EXTERNAL RELATIONS DIVISION

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IMPLEMENTING ENVIRONMENTAL PROTECTION:
ENTERPRISE LEVEL ISSUES

Report on a joint meeting of management and trade union experts
held under the Labour/Management Programme

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After meetings held under the Programme, a rapporteur draws up a report of the discussion on his own responsibility, for distribution to the social partners and to the relevant OECD Committees. The opinions expressed in such reports are those of the rapporteur, except where they are expressly attributed to individual participants, and do not necessarily reflect the views of other participants or of the OECD.
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Summary

Under the OECD Labour/Management Programme, a joint meeting of trade union and management experts and OECD experts was held in Paris on October 21 and 22, 1991. This meeting was prepared in collaboration with the Business and Industry Advisory Committee to the OECD (BIAC) and the Trade Union Advisory Committee to the OECD (TUAC). The primary question for the two-day session was, what approaches are being taken and what approaches should be taken by corporate management and by labour to ensure that environmental protection at the enterprise level will increasingly foster sustainable societies?

It became increasingly clear that labour and management representatives realize that if "Sustainable Societies" are to be established, corporate management and labour must work increasingly closely together in making plans for improvements in the entire life cycle of all products and production processes. It also became clear that while labour is now increasingly an active partner in discussions and activities designed to ensure improved ‘worker health and safety,’ unions are not usually involved in similar corporate planning activities on ‘environmental’ issues. As one participant observed, management and labor need each other's creative inputs to help ensure that the enterprises identify and implement the best and most sustainable environmental protection measures in the short and long term.

The following general observations can be made from the participants inputs:

1. The goal of enterprises in sustainable societies of the future is to
   • ensure economic health and environmental sustainability, at the same
time. Environmental protection is acknowledged generally, at the
enterprise level, as an important subject. Action is being
taken, frames of reference and guides for enterprises are being
developed and implemented increasingly by enterprises worldwide.
• While extensive progress has been made, members of enterprises are
aware that much more needs to be done. There are complexities in
moving ahead. The OECD has been a pioneer in this field and
continues its key role.

2. There was agreement that emphasis on environmental protection
   • programmes must be viewed in the context of the need to sustain
economic viability of enterprises while being concerned about
impacts upon employment and social well-being. Business prefers a
voluntary approach, as stated in the International Chamber of
Commerce "Charter for Sustainable Development," and as is
illustrated in the U.S. EPA’s 33/50 programme of voluntary
compliance to curtail the use of 17 chemicals. In this
programme, as of February 1992, 734 U.S companies had voluntarily
pledged to eliminate 304 million pounds of the 17 substances from
their production processes.
• In contrast to the voluntary approach, labour representatives emphasized the need for regulatory mandates that would bind enterprises to certain reductions of risks. There was agreement that small and medium size enterprises should not be overloaded with too many regulations and that the regulations that are imposed should be based upon scientifically based standards. Caution was expressed that governments should not seek to impose one standard and one timetable on all countries regardless of the country's state of development. At the same time, concern was also expressed about enterprises and countries which have not yet identified the critical importance of environmental issues and have not taken appropriate action to develop and pursue sound programme.

3. The economic effects of the implementation of 'cleaner production' processes are generally positive. However, sectoral dislocations are likely to occur as some industrial processes are phased out and new ones are introduced. Training and relocation of workers should be performed in socially responsible ways so as to ensure humane adjustment of employees to their new settings.

4. In regard to training needs, 'cleaner production,' and related 'cleaner technologies,' are not fundamentally distinguishable from other new technologies. All require:
   a. changed work organisations,
   b. more adaptable, multi-trained workers,
   c. greater worker participation in factory environmental activities, such as involvement in the company’s 'environmental auditing’ process.

5. There are analogies between the approaches taken during the last two decades in worker 'health and safety' issues and those that are now suggested in regard to the environment, 'outside the enterprise.' These issues are fundamentally similar and thus, according to a trade union expert worker involvement should be required for 'solving' them. Such involvement could become central to collective bargaining in the future. According to that expert, worker involvement is essential for ensuring continued environmental protection improvements at all levels within corporations. Trade Union experts stressed the need for a mandated union role at site, company, national, EC and international level. Several management experts urged that discussions between enterprises and unions should be held, at the appropriate levels, depending upon national law and practice, to determine the union role, where a union exists.

6. Workers-Right-To-Know initiatives, when applied to the 'product life cycle' issues, will provide workers with greater access to information. Such access to information can help to improve the effectiveness of corporate, governmental and societal environmental improvement programmes.

7. "What gets measured gets done." That which can’t be or isn’t being monitored can’t be properly managed. In this area, enterprises need
to improve their monitoring and measuring techniques. When such techniques and procedures are employed throughout the firms, the probability of improvements being identified and implemented will be greatly enhanced.

8. The current thinking, among many is that ‘cleaner production,’ which encompasses a ‘cradle-to-grave’ approach to managing production processes and to the design of products, is a viable way to meet environmental and economic goals at the same time. Training of management and labour in the concepts, approaches and benefits of ‘Cleaner Production,’ should be provided by internal and/or external trainers.

9. Some participants emphasized that enough progress has been made in identifying the importance of “Environment” at the enterprise level. These participants also emphasized that guidelines for enterprises have been and are being developed and action is being taken, to provide considerable strength on which to build a sustainable environmental programme country by country. Other participants were not so optimistic. They expressed concern that much more needed to be done and that these activities needed to be done more rapidly than the present pace.

10. There was substantial common ground between management and labour on which to move forward on ‘environmentally sustainable development’ and ‘sustainable industrial growth’ during the 1990’s and beyond. There were also a number of areas in which quite divergent opinions were expressed.

11. The meeting ended with the questions, Where should BIAC and TUAC go from here? Would BIAC and TUAC be engaging in dialogue about establishing a project to develop and test ways of working jointly on environmental matters?

Below is an overall report of the discussions of the meeting of experts prepared by Dr. Donald Huisingh, Professor of Environmental Sciences, Erasmus Universiteit, Rotterdam (The Netherlands), who was designated as General Rapporteur for this activity.

A list of the participants in the meeting is given in appendix.

THE OPINIONS EXPRESSED AND ARGUMENTS EMPLOYED IN THIS REPORT ARE THE RESPONSIBILITY OF THE AUTHOR AND DO NOT NECESSARILY REPRESENT THOSE OF THE OECD.
FINAL REPORT ON THE MEETING

by

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INTRODUCTION AND BACKGROUND FOR THE MEETING

The 1972 Stockholm Conference on the Human Environment stimulated much reflection on the seriousness of the impacts of humans upon the outer environment. Now, twenty years later, much progress has been made in reducing the seriousness of the impacts of some environmental problems. At that same time, we are increasingly aware that we will not achieve the goal of sustainable societies if we only continue to do what we are currently doing. Therefore, we must take a careful look at where we are, where we must go and how we must get there.

Many organisations have responded or are responding to the challenges of providing guidelines for how to contribute to the transition to sustainable societies. Among the responders to this challenge are the OECD Environment Ministers. At a recent meeting they, "emphasized the important role enterprises will play in meeting future environmental challenges, including the introduction of clean technologies. Yet creating and introducing clean technologies is not sufficient to ensure that industries and society realize their full benefits. Human factors, such as skills or work-place organisation, are principal ingredients in the implementation of environmental standards. As environmental requirements become more stringent, how these standards are incorporated into enterprises could constitute a crucial factor determining the overall competitiveness of companies."

Within the context of the OECD Labour/Management Programme, it was decided to invite management and trade union experts to a two-day meeting to engage in informal exchanges on the more pressing issues that must be faced by management and labour as they, together, address their responsibilities for helping to ensure sustainability at the enterprise and societal levels.

This report summarizes the discussions and conclusions of the OECD-sponsored meeting held in Paris on October 21 - 22, 1991. The meeting was attended by representatives from management, labour and OECD. The points made by the participants are presented in a summary format with some direct quotes included to help convey the flavor of the discussion. Points of agreement and disagreement are underscored. Some factors in which management and labour may beneficially address joint efforts are identified.

This report is presented in the context of the overall aims of the meeting which were, "an exchange of information and ideas between experts and is not in any way intended to constitute a political consultation of BIAC and TUAC." The following points emerged from the discussion.
1. Environmental management trends and pressures in the 1990s and implications for industry and labour

1.1 The meeting was opened by Chairman Long with a basic contextual setting for the meeting. He emphasized that in his and the OECD’s perspective, the following eight environmental trends are among the most important that are shaping the international environmental "problematique" in the 1990’s. He invited the reactions of the participants to whether they shared these perspectives.

a. Governments are applying the longer term vie to environmental planning and decision-making (sustainable development), with regulations focused on long-term performance.

b. Governments are engaging in intensive searches for lowest-cost solutions to environmental problems leading to new market-based instruments (eco-taxes, charges, tradeable permits).

c. Governments are seeking to stimulate and guide technology innovation toward cleaner processes and products.

d. Governments have a growing interest in risk management strategies, based on the "precautionary principle" and risk reduction approaches.

e. Regulatory agencies are managing pollution across full range of environmental media (Integrated Pollution Control), and looking for pollutant, energy and materials reductions from "cradle to grave."

f. Emphasis is being placed upon "policy coherence," and identification and resolution of policy conflicts, in all specialized economic sectors (transport, agriculture manufacturing).

g. Pressures are increasing for monitoring and measurement of environmental performance.

h. Desire to promote new forms of government-industry co-operation, and partnerships with business, labour, and environmental groups (e.g., voluntary agreements) is increasing.

1.2 After this introduction, the participants were invited to respond from their own perspectives. A management expert emphasized that unfortunately, in the 1970s and the 1980s many governmental regulations were written too narrowly and specifically. Now, there are a few welcome changes in the ways regulations are being written and enforced. Governments are increasingly providing industries the flexibility to select the methods to achieve the environmental quality improvement goals demanded by societies and the governments. Companies are finding that, "where more flexibility is permitted, faster, better, and less expensive environmental improvements are achieved in a more cooperative
atmosphere." The speaker referred to the second "World Industry Conference on Environmental Management," (WICEMII), held in Rotterdam, The Netherlands in 1991 and to the environmental policy statement that was developed at the conference. In his opinion, the WICEM II policy statement is a particularly good one. He recommended the WICEM II policy statement to the participants of the meeting as a useful guide for their own reflection and use. He concluded his remarks with the question and his answer, "When are we going to be willing to give a major part of our inputs to ensuring ‘SUSTAINABLE GROWTH?’ We must do it soon!"

1.3 The Chairman observed that as governments and industries take these necessary ‘longer term views,’ more sophisticated industrial management approaches will be needed. This will greatly increase the need for worker training; both to be provided in-house and to be provided by external agencies.

1.4 A labour representative emphasized that the attitudes within trade unions have changed dramatically during the recent past. Traditionally, labour's point of view was that the most important objective was to prevent accidents at the worker's level. But Bhopal showed that prevention of accidents for workers may have important implications for the outer environment also. Now governments are asking trade unionists to become more actively involved in total environmental improvement. Unionists are willing and anxious to do so but raise the following points:

   a. While it is obviously better to prevent pollution than to try to clean up after the pollutants have been produced, we need a clearer view of the types of investments that are needed by the corporation for such environmental improvements. We need a more formal organisation within industrial firms to ensure our involvement in discussions about the technical and financial allocations for environmental improvements that the company must make. Workers have views and expertise on how environmental improvements can be implemented, but presently, they are not usually consulted about such matters. This should be changed.

   b. How fast can wages rise in relation to heavy investments that the company will have to make to fulfill environmental requirements? Will corporations use the need for investments in environmental improvements as a reason to not provide wage increases and/or to decrease the work-force?

   c. The eight points made by Chairman Long are good. Now we must find ways to operationalize these points between workers and management.

1.5 The chairman emphasized that greater investments will be required for environmental improvements. Such investments will also have impacts upon jobs and wages. There is a danger that such investments may lead some firms to move, ‘offshore,’ to regions where environmental requirements are less restrictive.

1.6 A labour representative replied that differences in environmental requirements do create problems; the EC is attempting to address this within
and between countries in their jurisdiction. However, while the EC can pass strong legislation, it has the disadvantage that it cannot enforce the regulations they enact. The speaker went on to emphasize that the EC has developed a voluntary scheme of "Eco-Auditing." Through this scheme, the EC wishes to stimulate companies to set high standards that are above the regulatory requirements. The EC hopes that the corporations will set goals and will report regularly on the success they have had in meeting and/or not meeting their goals. However, in the EC’s "Eco-Auditing", initiatives, the roles of "labour" in the auditing process are not mentioned. "Are BIAC and TUAC ready to say, that for "Eco-Auditing," there is a very important role for all workers?" The speaker emphasized that if workers are NOT involved, they will lose out in both the short and long term. Environmental improvements should not only be ‘top-down,’ but also ‘bottom-up.’

1.7 Chairman Long interjected the point that financial and insurance companies are, through the avenue of liabilities, forcing corporate leaders to involve an increasingly larger array of actors within their corporate environmental planning and implementation activities.

1.8 A manager of a major multi national firm then made the following points: "Our company, like many others, has facilities in many countries. We use the term, 'stewardship,' in the planning and implementation of our environmental policies. Our business is trying to take a leadership role in the environmental field. This is integral to our long-term business strategy. We know, that ‘waste is expensive.’ Therefore, we are working to keep this in mind as we involve our employees in helping to fulfill our environmental responsibilities."

He reminded participants that large firms, like the one he represents, are quite different from medium and small-sized firms. Governmental and other organisations should address such firms with different approaches from those used with the large multi national firms. He went on to ask, "Do we need a ‘two-tiered,’ approach for working with the small and medium-sized firms and with the large ones? Should large firms help small ones?"

The process of searching for substitutes for substances that are being banned is a costly and time-consuming activity. Small and medium-sized firms cannot afford to engage in such activities. Additionally, companies in developing nations, and in re-developing nations such as in middle Europe, cannot afford to make such research and development investments. What should be done about this? What roles should large corporations have in helping in this area? What roles should governments have? "The ‘bottom-up’ approach is working in our company. We rely heavily upon inputs from our employees at all levels. They help us avoid the pitfalls implicit in the statement, ‘Every problem has a solution that is simple, obvious and wrongs’."

1.9 Chairman Long concluded that the challenge for government, labour and industry is to find effective answers to the following questions:

a. How can we more effectively work with small and medium-sized firms on environmental matters?

b. Will the ‘cradle-to-grave’ approach dramatically affect the small companies? Will it affect them in a positive way?
c. Will (should) western industries help companies in developing
   • countries, e.g. in Eastern Europe, and within developing countries?
   If so, how should this be done?

d. What should be the role(s) of the OECD in this area? We are
   • currently looking at "technology transfer" approaches. What are
     the major barriers to transfer of good, environmentally sound,
     technologies to companies in developing countries? (Standards are
     often so low in these countries that there is little or no demand
     for better, cleaner technologies.)

1.10 Partially in response to these points, a labour representative
emphasized, "while some large companies take many initiatives to improve their
workers’ environment and the outer environment, most are so apathetic that they
don’t do so." The speaker highlighted the following corporate inadequacies
that he felt must be corrected:

   a. Failure of corporate management to actively inform the workers of
      • their "right-to-know," about the risks of the substances and
      • processes to which they are being exposed and to which the company
      is exposing the environment.

   b. Neglect of environmental dimensions in the planning and performance
      of research. That is, new products are being developed much more
      rapidly than is the research on the risks that may be caused by the
      production and use of such new products.

   c. Failure of governmental authorities to adequately monitor the
      environmental performance of companies; consequently, there is no
      pressure for the firms to move forward. This lack of proper and
      adequate governmental monitoring inhibits innovation.

   d. Apathy within industrial management. Some managers say that
      • prevention is better than control. However, since they are not
      • adequately monitoring, even for their own purposes, few initiatives
      are taken to make improvements. Monitoring must become mandatory!

1.11 Another labour expert stated that the recent regulatory movements away
from ‘command and control,’ to multi-media, preventive regulatory approaches
based upon performance standards, are viewed by labour as basically good
developments. However, with such approaches, it becomes increasingly important
that methods be developed and applied that can be accurately and effectively
used in all countries to measure ‘progress toward achieving environmental
improvements.’ This is especially true since, as alluded to earlier, some
companies have moved their operations from countries that have strict
environmental standards to those with less strict standards. International
uniformity of standards and uniformity of enforcement of them is essential for
us to establish environmentally sustainable societies.

In regard to the nature of the measuring instruments, self-inspecting
and voluntary agreements have their place, but raise concerns. It has taken
substantial public pressure to force companies to make agreements. They would
not have come to those agreements, voluntarily. Additionally, all such agreements must increasingly be open and transparent. They must include 'Worker’s- Right-To-Know' provisions and 'Toxic-Use-Reduction' provisions as well as full monitoring and worker involvement at all levels. Until now, worker involvement has been accepted reluctantly in worker health and safety issues but not in 'outer' environmental issues. Additionally, government must support and encourage public involvement.

1.12 A third labour representative commented on the disappointingly slow progress with voluntary agreements in his country. Even though the worker education and involvement currently required under the 'right-to-know' acts that focus upon worker health and safety could be expanded to also address 'outer environmental issues,' industrial leaders have been largely negative to such suggestions. Consequently, while workers are permitted to take courses on health and safety, they are not permitted to participate in courses on "environmental protection." He further observed that a major company with facilities in the U.K. and in Germany treats its workers differently in the two countries. It involves workers in environmental issues in its facility in Germany but not in the same type of facility in the U.K.

1.13 A corporate manager responded that his company has developed and is implementing a programme of labour involvement in environmental protection issues throughout the entire firm. They will have their "Environmental Care System" operational by 1995. The following illustrates the timetable of the introduction of this system within his company:

a. 1988 - The company announced that it has developed an "Environmental Care System," which it will implement throughout the company.

b. 1990 - The company began implementing this experimental system in 5 pilot facilities.

c. 1991 - The "Environmental Care System" was introduced in 60 plants in the home country of the enterprise.

d. 1995 - The "Environmental Care System" will be operational in all of its facilities throughout the world.

The company’s "Environmental Care System" is based upon involvement of workers and plant managers in an integrated 'Environmental Performance,' programme. How do we involve the workers? First through the 'Occupational Safety and Health' committees. Now we are expanding this to involve workers in all facets of environmental issues.

1.14 A labour representative asked, "What is really happening at the human level? Are the workers receiving the training they need? In my country, part of the investments in environmental protection are set aside for involvement of the workers, citizens and corporate leaders in joint activities. Consequently, we now work together until we come to an agreement. We are finding that involvement of the workers definitely improves the quality of the agreements."
Another labour representative commented that in his country, worker involvement in the development and implementation of corporate environmental policy is still very much a cosmetic action. Worker education and involvement takes several years to build. What is currently often missing is the middle management to oversee the entire process of environmental protection. They must be given the responsibility to do so; then it will happen.

2. Role and skills of labour in "cleaner production."

2.1 The rapporteur posed three questions to initiate this session’s discussion:

a. At the enterprise level, does the implementation of "cleaner technology" and "cleaner production" approaches necessarily mean increases in costs to the company and consequently risks of decreases in wages or losses of jobs? Is it an ‘either jobs or the environment’ situation?

b. In light of the broadening of corporate environmental responsibilities to include "the entire product life cycle" within their scope, how does that change the roles of workers? What new "workers-right-to-know" issues are raised by such broader responsibilities?

c. How do these changes in perspective and approach change the • requirements for worker training? Who needs what type of training? For what purposes?

The rapporteur then reviewed some of the points made in his background paper, which set forth his own perspective on these matters. He emphasized that a growing number of companies which are working with "cleaner production" concepts and approaches, are experiencing enhanced environmental and economic benefits compared with the situation when they only focused upon "environmental compliance." Therefore, his answer to the first question is "no", costs do not necessarily increase with cleaner production. In fact the costs often decrease because the employee’s creativity is unleashed to solve the problems in more integrative and preventive ways than is usually the case.

In further support of this thesis, the Rapporteur reviewed the results of a study of the management styles of a large number of companies in several countries. The researchers found that there were basically the following three types of managers: ‘crisis managers,’ 'cost-oriented managers,' and 'enlightened managers.' Companies that had 'enlightened managers' were invariably more profitable, better environmentally, and provided greater protection for their worker’s health and safety than the companies with managers in the other two categories. One of the key differences between the 'enlightened managers' and the others was the attention they paid to the environmental education of their workers and to their active involvement in the identification and solution of their company’s environmental problems.

2.2 A labour representative observed that, in the past, the fear was that stringent environmental regulations would always or usually lead to industrial
restructuring and associated job losses, often out of fear of future liability claims that would be brought against the company. However, these fears have been largely unwarranted. Direct job losses from environmental matters have been minimal, although there have been losses due to ‘fuel switching.’ As a consequence of national and international decisions at the macro level, at the micro-economic level, the ‘cleaner production’ approach of ‘fuel switching’ resulted in losses of jobs but the ‘pollution control’ approach would not have had such a result. This raises the broader question: "In cases such as this, are workers owed something from the government or industry because of job displacement due to broader environmental issues?" In other words, what retraining should industry and government provide for the displaced workers?

The labour representative stated that in other cases where no such drastic changes are involved, workers have important roles to play in assisting in pollution prevention and cleaner production initiatives. They can and should contribute to the performance of the environmental audits because they know much more about the day-to-day operations of the equipment than the managers. However, in order for them to effectively provide such assistance, they may need special training in environmental issues and in the skills required for working with such issues.

2.3 A management representative observed that ‘cleaner technologies,’ may require more highly trained staff. Therefore, by pressing on one part of the chain of the total production scheme, you may cause problems in other phases of the chain. There are always many interconnections that must be addressed in decision-making about the approaches one uses to ‘solve’ environmental problems. Some decisions may require additional training of the workers in the short term; others may require the hiring of more highly skilled workers, in the longer term. How does one arrive at the best combination of approaches? No single approach will fit all situations.

2.4 Another management representative observed that a ‘clean enterprise approach’ is needed from the corporate leadership level. This approach must involve people at all levels, be consistent with the local country’s rules and regulations and consistent with the corporate environmental standards.

He emphasized that the workers must have the following kinds of skills in order to effectively help the company perform its environmental obligations properly:

a. They need to know how to manage and to prevent problems from spills, leaks, underground storage tanks.

b. They need to understand and know how to use information about ‘threshold-limit-values,’ ‘material safety data sheets,’ and 'emergency response.'

c. They need to know how to work with suppliers, at all levels, to ensure improvements in the whole product life cycle of production, beginning with the product’s design and with the selection of the raw materials used in production.

d. They need to know how to perform environmental audits and how to search for and to evaluate options for making environmental improvements.
If workers are to perform such jobs effectively, they will necessarily need training to ensure that their knowledge is up to date, to ensure that they are proficient in performing the necessary environmental protection measures. The responsibility for ensuring that proper training is provided, is in the hands of the corporation, which may offer the training and proficiency testing within the firm or may contract the training to be done by an outside organisation. Large companies can and are tending to these matters. However, small and medium-sized companies may not have the skills or money to do the training themselves. Governments and educational organisations, together with the leaders of the small and medium-sized companies, have the responsibility for determining the best ways to proceed with the special environmental education and training of workers.

2.5 A labour representative stated that an EC study reported that an estimated 3 million new jobs will be created because of environmental protection requirements. The same study reported that approximately 3 million jobs may also be lost at the same time. Thus, according to the study, no net decrease in jobs would be experienced but there would be some restructuring, especially within certain branches of industry. Who should take the responsibility of providing the education for these people and for retraining those who will be displaced?

2.6 A representative of the OECD said, "I still have to be convinced that training requirements for ‘cleaner production’ are fundamentally different from educational and training requirements, in general. How do you compare investments in tangible items and in non-tangible items such as education? Cleaner technologies and proper training are part and parcel of the ‘competitive edge.’ New technologies are not deterministic. They require multi-skilled workers, workers with well developed ‘problem-solving’ skills."

2.7 A labour representative observed that job losses and job gains must be dealt with at the societal level. Retraining opportunities must be provided for all. He stated that in regard to "right-to-know" and related matters, outside trainers are needed, because the workers should receive training and information from independent sources, not only from their bosses.

To be effective, workers must be able to consult further ahead in the chain, including on the choices of products, processes and raw materials used in making the products. This requires much additional training and consultation about corporate decisions in these matters. In order to do this effectively, there should be public subsidies for the workers to obtain outside information.

2.8 A management representative supported the view that there are no fundamental differences between the education and training required for operating the older technologies than that required for operating the newer cleaner technologies. Both require emphasis on quality and efficiency. At the level of awareness, the need for inspiration and motivation is the same.

• 3. Recommendations for government-labour-industry interactions

3.1 Chairman Long initiated the final session with the observations that there are fundamentally five roles that government can (should) play in regard to environmental issues at the enterprise level. They are:
a. Correcting market failures- This may be accomplished via, eco
taxes, charges, tradeable permits etc,. Such corrections may also be
accomplished by moving further from the ‘command and control’
approaches of the 1970s to the more integrative and cooperative
approaches that are evolving presently. All of this is designed to
change behavior so that environmental quality is improved.

b. Public disclosure- This includes initiatives such as environmental
labelling of products, worker’s right-to-know, citizen’s-right-to-
know, toxics release inventory, environmental audits. Are there
ways of involving the workers in more creative aspects of all of
these aspects?

c. Levelling the playing field- This implies that within a country as
well as among countries, the rules and regulations for a particular
of industry are uniform and are equally and uniformly •
enforced. This also implies that attention must be paid to the
removal of special subsidies currently in effect.

d. Behavioral change- This implies that behavioral changes are needed
at the level of the consumer and consequently at the corporate
level. Strong research and development programmes must be maintained
(possibly subsidized) to help companies to move ahead to design and
to produce cleaner products in cleaner and better ways.

e. Keeping government’s house in order- Governmental procurement
practices, purchasing specifications and measurements of •
environmental performance are all steps that governments can take to
ensure that they are not part of the problem’ and also to ‘lead by
example.’

3.2. A labour representative responded that he would be happy for government
to play these roles but if the only other partner is industry, that will not be
enough. Labour must also be involved. Workers must be part of the negotiated
solutions for environmental improvements. In his opinion, without such
involvement, no great progress will be made. He then went on to ask, "How do
we increase the number of people capable of being ‘environmental auditors?’
What role should governments play in this area? What roles should other
educational organisations and certification organisations play in this area?"

3.3. A second labour representative observed that labour is cautiously in
favor of using ‘eco-taxes’ as steering instruments to force industry to do a
better job. However, the possible social effects of such taxes must be
considered and the environmental and economic effectiveness of all such
instruments must be mentioned. Further, in general it is good to use a variety
of instruments rather than relying upon a single one.

The ‘carbon tax’ may illustrate this point. Some estimates are that
taxes are the most efficient way of reducing the release of such gases. But it
is also clear that such taxes should be phased in over time and should be
combined with information and education to help to make the reductions in
emissions occur. Research and development should be funded to help improve the
effectiveness of the methods to achieve the reductions. Further, the
collection of the taxes, their redistribution and the reduction of other taxes must also be taken into consideration. With all such steering instruments, we must look carefully at both the environmental as well as the total social costs and benefits.

3.4. A management representative stated that she preferred the term ‘economic instruments’ rather than ‘eco-taxes.’ It is important to clarify that taxes are fiscal instruments and not necessarily steering instruments. We must be able to measure and evaluate what happens as a consequence of our initiatives. We want to change behavior not just collect more taxes!

3.5. In agreeing with this observation, Chairman Long stated that a recent study performed by OECD of the use of economic instruments in 14 countries found that governmental officials involved were usually not clear about the goals and objectives of their instruments. This weakness must be avoided in the development and implementation of new economic instruments.

3.6. A labour representative observed that instruments, such as those discussed above, should be differentiated from ‘free market’ forces. Further, on the issue of the role of ‘eco-audits,’ there is definitely a way to involve labour unions in helping to perform such audits. They can play an important role in doing and in verifying the results of the assessments. Another challenge is to find ways to improve worker health and safety, environmental quality and competitiveness of the corporation at the same time. Additionally, the results of the ‘eco-audits’ should be transparent and made public like the results of ‘economic audits.’ Corporations can use ‘eco-audits’ as tools to assist them in the achievement of their environmental quality improvement goals and in involving employees in helping to ensure continual improvement of production and provision of services.

3.7. A management representative stated that OECD has been active for more than 10 years in the field of economic instruments. However, all too frequently, goals have been confused. Are we interested in changing behavior or in raising revenue? We must get these points clear. Further, when striving for fundamental structural changes, we must have the initiatives harmonized, announced well in advance of the time they are implemented and have them put into effect slowly. Under such circumstances, the instruments can bring about the changes in behavior and generate revenue.

He contended that in regard to environmental education in the schools, most courses are focussed upon problems, problems and more problems. As a result of this one-sided, negative message, the students act hedonistically rather than responsibly. Education should teach problem-solving approaches and inform about solutions that have been found for some problems. Such an approach will encourage more responsible actions on the part of the recipients of the education. We need to have this type of education in the work-place also.

3.8. A labour representative stressed that we must build upon the improvements that are being made under the worker health and safety approaches to also include ‘outer’ environmental issues as well. The speaker emphasized that a change that should be made in the way governments act is to change from taxing labour to taxing the use of environmental resources, which are currently used as free goods.
3.9. An OECD representative pointed out that the results of a study recently completed revealed that, with the exception of voluntary agreements, the role of labour was never brought up. Why? From the industrial leader’s perspective, ‘environment’ is a regulatory compliance issue, not a worker’s issue. Further, ‘environment’ is viewed from an investment strategy point of view and not as a worker’s issue. The OECD person stated, "What we need is to change to a behavioral perspective. We must involve workers as part of the change from the control to the cooperative approach."

3.10. A management representative observed that the workers need the company and the company needs the workers. Enlightened companies are the most competitive because they use their employees’ creativity, effectively. Trade union agreements should provide a framework to establish a working relationship between management and labour to accomplish the mutually agreed upon environmental improvement goals.

3.11. After a brief discussion about the concluding comments, there was a statement of interest on the part of both BIAC and TUAC to explore further the possibility of setting up a demonstration project within several companies to determine ways to improve the working relations between workers and the management on environmental issues.
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END-OF-TEXT