. The OECD should continue its cooperation with governments and other intergovernmental bodies to promote and implement chemical harmonization. In this regard chemicals should be considered a special cross-cutting issue because they:

- Are inherent to all aspects of WEHAB (water, energy, health, agriculture & biodiversity), as adopted by WSSD.
- Can be the basis of convergence of actions by workers and employers related to north/south aspects of mining, minerals and metals, as called for by WSSD (JPOI 44a).
- Provide a strong occupational and public health link and as such lend strength to the WSSD call for workplace partnerships.
- Can be easily translated into concrete programmes of action, eg. for Persistent Organic Pollutants (POPs) or a world ban of the uses and commercialization of asbestos.

**TCO introduces an Eco Programme which
Reflects a ‘Workplace Checker’ Assessment Process.**

Within the context of Swedish law the Development Unit attached to the TCO, the Swedish professional trade union, has constructed an online assessment instrument called the Workplace Checker, which can be easily accessed by anyone. It consists of checklists corresponding to 21 different criteria for sustainable development, as it affects workers in the workplace (including among other issues environment and OHS); e.g. leadership, the social climate, the quality of office equipment. Answers are collected results summarised by a coordinator, to provide the basis for priority setting and action plans. The ‘Checker’ is an integrated part of a larger process for contributing to a better workplace. It checks the workplace environment, by using a number of questions that all co-workers will answer. Answers are kept strictly anonymous, with respondents asked to state only their age, sex and department to allow comparisons between groups and work sites. Results are then made immediately available in an informative chart which tells the respondent his/her particular work situation compares to the norm. See: <http://www.tcodevelopment.com>

***Critical Issue #4
Technology
Innovation***

***OECD technology
transfer, innovation &
capacity building
policies must meet
WSSD & employ-
ment, health,
environment and
social objectives***

16. The Environment Strategy is peppered with references to the role of technology and innovation in addressing resource management, social innovation & research, as well as capacity building and awareness raising. Indeed there is a very significant role for technology in facilitating the effective delivery of workplace assessment processes. However, social and employment impacts of new technology or technology transfer must be addressed as a precondition to their promotion. Public funding for research and development in this area must serve to predict and prevent negative social impacts and be integrated into technology assessment approaches.

17. In addition, the benefits of productivity increases from new technology must be applied to employment creation, especially in developing countries, as well as to reducing the possibility of job loss or occupational hazards. Efforts must likewise guard against the rise of technology-related injuries and disease (e.g. musculoskeletal disorders, MSD) in relation to new work processes and information technology. The adoption of new technology should serve to improve workplace health and safety generally, and to reduce work related injuries, and illnesses and this issue must form part the integration of approached described in paragraph #6.

18. For these reasons, innovation and technology transfers should take place within a framework of government regulation. Government policy should set relevant targets to ensure that new technology actually serves compliance objectives.

B. Implementing the Outcomes of the WSSD

Getting things done is the biggest challenge of all

19. Almost two years have gone by since the World Summit on Sustainable development (WSSD) and many institutions are still scrambling for ways to actually engage in implementing concrete measures for change. A sense of frustration is giving way to cynicism as policy debates, research programmes, and promises of a better future seem not to translate into practical and concrete measures that will make the huge differences that are called for by the current global crises.

Quality of decision-making can be enhanced through:

- *Integrated multi-stakeholder participation;*
- *Capacity building;*
- *Training & Education;*
- *Monitoring of Environment Strategy's Progress;*
- *Making industrial relations work for sustainable development.*

20. There seems to be a growing sense of frustration embedded between the lines of certain OECD documents which aim to review progress on sustainable development. What stands out mostly is there is yet insufficient public support, let alone consensus for any comprehensive positive programme for change. TUAC believes there are concrete steps that can be taken to address this issue:

- A dedicated awareness raising programme aimed at workers, both as stakeholders in production and as consumers. Trade unions and employers must be called on to work together for this purpose (see following part C. on Workplace Assessments and Actions). The advantages of the tools of industrial relations could be activated for this purpose as a positive principle toward Partnership development
- The Environment Strategy alludes to multistakeholder processes in the section on Social Interface and the WSSD has adopted strong policies to further develop its uses in decision making for corporate responsibility & other issues. The OECD must strengthen this tool within its decision making and to broaden it as a model for country level implementation.
- At the 2003 EPOC meeting the TUAC proposed ways of engaging with OECD and stakeholders to work together in developing more comprehensive workplace actions for sustainable development. In 2004 we renew this invitation

EPOC'S work should line up with CSD yearly thematic cycles, making water & sanitation the priorities for 2004-2005

21. The UN Commission on Sustainable Development (CSD) is the world body charged with coordinating the implementation of WSSD. The OECD and EPOC should consider ways of better integrating its own work with BIAC, TUAC and NGO's in advance of CSD meetings and to explore avenues of joint collaboration. In practice water and sanitation issues should be made OECD priorities for 2004-2005 (see paragraph #21). As explained in paragraph 14, synergies should be sought between chemicals in connection to water and sanitation.

***Capacity building,
training & education
are the foundations
for WSSD
implementation***

22. The Environment Strategy and the WSSD (including Agenda 21) recognise the need for capacity building and education to enhance the quality of decision-making for Civil Society. TUAC believes this is particularly relevant at this juncture of EPOC's history. Insufficient discussion has taken place to clarify how the modalities for capacity building measures would be developed, nationally or otherwise. This is especially so in relation to the training, education and skills development that are needed for awareness raising and involvement of all sectors of society. OECD should consider hosting a meeting with stakeholders to address this special question.

C. Assessing & Reporting for the OECD Environmental Strategy

***WORKPLACES must
be at the centre of
assessment and
reporting strategies***

23. At WSSD trade unions proposed to develop a "Workplace Assessment" process¹ as a means of implementing the OECD Strategy, WEHAB priorities and socio-economic issues related to workers' basic security.

24. TUAC invites the OECD to support the steps initiated with UNEP and ILO at and after the WSSD to identify workplace tools for addressing environmental and social targets, including for climate change. Such possible steps are currently being discussed and involve the organisation of three international capacity building workshops, one for each of Africa, Asia, and Latin America. Both WSSD outcomes and Agenda 21 refer to a broad range of workplace tools that could be included in any implementation strategy.

¹ **Workplace Assessment** describes a process whereby trade unions and employers in one or several worksites, or in a sector or region, agree to joint assessments of workplace performance according to agreed checklists related to environmental, occupational and social criteria. Such an assessment should lead to joint programmes of change to identify and fix problems ranging from the simple (e.g. workplace water & energy wastes or losses) to the complex (e.g. improving workplace conditions on employment or related to social security or technology and other issues) and be of short duration or stretch over several years to fulfill complex objectives.

***TUAC invites OECD
EPOC to support
Workplace Assessment
projects by:***

- *promoting dialogue;*
- *helping to define priorities, targets & tools;*
- *identifying linkages to OECD's ongoing work*

***For effective
workplace action
certain key principles
must be valued***

***OECD can help
promote a better
understanding of
workplace
participation
principles***

25. EPOC would be in a position to help through:

- Translating the OECD Strategy paper into concrete and measurable workplace targets and programmes.
- Facilitating dialogue with social partners, member & non-member governments and other intergovernmental bodies;
- Becoming involved in setting priorities for workplace assessments and pilot testing;
- Facilitating the development of workplace tools for target-setting, measuring, reporting and evaluating of progress, which should be integrated with the uses of impact assessments, indicators and management systems;
- Linking a process of workplace assessment to local, regional and national reporting, environmental performance reviews and other OECD measures for national implementation and evaluation.
- Identifying training and education necessary to implement workplace assessment procedures.

26. WORKER & TRADE UNION PARTICIPATION: A starting place for trade unions would be in workplaces where collective agreements (or sector-wide framework agreements) have been signed with employers or employer organizations. Support for the activities of workers and trade unions through the industrial relations process could help create a proper framework for workplace assessments by recognizing:

- Effective models for worker participation and joint decision making between workers, employers and surrounding communities;
- Joint workplace committees and procedures to deal with practicalities of assessments, information flow and consideration for proper planning and the handling of disputes;
- Recognition of certain participation principles such as: "right-to-know", "whistle-blower" protection, the "right to refuse dangerous work", and the "right to refuse work which harms the environment". These have some bearing on the implementation of Environment Strategy Objective 3, i.e. Improving Decision Making information.
- Recognition of the separate roles for BIAC, TUAC and NGO's within OECD-EPOC frame of references.

Spanish Unions Implement Sustainable Development Through Work-Related Approaches

The Union General de Trabajadores (UGT) and the Confederación Sindical de Comisiones Obreras (CC OO) have cooperated with local Environment Councils and local government to raise awareness about urban transport, and generate worker and workplace-centred solutions. “Dia europeo sin coches” (22 September) features a day to carry on life without the private automobile, and has spread across the European Union. Automobiles are banned (with exceptions for emergency, supply, handicapped, etc.) in certain zones of the city, and arrangements are made with local businesses and residents to avoid unnecessary disruptions. Not only does it raise public awareness; it also allows partners to experiment with alternate ways of designing urban affairs; e.g., planning of stations for proper intermodal connections. The two union bodies have also produced *Del transporte al centro de trabajo* as a guide and educational support for union members to examine problems of urban transport, particularly as they relate to workers traveling long distances to work, because of patterns of urban planning and land use. It proposes solutions and practical alternatives that can be promoted through collective bargaining, etc. They also work with the Institute for Energy Alternatives (IDEA) to save energy and provide for more sustainable forms of transportation to and from work.