“Measuring Social Dimensions of Sustainability in Manufacturing”

Comments by Roland Schneider
TUAC

OECD Sustainable Manufacturing Production and Competitiveness Workshop
Copenhagen (21-22 June 2007)
• Going green has come into fashion....

**Google plugs in and goes green**  
By Andrew Jack and John Reed in Lc  
Financial Times June 19 2007

After the virtual world of the Google search engine and the satellite-eye view of Google Earth, how about the power-saving Google car?  
The world’s best known search engine on Monday launched its first significant philanthropic initiative, lateral in its thinking but atypically slow and modest in its scale.  
In tune with the global warming zeitgeist, Google.org unveiled details of $11m in grants and projects to speed the development of the plug-in hybrid electric car. (…)  

• however, it is a daunting task to implement
There are widely known definitions of sustainable development

• as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

(Our Common Future, Chapter 2; alias Brundtland Report)

However, they are not operational
The new science of sustainability has developed a large variety of indicators; only few have got a (limited) social dimension; they are not yet incorporated into manufacturing practices.

United Nations indicators of “sustainability”:

- Greenhouse gas
- Ozone layer
- Air quality
- De-forestation
- Desertification
- Agriculture
- Bio-diversity
- Toxic chemicals
- Non-renewable material
- Hazardous waste
- Waste volume
- Water
- Poverty
- Gender equality
- Nutrition
- Child mortality
- Sanitation
- Health
- Education
- Housing
- Crime
- Population
- (Employment)
- Environmental
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• The lack of a social dimension

Figure 1: Internal and external drivers for European manufacturing

Where is the workforce?
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• A pioneering task: “Measuring Social Dimensions of Sustainability in Manufacturing”

Google

• Your search - “Measuring Social Dimensions of Sustainability in Manufacturing” - did not match any documents

• Your search - "Social Dimensions of Manufacturing" - did not match any documents.

• Results 1 - 10 of about 9,700 for "Social Dimensions of Business ". (0.42 seconds)
Decent work – at the heart of the social dimension of sustainability

Decent work

- is productive and secure work
- ensures respect of labour rights
- provides an adequate income
- offers social protection
- includes social dialogue, union freedom, collective bargaining and participation
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Visit the Trade Union Sustainable Development Unit
http://www.tradeunionsdunit.org/profiles
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- **Trade Union Sustainable Development Unit**

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  [http://www.tradeunionsdunit.org/profiles](http://www.tradeunionsdunit.org/profiles)

Examples of some of the 216 Indicators

**Energy & Climate**
- Energy, consumption, exports, imports
- WWF Ecological Footprint
- Kyoto, CO2, GHS & CDM, CFCs
- HELIO International reporting

**Environment & Health**
- Biodiversity, biosecurity & desertification
- National sustainable development strategies
- Chemicals, waste, POPS, PIC & safety issues
- Public participation & information
- Environment, air pollution, noise & vibrations
- Asbestos uses, fatalities, exports, imports
- HIV/AIDS, tuberculosis & malaria
- Occupational hazards, fatalities, health & services

**Industry, Trade, Development & Poverty**
- Industrial growth
- Poverty, employment & development
- Export, debt & tariffs
- Labour market security
- Literacy, school enrolment & education
- R&D & Technology & expenditures
- Indigenous Tribal Peoples rights
- Access to drugs, health expenditures & services
- Employment policy, injury, labour inspections
- Social and economic transitions

**Water & Sanitation**
- Availability & access to water & sanitation
- Housing & settlements

**Gender**
- Maternal mortality, income ratios & protections
- Discrimination against women & trafficking

**Civil, political & labour rights**
- Civil and political rights & representation security
- Trade unions rights & association
- Child labour, forced labour & Minimum ages
- Multinational enterprises
- Employment & employers agreements
- Sanitation & employment discrimination
- Agricultural Workers

Get the data For your Country on 216 indicators

Look at this Example:
- **most recent** human development figures & sustainability data (including poverty, health, education, gender)
- **record of ratification** of core environmental, social and labour standards & instruments
- **qualitative assessment** of the human & labour rights records
- **indicators** for government oversight and employer accountability.

..........And many more
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- Example of a country profile: Denmark (I)
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- Example of a country profile: Denmark (II)

<table>
<thead>
<tr>
<th>2. Employment Transition, Globalisation and Human Equitable Development in <strong>DENMARK</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EMPLOYMENT TRANSITION</strong></td>
</tr>
<tr>
<td>☐ ILO 122 Convention on Employment Policy and accompanying recommendation</td>
</tr>
<tr>
<td>☐ N/A: Has elements toward an employment transition strategy? [ ] [ ] [ ] [ ] [ ]</td>
</tr>
<tr>
<td>See ILO Resolution, Social and Economic Consequences of Preventive Action: <a href="http://www.global-unions.org/pdf/ohsewp1_1a.EN.pdf">http://www.global-unions.org/pdf/ohsewp1_1a.EN.pdf</a></td>
</tr>
<tr>
<td>☐ ILO-SES Labour Market Security Rnk 1=best 8 of 94 countries, considered: <strong>Pacesetter</strong></td>
</tr>
</tbody>
</table>

| HUMAN DEVELOPMENT BACKGROUND INDICATORS FOR: Employment, Poverty, Equity, Education and Health |

<table>
<thead>
<tr>
<th>3. Representation Security and Trade Union Rights in <strong>DENMARK</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Is bound by ILO ‘Fundamental Principles and Rights at Work’</td>
</tr>
<tr>
<td>☐ ILO-SES Repr. Security Rnk 1=best 2 of 99 countries, considered as: <strong>Pacesetter</strong></td>
</tr>
</tbody>
</table>

| **PRINCIPLES FOR THE WORLD OF WORK** |
| ☐ Has violated T.Union Rights |
| ☑ ILO 98 Right To Organise and Collective Bargaining Convention |
| ☑ ILO 100 Equal Remuneration Convention |
| ☑ ILO 105 Abolish Forced Labour Convention |
| ☑ ILO 87 Freedom of Association and Right to Organise Convention |
| ☑ ILO 29 Forced Labour Convention |
| ☑ ILO 111 Discrimination in Employment |

<table>
<thead>
<tr>
<th>ENTERPRISE TARGETS OR MODELS (IF APPLICABLE)</th>
</tr>
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<tbody>
<tr>
<td>See ILO Tripartite Declaration of Principles for Multinational Enterprises and Social Policy.</td>
</tr>
<tr>
<td>☐ Country has elements for national MNE framework? [ ] [ ] [ ] [ ] [ ]</td>
</tr>
<tr>
<td>☑ Has adopted OECD Guidelines for Multinational Enterprises and has national contact point: <a href="http://www.tuac.org/news/default.htm#2">http://www.tuac.org/news/default.htm#2</a></td>
</tr>
<tr>
<td>☐ N/A: Has engaged in dialogue on corporate governance with OECD or World Bank</td>
</tr>
</tbody>
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• Entreprise Social Responsibility & Accountability
  
  • ICFTU-TUAC build up a country by country database to track OHS, Environment and Sustainable Development data.
  • The project included also a company by company database, created to:
  • Have an overview on the MNEs worldwide locations and current TU actions related to them.
  • Identify trends in the relationship between Framework Agreements and CSR agreements and Environmental, OHS and Sustainable Development Provisions.
  • The database has data on 550 MNEs on:
    • Worldwide Location
    • Sector
    • TU Campaigns at the national, regional or global level (in progress)
    • Their presence in FT Global 500, in the Dow Jones Sustainability Index and in the first 500 companies of the Forbes 2000.
    • Involvement in a OECD Guidelines for MNEs NCP case.
    • Participation in different initiatives: Global Compact, GRI, SA8000, Veritas, BSR.
  • Membership to the WBCSD
The Role of Labour Unions in the Process Towards Sustainable Consumption and Production

Final Report to the United Nations Environment Programme (UNEP), Division of Technology, Industry and Economics (DTIE),

Paris, France, June 2004

Bernd Heins
The 20 ILO Key Indicators of the Labour Market (KILM 4th Edition)

- KILM 1. Labour force participation rate
- KILM 2. Employment-to-population ratio
- KILM 3. Status in employment
- KILM 4. Employment by sector
- KILM 5. Part-time workers
- KILM 6. Hours of work
- KILM 7. Employment in the informal economy
- KILM 8. Unemployment
- KILM 9. Youth unemployment
- KILM 10. Long-term unemployment
- KILM 11. Unemployment by educational attainment
- KILM 12. Time-related underemployment
- KILM 13. Inactivity rate
- KILM 14. Educational attainment and illiteracy
- KILM 15. Manufacturing wage indices
- KILM 16. Occupational wage and earning indices
- KILM 17. Hourly compensation costs
- KILM 18. Labour productivity and unit labour costs
- KILM 19. Employment elasticities
- KILM 20. Poverty, working poverty and income distribution
European Working Conditions Observatory (EWCO)
Set up in 2003, the European Working Conditions Observatory (EWCO) provides regular information on quality of work and employment issues in the EU Member States and at EU level. The Observatory is supported by an extensive network of correspondents covering all EU countries, plus Norway.

career and employment security
Four main aspects have been identified to be taken into account:
• employment status;
• earned income;
• social protection, and in particular the mechanisms for covering workers that facilitate better career paths throughout working life;
• workers' rights, particularly with regard to information, consultation and participation, and equal opportunities

developing skills
Four main aspects to be taken into account:
• qualifications;
• training;
• learning organisation;
• career development.

health and well-being of workers
There are three key aspects to be considered:
• health problems;
• risk exposure;
• work organisation.

work-life balance
The key areas in this regard are:
• the double workload;
• time management;
• social infrastructures.
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- **Fourth European Working Conditions Surveys (2005)**
- New data from the Fourth European Working Conditions Survey provides a unique insight into the views of around 30,000 workers in 31 countries on a wide range of issues including work organisation, working time, equal opportunities, training, health & safety and job satisfaction.

- **Chapter 1**: Context and structural data
- **Chapter 2**: Working time
- **Chapter 3**: Physical risk factors
- **Chapter 4**: Violence, harassment and discrimination in the workplace
- **Chapter 5**: Nature of work
- **Chapter 6**: Work organisation
- **Chapter 7**: Impact of work on health
- **Chapter 8**: Management and communication structures
- **Chapter 9**: Work and non-working life
- **Chapter 10**: Satisfaction with working life
- **Chapter 11**: Income and payment systems
- **Chapter 12**: Conclusions
Physical risk factors

- Trends for most physical risks have remained within a narrow range across the four surveys since 1990. **The proportion of workers exposed to repetitive hand or arm movements at least one quarter of the time has actually increased over the last five years.** This is the most commonly cited physical risk, with 62% of the working population reporting exposure.

*Figure 3.1: Exposure to physical risks,* 1990–2005 (%)

Note: No data is available for 1990 for some of the risks, as questions on these were only introduced in later waves of the survey.
• **Work intensity**

• An increasing proportion of EU workers report working at a very high speed or to tight deadlines (see Figures). It is important to note the **substantial reduction in the proportion of people reporting never working at very high speed (from 36% to 21%) and never working to tight deadlines (from 31% to 19%).**
Health and safety

- Slightly more than one in four EU workers considers their health and safety to be at risk. This proportion has slightly declining over the last 15 years (from 31% in 1991 to 27% in 2005). There is a striking difference between the EU15 and the NMS: whereas 25% of EU15 workers consider their health and safety at risk because of work, the percentage jumps to 40% in the NMS.

- But when looking at specific job hazards and risks, the actual exposure to risks seems to have remained relatively stable or even increased slightly, especially in the case of physical strain factors (tiring or painful positions and carrying or moving heavy loads).
Job satisfaction

In general, European workers report high levels of satisfaction with their working conditions. These levels are similar to those of workers in most other advanced industrial economies. In 2005, more than 80% of EU workers declared being either ‘satisfied’ or ‘very satisfied’ with their working conditions.


Americans are growing increasingly unhappy with their jobs, The Conference Board reports today. The decline in job satisfaction has occurred over a period of two decades, with little to suggest a significant reversal in attitudes anytime soon.

Today, less than half of all Americans say they are satisfied with their jobs, down from 61 percent twenty years ago.

This report is based on a representative sample of 5,000 U.S. households.
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• Supply Chain Management: The Science of Better, Faster, Cheaper – mostly without a social dimension

The supply chain is made up of many interrelated firms: parts suppliers, component suppliers and subassembly suppliers.

Logistics costs have trended downward — in the US from about 16 percent of GDP in 1981 to around 8.5 percent today. Transportation costs have declined by nearly 25 percent, whereas inventory carrying costs have declined by more than 65 percent.

Federal Reserve Bank of Dallas
• Global production networks: Some questions for a research and policy agenda, addressing the social dimension
There has been limited analysis of how global production networks are impacting on work, and the quantity and quality of employment.

i) How does the structure of these production systems affect employment, income and conditions of work across the global value chain? What are the implications for policies?

ii) What is the social impact of business process services offshoring?

iii) Are governments engaging in policy competition to attract investors and what is the nature of the regulatory discounts that are being offered?

iv) What opportunities are there to promote international decent work in these global production systems?

v) What are the roles of employers and companies?
The pursuit of sustainable development requires:

- a political system that secures effective citizen participation in decision making.
- an economic system that is able to generate surpluses and technical knowledge on a self-reliant and sustained basis.
- a social system that provides for solutions for the tensions arising from disharmonious development.
- a production system that respects the obligation to preserve the ecological base for development,
- a technological system that can search continuously for new solutions,
- an international system that fosters sustainable patterns of trade and finance, and
- an administrative system that is flexible and has the capacity for self-correction.

(Our Common Future, Chapter 2: Towards Sustainable Development)