



# Economic and Social Council

Distr.: General  
10 January 2001

Original: English

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## Commission on Sustainable Development

Ninth session

16-27 April 2001

### Multi-Stakeholder dialogue on sustainable energy and transport

#### Note by the Secretary-General

#### Addendum

#### Discussion paper contributed by workers and trade unions\*

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\* Prepared by the International Confederation of Free Trade Unions and the Trade Union Advisory Committee to OECD; the views and opinions expressed do not necessarily represent those of the United Nations.



# Workers and Trade Unions In the Energy and Transportation Systems

This 'discussion starter' is produced by trade unions for the Ninth Session of the United Nations Commission on Sustainable Development (CSD), 16 April-5 May 2001, in particular, for the Dialogue Session, which will consider how trade unions, business, local authorities, scientists and NGOs can work together with governments to promote a global transition to sustainable transportation and energy. Trade unions are represented at CSD Dialogue Sessions by the International Confederation of Free Trade Unions (ICFTU) and the Trade Union Advisory Committee to the OECD (TUAC), which, represent over 155 million members in 148 countries and territories. In 2001, they will be joined by the Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM), the International Metal Workers Federation (IMF), the International Transport Workers' Federation (ITF), and the Public Services International (PSI). Trade union participation in the CSD has grown since 1996. As well, we have taken an active role in other international fora on sustainable development issues, including: the Organisation for Economic Cooperation and Development (OECD), Food & Agricultural Organization (FAO), World Health Organisation (WHO), World Trade Organisation (WTO), International Labour Organization (ILO), and the United Nations Environmental Programmes (UNEP).

## **I. Introduction: sustainable development in energy and transportation**

### ***Decision-making in the transport and energy sectors***

1. Energy and transportation are two of the most fundamental requirements of economic activity and daily life, as everyone requires them for heating, mobility and industrial activity. However, as we enter the new Millennium, access to clean, safe and sustainable energy and transportation is beyond the reach of nearly a billion of the world's people.
2. Even as they strive to acquire these basic needs of life, workers are increasingly aware of the effect that these two areas are having on the world's environment. In fact, problems relating to energy and transportation illustrate most clearly the close connection between the social and environmental aspects of sustainable development, as overuse by some contrasts sharply to deprivation for others.
3. In particular, global *climate change* and its predicted effects demands immediate attention. It also draws attention to other fundamentally unsustainable features of the energy/transportation nexus, e.g., problems in land usage, pollution, community upheaval, resource depletion, inequitable access, habitat destruction etc., which must be addressed at

the same time. There are numerous other issues which don't have the profile of climate change, but are as needy of resolution. Deteriorating infrastructure, inequitable pricing structures, dysfunctional subsidies, systemic corruption, cannot be ignored; neither can problems of inequitable access, or the condition of those who produce or deliver energy and transportation services. Large segments of the world's population are excluded on all points; they cannot afford the energy or transportation they need, and they play no role in decision-making.

***Current patterns reflect unsustainable patterns of decision-making***

4. While proposed solutions have focused on science and technology, trade unions believe that the more fundamental issues concern decision-making or governance, i.e., the steady disenfranchisement of people, communities and even whole nations by multinational corporations and business processes that utilize a combination of marketing, pricing practices, political influence and international rule-making. These patterns have been accompanied by trends in public policy-making, service provision and social control that put business needs over the long-term interests of communities, and are a major explanation for the lack of responsible decision-making at this critical point in the history of our planet.

5. *DOWNWARD TRENDS* The failure of national and international decision-making is clearly evident in the failure to find an international response to the pressing issue of *climate change*. As an example, most OECD member countries have yet to identify quantitative measures for their transport sectors, in spite of its overwhelming importance to the achievement of Kyoto emissions reductions targets. It is likewise evident in the downward trends in expenditure on energy research and development (ERD), and in particular, in spending for R&D for renewables and nuclear options,<sup>1</sup> as well as a shift to lower-risk, nearer-term projects. It is also appears in the wholesale adoption of 'liberalisation' policies that transfer key sectors in energy and transportation out of the public sector to private interests and arrangements that exclude democratic, transparent decision-making on issues that impact the public directly, e.g., pricing structures, local environmental impacts, employment, etc.

6. **SUBSIDIES AND CONSUMER BEHAVIOR:** The failure is also evident in the system of subsidies, which have served to sway consumer choice to more costly and less efficient patterns of behavior and suppress the development of many alternatives. It also creates major

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<sup>1</sup> International Energy Agency, Energy Research and Development Database, at: [http://data.iea.org/iea/link\\_wds.asp](http://data.iea.org/iea/link_wds.asp)

inequities with respect to access to mobility, as many people can not afford the costs to own and maintain a car. Often these taxpayers are excluded from the principle form of transportation — automobiles — and must rely on public transit systems that may be inadequate. Consequently, many people are unable to access employment, recreational and other opportunities that require motor vehicle transportation. Moreover, there is inequality in access between those with full access to private motor vehicles and those without, such as children and the disabled.

7. TRANSPARENCY is lost, as the true costs of development and operations are hidden as “external costs” are cast on the whole community, not just the consumers or producers, ignoring the *User Pay* principle, i.e., that those who use a service or resource should pay the full economic cost of that use. Lost are the opportunities to generate finances to support transportation projects, such as transit systems and bicycle and pedestrian options to reduce automobile dependency, or to provide subsidies to alternatives (walking, bicycling, public transit etc.,) that promote our objectives of accessibility, convenience, efficiency, cleanliness and equity.

8. CONCENTRATION OF CONTROL: At the end of 1999, 15 of the largest 25 corporations<sup>2</sup> in the world were in the energy or transportation field, and several other companies listed in Fortune Global 500<sup>3</sup> had some connections to the field (e.g., shipping and trade). Furthermore, at least three huge mergers last year further increased the concentration of capital and control in the petroleum industry.<sup>3</sup> Trade unions find the trend towards increasing corporate concentration threatening, especially as these companies were already in a position, before the mergers, to exert tremendous political power or influence over national and international policy in transportation and energy.

9. SOCIAL DEMOCRACY: Past CSD Sessions have raised the need for *environmental democracy*, but trade unions believe that the real issue is *social democracy* itself. Not only is the current concentration of power increasingly reducing people and even nations to the role of ‘consumers’ in an international market; the formal public sector itself is being increasingly bypassed, as its institutions, activities and responsibilities are cut back, privatized and deregulated, particularly evident in energy and transportation. Moreover, governments around

<sup>2</sup> Fortune Global 500 list for 2000; ranked by Revenue.

<sup>3</sup> A US\$82 billion merger between Exxon Corporation and Mobil Corporation was completed early in the year. In April, the merger of British Petroleum (BP) Amoco with ARCO (Atlantic Richfield Company) created a corporate group worth some US\$200 billion. Then, in October, Chevron Corporation agreed to acquire Texaco Inc. for about US\$36 billion to create the world’s fourth largest oil company.

the world have responded to their new role in a globalised economy with deregulation and retrenchment, in essence abdicating their most basic responsibilities to the people who elected them.

*Agreement that current patterns must change*

10. An increasing recognition that current patterns of decision-making must be replaced with patterns that are compatible with sustainable development gives us reason for hope. In a recent briefing paper prepared for the United Nations, ICFTU noted:<sup>4</sup>

*One development, in particular, gives us reason for hope. Trade unions were part of a major cultural shift since 1992 with respect to sustainable development that has affected attitudes, habits and planning priorities at the local and regional level where workers, community groups and business began to address environmental issues. It is particularly apparent at the global level, where criteria for sustainable development are now appearing as priorities for a wide range of international bodies ... most of the credit must go to the inspiration provided by UNCED and Agenda 21.*

11. Awareness of *climate change* and the pressing problems it poses for the future of our planet is rapidly spreading throughout the world's trade unions, as has the direct relationship between emissions and fuel consumption implicit in the rapid growth in private car usage, road and air transport. The fact that oil consumption in the transport sector accounts for 48% of total world oil consumption, and that the overall global warming impact from aircraft emissions could soon surpass the global warming impact of cars, gives us all cause for concern. It is even more disconcerting that current trends show levels of car ownership, usage and congestion, and falling levels of public transport usage. We need to find alternatives. We have broad-based agreement, the technological means, and capacity — particularly with financial flows in the energy sector. Only a lack of political will could stand in the way of broad-based action to make the necessary changes.

12. A fundamental change in public policy is called for, as past approaches have tended to focus only on the most pressing problems, and except for a few isolated cases have failed to address all three pillars of environmental sustainability, particularly the social dimension. Virtually all parties, and member states agree, for example, that a major problem today is the

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<sup>4</sup> ICFTU/TUAC, on ten-year comprehensive review and assessment of implementation of UNCED and preparation for Rio-plus-10, June 2000.

inequitable access to energy and transportation for the world's poorest people. Since the 1992 Rio Summit, trade unions have urged a focus on poverty elimination and employment as key elements of sustainable development, but both depend on a solution to the energy/transportation dilemma. We agree with the OECD that taking a longer-term view requires giving greater emphasis to aspirational goals, the 'precautionary principle', and intergenerational equity', as well as greater weight to environmental and social concerns than in the past, balancing economic priorities.

## II. Decision-making at the workplace: a focal point for change

13. In past sessions of the Commission on Sustainable Development, trade unions have highlighted the role of workplaces, workers and trade unions in transition to sustainable development, as contemplated in Chapter 29 of Agenda 21.<sup>5</sup> Workers and trade unions are not only well positioned to promote sustainable workplaces; such efforts are known to produce 'spill-over effects into to workers' homes and communities:

(a) **Workers are the backbone of energy and transportation:** Positive employment and social policies would not only recognize the rights of millions of people who work in these sectors more equitable access to energy and transport; they would assure such basic rights as the right to organize. In the vast majority of workplaces, only a union gives workers any access whatsoever to strategic decision-making, i.e., to *industrial democracy*;

(b) **Workers are consumers of energy and transportation:** In fact, trade union members are amongst the most fortunate workers in the world, because they can usually afford access to basic needs, in contrast to so many non-union counterparts. They are also in a better position to shape new attitudes and practices as consumers, because as the most organized grouping within the energy and transport buying public, they are in a unique position to influence public policies and measures;

(c) **Involvement of workers and trade unions is a prerequisite to substantial change:** Simply put, the workplace is not a democracy, and as such, provides a case study in

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<sup>5</sup> Recommendations for trade union action are summarized in a 1997 UN document (ECOSOC E/CN.17/1977/L.4), which outlines: their place in a sustainable development agenda; the strategic position and capacity of trade unions to contribute; partnerships with employers and governments; voluntary agreements; a central role for the ILO; national reporting and monitoring of workplaces; eco-management and workplace audit practices; and codes of conduct for employment and social justice.

current patterns of decision-making, implementation and evaluation. Not only are workers' interests subordinated; their knowledge and creative energies are often denied a place in the process. Finally, they and their families are the first victims of unsustainable workplaces, as evidenced in high rates of occupational death and injury, and widespread denial of basic worker rights around the world. Even though they are aware of the serious issues arising out of current patterns of in energy and transportation, workers are unlikely to endorse any solutions, if they are imposed from above, by industry or governments. Trade unions have proven to be the only effective vehicles to elicit worker participation for change;

**(d) Trade unions have developed effective models for democratic decision-making:** Highly successful models of democratic decision-making have been introduced by unions in thousands of workplaces in the area of occupational health and safety. These entail workplace assessment,<sup>6</sup> target setting, implementation, evaluation and reporting,<sup>7</sup> and are now being expanded to include the broader scope of sustainable development. For example:

- (i) *Occupational health & safety (OHS) committees* are adopting terms of reference and operating procedures that include larger sustainable development issues in the community, as well as national and international spheres. Occupational health & safety committees are widely supported by public policy in many countries and jurisdictions around the world, because they have proven so effective, particularly where unions provide the focus for organizing participation and selecting worker representatives;
- (ii) *A tradition of health and safety representatives or 'delegates'* is giving way to OHS&E representatives, worksite 'environmental activists' who are committed to new sustainable development objectives, and are taking their place as members of community, environmental groups and other 'partnerships' in their societies. Delegates normally possess a higher level of training and competence, and just as in

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<sup>6</sup> Workers, their representatives and employers have undertaken workplace assessments to identify where workplace performance can be improved. They lead to joint target-setting, monitoring, record-keeping, and implementation, in tandem with enterprise management systems for environment (e.g. Cleaner Production or ISO), health and safety (e.g. ILO Guidelines or Government regulations), internal or 3<sup>rd</sup> party enterprise audits, and Government programs (e.g. EMAS). To some extent, they also link with community organisations or local governments, and can also be made to work with collective agreements or other special partnerships.

<sup>7</sup> Three fourths of all greenhouse gases come from sources in which waste and pollution can be readily addressed by design and manufacture of clean process equipment and improved technology.

the case of health & safety committees, unionized workplaces in a position to create 'best practice' models for all enterprises;

(iii) *A tradition of collective bargaining*<sup>8</sup> for occupational health & safety rights and protections is expanding to include 'green' issues that reflect the worker's stake in a healthy, sustainable human environment. For most workers, collective bargaining provides the first experiment with democratic decision-making in the workplace, which "green bargaining" extends to include broader social and economic issues;

(iv) *A tradition of union-management 'partnerships' for occupational health & safety* is being expanded to include sustainable development. These "partnerships" contain no expectation that either side should give up its primary goals; they simply imply that employers and workers share an interest in the overall state of the environment;

(v) *Occupational health & safety toolkits* developed to guide health and safety activists through identification, analysis, and response to workplace problems, are now being 'repacked' to accommodate environmental concerns and activities. These toolkits contain practical guides to assessments, structures, and processes, sample letters and forms for all purposes, and sample press releases and petitions, and guides to information sources;

(vi) *A workplace culture of occupational health & safety* is giving way to a workplace culture of sustainable development activists, or 'environmental citizens'. This change in culture is displayed where unions undertake campaigns that go beyond traditional workplace concerns and focus attention on sustainable development issues.

### **III. Sustainable decision-making: priorities for the ninth session of the Commission**

14. Proposals that trade unions bring to CSD2001 are premised on the understanding that fundamental changes are required to the way decisions are made in the energy/transportation nexus. Current patterns of development that disenfranchise people and their communities must be replaced with models of decision-making that centre on involvement, following the

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<sup>8</sup> Collective Agreements are legal contracts between employers (or employer associations) and trade unions (as bargaining agents for units of workers), governing terms & conditions of employment, as well as settlement of disputes between parties. Increasingly, they contain green clauses to protect the environment.

lead that the CSD has demonstrated in its annual multi-stakeholder dialogue sessions. Furthermore, these changes must begin in workplaces and involve communities and local authorities in an integrated process that leads to national and international agreements. Past CSD Sessions have already agreed that effective sustainable development policies require constructive dialogue and partnerships between government at all levels, industry, trade unions and civil society, including women's organization, and have recognized a need to extend this dialogue through partnerships with government and industry, as contemplated by Agenda 21. In summary, decision-making for sustainable energy and transportation requires:

- Attention to social dimensions of sustainable development;<sup>9</sup>
- A focus on the workplace and participatory models; a shift to democratic decision-making that values effective innovation, empowerment and personal responsibility;
- Workplace audits, assessments & monitoring of workplaces, that promote worker involvement, and form part of a reliable, properly-resourced inspection system;
- A link to sustainable consumption patterns amongst workers<sup>10</sup> through strategies that focus on making workers and employers more responsible consumers;
- Positive attitudes towards change, with transition programs that recognize, *inter alia*, core labour standards as identified by the ILO's Socio-Economic Security Program;<sup>11</sup>
- A strong public sector presence in core areas of energy and transportation; and,
- Application of workplace indicators to energy and transportation, such as those described in ILO/ACTRAV's *Worker Education Environment*, which utilize ILO standards.

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<sup>9</sup> Social Dimensions refer to alleviation of poverty, security of livelihood, access to food, shelter, water, health & welfare, social security, sanitation, education, transport, and protection of basic human and economic freedoms.

<sup>10</sup> *Ethics of Consumption: The good life, and global stewardship*, ILO –Labour Doc 315671.

<sup>11</sup> *Socio-economic security – a medium-term Work Plan*, ILO, October 1999. It provides definitions for socio-economic security: *Labour market security* — Adequate employment opportunities, through high levels of employment ensured by macro-economic policy; *Employment security* — Protection against arbitrary dismissal, regulations on hiring and firing, imposition of costs on employers, etc.; *Job security* — A niche designated as "occupation or "career", requiring clearly-identifiable skill levels, craft boundaries, job qualifications, restrictive practices, etc.; *Work security* — Protection against accidents and illness at work, through safety and health regulations, limits on working time, unsociable hours, night work, etc.; *Skill reproduction security* — opportunities to gain and retain skills, through apprenticeships, employment training, etc.; *Income security* — Protection of income through minimum wage machinery, wage indexation, comprehensive social security, progressive taxation, etc.; *Representation security* — Protection of a collective voice in the labour market, by independent trade unions and employer associations, with state protection of rights etc.

## Topic 1 — Achieving equitable access to clean energy

15. Trade unions do not subscribe to a narrow, market-based approach to 'equity'; we believe it must apply to all the aspects and effects of development, including employment and on developing countries. While problems of unequal access to energy and transportation have been tolerated for decades, growing awareness of climate change is a relatively recent development. Unfortunately, decision-makers have yet to pay attention to the social and employment impacts of *climate change*, even though countless jobs are sure to be lost and communities disrupted, especially in developing countries. This illustrates a general indifference to the social dimensions of sustainable development. Workers or communities can hardly be expected to support climate change measures, or the huge financial commitments they will be necessitate, unless they are assured that the social costs of such change will be spread equitably amongst economic sectors and nations, and that they will be part of designing and implementing transition programs.

(a) **Sustainable development issues in 'developing countries'** — Much of the debate over energy use and emissions has focused on industrialized countries, as they are largely responsible for many of the current problems. Unfortunately, issues facing developing countries are being ignored, even though they will be directly affected by decisions made in boardrooms of industrialized nations. They have their own social problems to deal with, and access to a sustainable energy supply is a key concern for many of these countries, as some two billion people, mainly in the rural areas of developing countries, have no access to modern forms of energy. This requires attention to:

- (i) Women, who are key consumers and users of household energy resources and services, but are marginalized, when they should be on the forefront of energy policy-making;<sup>12</sup>
- (ii) Reforms to trading rules and international debt, and assessments of the energy needs of countries that take into account such considerations as employment, gender and health effects, and energy needs in rural areas to meet the population's basic needs and to create employment;

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<sup>12</sup> Conference of African Ministers Responsible for Development and Utilisation of Energy, See U.S. Department of Minerals and Energy, *Press Release*, 12 December 2000.

(b) **Socio-economic security in the face of change** — Socio-economic security is a prerequisite for worker endorsement of policies and programs for sustainable developments. This concern is not limited to sustainable development only, as workers are experiencing massive job loss, dislocation, disruption and changing rules as part of the “New Economy.” ‘Globalized companies’ in energy and transportation are using workforces on a global basis, along with new production methods, economies of scale, reorganization of the workplace, and intensification of work; the process of market liberalization threatens all aspects of worker security, from health and safety to incomes. The need for equity in ‘transition’ was graphically illustrated last year, when the last reactor at the Chernobyl nuclear plant was shut down, affecting the station’s workforce of around 6,500 people, and at least 5,000 other jobs which depend on them, as well as the community of Slavutych. The lack of adequate funding for transition was not lost on workers around the world. Chernobyl was one of the first challenges of transition — certainly not the last;

(c) **Funding a labour-friendly transition to sustainable development** — Planning for social and employment transition highlights the need for inclusive, democratic decision-making, as decisions made without proper consultation and input of workers and their communities, and even nations have revealed the basic deficiency of current approaches. At minimum, transition programs must include continued livelihood and orderly conversion for workers and affected communities, adequate income protection, access to new jobs, educational assistance and social programs to ensure uninterrupted access to basic needs and services, integrated with alternative energy scenarios, which incorporate “green jobs”. Trade unions are developing answers in this area; i.e., the *Plan for a Labour-Friendly Transition* unveiled by the AFL-CIO at COP6 in The Hague showed how a ‘Just Transition’ to accommodate Kyoto Targets is achievable and affordable;

(d) **Researching employment implications of transition** — Nine years after Rio, employment implications of climate change measures, and sustainable development generally, have yet to be properly studied. Trade unions know that the effect of inattention to the social impacts of transition has always meant a totally inequitable distribution of costs, as workers and their communities bore the cost of a failure by government and industry to address systemic problems. In this respect, the agreement announced at COP6 in the Netherlands, between representatives of trade unions and

business to work together to obtain official recognition of the need for research into employment and social implications of climate change or measures to mitigate its effects;

**(e) Making the case for public ownership and regulation of utilities and vital services** — The generation and distribution of energy and a transportation system are amongst the most basic functions required by industry and community. This need, together with a high level of capitalisation, and dependence on natural resources are conditions for 'natural monopolies'. Trade unions believe that sustainable provision of such 'utilities' calls for an adequate degree of public ownership and regulation, in which responsible, elected authorities can promote objectives of: accessible energy and transportation, energy conservation, waste reduction/recycling, environmentally friendly transportation, education and information, land planning, and land for recreational and protected areas. However, in a growing number of nations and regions, the ability of public utilities to provide quality services on a continuing basis or to respond to rapidly increasing demand has been severely compromised, as national decision-makers are decreasing investment levels and refusing to consider alternatives;

**(f) Confronting the trend towards 'liberalization' of vital energy and transport services** — It is time for the CSD and other international agencies to make a thorough and responsible evaluation of the effect which 'liberalisation' experiments have had on energy and transportation in both industrialized and developing nations. The Public Services International (PSI) has begun its own enquiries into the effects of several of these, and has concluded that they make a strong case for public sector provisions. Cash-strapped governments are increasingly resorting to Independent Power Producers (IPPs) for power generation,<sup>13</sup> water utilities, and waste, and are allowing the private sector to operate without extensive regulations, as the conditions of operating are specified in the terms of the contract itself. As well, the PSI has studied the effects of liberalization in Nordic countries, where regimes which have stabilised supply of electricity at some of the lowest prices in the industrialised world have been replaced by regimes in which planning which is increasingly susceptible to market forces<sup>14</sup> Evidence calls for a re-evaluation of the relative financial, industrial, environmental, and economic advantages of different forms of finance and investment into vital utilities, as well as an evaluation of the impact

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<sup>13</sup> Kate Bayliss and David Hall, PSIRU, University of Greenwich *Independent Power Producers: A review of the issues*. Report commissioned by the Public Services International, November 2000.

<sup>14</sup> Sam Weinstein, PSIRU, University of Greenwich, *The Nordic Energy Market*, Report commissioned by the Public Services International, January 2001.

of World Bank/IMF conditionalities and their effect on the decision-making process in these cases.

## **Topic 2 — Choices for production, distribution and consumption of energy**

16. Decision-making that is compatible with sustainable development places a high value on education and information to change attitudes and behaviour. Trade unions have developed educational capacity for workplace-centred education; in fact, they are the foremost providers of adult education in many countries, a capacity that can be readily harnessed to the goal of changing unsustainable habits and attitudes. A number of unions have initiated such programs relating to energy usage and transportation, and see local governments as natural allies, noting that this level of government has already implemented a number of innovative schemes, to reduce energy use and emissions generally. Governments at all levels must do much more to twin the education of consumers with the implementation of programs promoting sustainable energy choices. Information for consumers must be provided about contract terms, cost, generation sources, and emissions characteristics of utility power being supplied. In this regard, occupational health & safety programs developed by trade unions can serve as a model for education at the workplace, and are extended to community action:

**(a) National plans for reduction of greenhouse gas emissions and pollution —**

Although agreement on specific implementation measures was not achieved at the Hague, many Member States have already responded to the Kyoto Protocol by designing and implementing national programs for reductions of greenhouse gas emissions (GHG) within the framework of national sustainable development programs. Recent events at The Hague and elsewhere have shown that agreement and participation of workers and their representatives are essential to the support for national programmes. By the same token, the contribution of German and Danish trade unions to initiatives in their countries illustrate what is possible once barriers to broad-based worker acceptance are brought down;

**(b) Cooperation for alternative energy initiatives —** The labour movement unites workers in actions across national boundaries, even when governments cannot agree. The potential for this has been illustrated by the LO-Denmark and the Spanish trade union central (CC OO), who have collaborated on a scheme to develop wind power in the Pyrenees. Likewise, collaboration is taking place in urban planning reform, and employer-worker enterprise assessments/audits to meet community targets. This capacity is also key to bridging the gap between producers and consumers, and to balance the

influence of multinationals with a worldwide network of affiliated organizations. However, it requires greater cooperation with governments and international agencies;

**(c) International agreements: 'Voluntary agreements'** — Recent international agreements between unions and multinational corporations in the energy field display the potential for Voluntary Agreements (VA's) in an increasingly globalized economy. The best-known VA in the energy and chemicals industries, *Responsible Care*, has illustrated both shortcomings and strengths. Broad consensus has been reached among trade unions, business and NGO's that VA's must form part of a mix of solutions, including regulation and standard setting.<sup>15</sup> Last year, the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) signed an agreement with German-based Freudenberg (affecting all subsidiaries) that recognises union rights, workplace equality, health, safety and the environment, a ban on child and forced labour, full cooperation and consultation with workers and unions as the best way to further the interests of the company and its shareholders.<sup>16</sup> As well, an agreement is imminent with chemical manufacturers worldwide. When combined with the recent *OECD Guidelines for Multinational Corporations*, these agreements show that international action can be taken to balance the control of multinational corporations in the field;

**(d) Trade union involvement in design, implementation, verification and reporting** — Trade unions have promoted sustainable development objectives through audits, assessments & monitoring of workplaces, and have played a role in designing and implementing effective tools for workplace monitoring and research. These promote the kind of worker involvement that results in improvement to their own health and safety, as well as to the community environment. As well, central trade union bodies have developed considerable capacity for participating directly in international bodies, and serving in an advisory capacity on others. The work of the International Transport Workers' Federation (ITF) in the ICAO and IMO provides an example how unions can contribute to informed, responsible management at the international level. Promotion of standards, however, must be backed by effective system for enforcing the measures

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<sup>15</sup> A multistakeholder consultation held in Toronto in 1999 reached agreement following the CSD1998 Dialogue Session on "Business & Industry".

<sup>16</sup> For example: HOCHTIEF, one of the world's largest construction groups, has signed an agreement with the General Works Council, the German Construction Workers' Union, IG BAU, and the International Federation of Building and Wood Workers (IFBWW) committing it to observe anywhere in the world the standards contained in ILO Conventions and Standards. It includes HOCHTIEF's subcontractors.

needed; i.e., adequately resourced and effective inspection systems through which governments can monitor and enforce agreed standards.

### **Topic 3 — Public-private partnerships for sustainable transportation**

17. Trade unions support public-private 'partnerships', but only when they are truly based on a democratic relationship between parties for mutual benefit. Partnerships between public sector institutions, industry, trade unions and NGO's can provide strength and synergy, and just as importantly, can lead to cooperation where parties may otherwise operate at cross-purposes. As such, they have special relevance for the workplace, where they can help to overcome barriers caused by the adversarial nature of the employment relationship. Partnerships beyond the workplace (e.g., Local Agenda 21 Committees) can reorient current development planning, protect land and ensure accessibility to all groups etc. Finally, partnerships can effectively direct attention to working condition in the core industries:

(a) **Confronting the urban transport juggernaut** — Transport is a basic need, but in urban centres, unsustainable patterns have led to increases in levels of CO2 emissions, in addition to other impacts, and trends towards even higher fuel consumption/ higher emission vehicles and falling rates in usage for public transit mean that action is desperately needed. An immediate environmental priority is for improved urban planning itself, as current patterns favour use of private automobile, both in the way human settlements are planned and in the allocation of funds and subsidies that place public transit at a disadvantage. A number of workplace targets could be set around urban transport,<sup>17</sup> and integrated workplace assessments could promote scrutiny of all workplace resource use and opportunities for joint action; e.g., passenger information services, public transport incentives for employees, education and awareness-raising programs, support to local initiatives and marketing and image campaigning for walking, cycling and using public transport;

(b) **Addressing the problem of transportation to-and-from work** — Workers and their trade unions have shown that they can take action, together with employers, local authorities, and community groups, to reduce use of private passenger cars and other urban transportation problem. For example, Spanish trade unions (the UGT and CC OO)

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<sup>17</sup> Energy suffers from consumption patterns that rely on non-renewable sources of energy, and carry heavy environmental costs. This sector is perhaps most illustrative of the resource-use disparity that divides

have combined to change the focus of urban transport through workplace worker and workplace-generated solutions<sup>18</sup> that focus on commuting to work. Likewise, the International Transport Workers' Federation (ITF) has struck an Urban Transport Committee to monitor the development of urban transport, working conditions of operating staff, and health and safety problems related to this area. A joint ITF/PSI Urban Transport Working Group has been set up to work for the promotion of public urban transport, which can only function effectively with an efficient system of public transport services under public control and planned as a network;

**(c) Establishing the link between worker and public health & safety** — Democratic decision-making would immediately correct the lack of attention to worker health and safety in this area, which contrasts with the widespread acknowledgement of public safety issues. Of 1.2 million work-related fatalities in the world, about 320,000 take place in transport-related activities, within all industrial sectors each year. Fatigue and stress, violence, musculoskeletal disorders, and repetitive work impacts are increasing rapidly. Workers who are involved in joint workplace governance structures are effective at identifying hazards, proposing and implementing programs for prevention, whether for public or worker health and safety. The ITF has worked with transportation unions, as well as the ICAO and the IMO, to make the link between public (operational) safety and sustainable development by referring to the importance of 'human factors'. The current fragmentation of the industry breaks the safety chain, as direct responsibility of operators is replaced by a web of legal/contractual relationships. The ITF has emphasized Professional Standards for employees, and asked for State-regulated training standards and licensing for all safety-related staff;

**(d) HIV/AIDS as a sustainable development issue — The occupational link.** HIV/AIDS has spread throughout the world, especially in sub-Saharan Africa, to the level of an unprecedented human tragedy. Transportation and medical activities have become central in the spread of the disease, and workplaces are increasingly considered as targets. Policy initiatives undertaken by International Trade Secretariats on the pandemic of

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industrialized from 'developing' countries, and shows how the energy-intensive production cycles, life-styles, and public policies of industrialized countries are most in need of change.

<sup>18</sup> Prague Conference 2000, "All citizens should benefit from the access transport services, provided in a reasonably equitable manner. This implies avoiding excessive dependence on private automobiles, if certain sections of society are not to be excluded". ECMT, *Sustainable Transport Policies*, 2000, p. 8.

HIV/AIDS in Sub-Saharan Africa focus on workplace-centred response to HIV/AIDS, because the virus is most prevalent amongst adults of working age, and because the workplace plays such a central role in their lives. Not only can unions provide the sensitive leadership that is needed; they are well situated to respond because of their extensive membership, overall organizational capacity, and their dynamic ties to such international labour bodies as the ILO. It is clear, however, that the cooperation of other international bodies, social partners and national governments is required;

**(e) Turning the tide on a race to the ‘competitive bottom’ in transport** — Nowhere is the potential for effective partnerships more evident than in efforts to stop a ‘race to the bottom’ facilitated by global restructuring, deregulation, privatization and contracting-out, which has contributed to a drop in service, in public health and safety, and in terms and conditions of employment, as well as an increase in waste and expense. This ‘race’ is evident in the trend towards ‘owner workers’, or ‘contractors’ in some transport sub-sectors, and in the ‘Flags of Convenience’ (FoC’s), mechanisms established by companies specifically to avoid national taxation, social, safety and environmental legislation. Working with international bodies, such as ICAO and the IMO, the ITF has publicized the need to counter these developments with effective inspections, training standards and key additions to international law. The ITF was also instrumental in establishing an International Commission on Shipping (ICONS), a fully-independent body to ensure that universal standards negotiated with employers’ organization are implemented to ensure that all international merchant shipping is safe and environmentally responsible (including a minimum wage level);

**(f) Utilizing public/private ‘partnerships’ in government service** — Trade unions believe that local and regional government, by its very nature, is in the best position to provide for utilities and services in the energy/transportation nexus. They have developed unmatched capacity in all areas of transportation, energy supply, waste disposal, water supply and sewage disposal, roads, communication and increasingly, in new information technology systems — and it is vital that these remain under their control and within the public sector. They have been effective in enlisting the cooperation of the private sector and stimulating change through community involvement; e.g., Denmark’s “Green Cities”. Democracy works best at the local level, and trade unions seek to make common cause with employers, governments, public education institutions, NGO’s, consumer organizations and public research bodies to promote these aims. Government can also

provide leadership to promote best practices regarding fuel and vehicle uses; e.g., it can use its purchasing power to buy fuel-efficient vehicles and new vehicle technologies, thereby sending ‘market signals’ for more sustainable products. It can also achieve cleaner transport by downsizing the number of vehicles, minimizing use and employing alternative vehicle and transport options;

**(g) Assessing demands on the public sector in the transition process** — The public sector has a key role to play in responding to problems created by unsustainable patterns in energy and transportation, and in promoting popular discussion, education and democratic decision-making. National and local health care systems will not only be sorely tested by health problems relating to climate change; they also have a clear role in providing mass public transport. A closely related priority calls for public sector research and information, as the education and capacity-building so vital to a sustainable future require adequate support for independent research, and monitoring, and a science policy that is independent of commercial interests. Finally, government and the public sector must provide a strong and reliable regulatory regime, complemented by voluntary initiatives and backed by an effective, adequately staffed inspectorate, a function which has been diminished considerably in the ‘New Economy’. From this perspective, nations and local governments can do much more to utilise regulations, standards and codes as educational tools to mold attitudes towards sustainable and socially responsible forms of behaviour.

#### **Topic 4 — Sustainable transport planning: Choices and models for human settlement designs and vehicle alternatives**

18. Unsustainable energy and transportation practices, habits and attitudes are closely intertwined with patterns of human settlement that are deeply-ingrained in the economic and cultural fabric of society. Changes to transportation must be closely tied to changes in urban planning and development, as current patterns favour private forms of transportation, against public transport and other less energy-intensive modes, resulting in the fragmentation of neighbourhoods and lowers the quality of life in the centre. Subsidies that sway consumers to more costly and less efficient patterns of behavior and suppress alternatives, and many of the ‘external costs’ must be addressed by economic instruments based on the *User Pay* principle can also assist local governments to generate finances to support transportation projects such as transit systems that reduce automobile dependency. Democratically planned transportation

systems must be integrated within the urban layout and with land-use planning to support more sustainable transport modes, such as public transit, bicycling, and walking.

19. Trade unions have their roots in community action, and therefore have the experience and capacity to assist in local planning and action. We know that one of the most effective centres for communication and education can be the workplace, and that worker participation in changes at the point of production can provide the basis upon which all parties can increase their awareness of environmental and social issues, and build new attitudes towards personal consumption and lifestyles in homes and communities. Trade unions have the capacity to provide education and communication that “empowers” workers to take full responsibility for themselves, their fellow workers, and the community, especially with training, education and information systems which have been developed for occupational health and safety:

(a) **Workplace education and training as key to ‘quantum leaps’** — Public understanding of energy and environment issues in transportation remains weak. Workplace education processes can do much to change this, especially where they represent a fundamental change in management programs to include participation by workers and their representatives. The work done by the Spanish *Unión General de Trabajadores* (UGT) is based on rank-and-file action to educate and mobilize trade union members on all three pillars of the sustainable development agenda. It begins with the concrete experience of union and community members (as opposed to an ‘expert’ approach), uses rank-and-file research into environmental problems and examines legal and trade union instruments that can be employed in both the community and workplace culture.<sup>19</sup> Trade unions believe that the full and open exchange of scientific and technological data and information is critical for research and education. Unfortunately barriers to such data and information are multiplying with public sector cutbacks and corporate takeover, representing a serious risk to the research and education, particularly for developing countries;

(b) **The importance of regulations and inspections** — Models based on worksite health and safety committees must include a major role for regulation, especially given the institutional landscape of transportation. Even national OHS legislation cannot be fully applied to vehicles, especially where these go outside national boundaries, nor can they be left to operational safety bodies like national aviation authorities and motor vehicle inspectors, who often have no specialised knowledge of health and safety, or the

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<sup>19</sup> UGT-PV, *Guia sindical; en material de Medio Ambiente*.

environment. In transport it is the *operational* safety regulators (e.g. civil aviation authority) that play a key role in setting both operational safety, OHS and environmental standards. In air and sea transport these are increasingly being set to international standards through ICAO and the IMO, two key bodies in the establishment and maintenance of industry standards;

(c) **Extending producer responsibility** — Trends in municipal waste clearly illustrate the unsustainability of current patterns of production and consumption, as the annual generation of municipal waste (MW) in OECD countries increased by about 40% between 1980 and 1997, and projections are that it is likely to increase by another 50% until 2020.<sup>20</sup> Waste and obsolescence have become major issues for human settlement, and ‘scrapping’ of ships, trains, cars, truck and planes is a part of it. A review of policy options should extend producer responsibility (EPR) for post-consumer (or ‘cradle-to-grave’) phase of goods, vesting responsibility in those who produce and distribute products, and serving to change consumer demand. Trade unions are in a good position to play a central role, especially with enterprise assessments and eco-audit schemes that can be utilized to increase awareness. Two areas require immediate attention: (i) ship-scrapping, one of the dirtiest and most unsustainable areas, in which labour rights and guarantees are ignored, as are the most basic environmental concerns; and (ii) toxic and hazardous products that are being transported long distances, often to be dumped in developing countries;

(d) **Reinforcing and supporting a central role for local authorities** — The critical role local governments play in the energy and transportation management picture needs to be acknowledged. The municipal level of government can boast a long tradition of union-management cooperation. We can provide valuable assistance in the planning, design and building of cities and other local centres to introduce efficiencies in energy use and equitable access to transportation, utilising factors that are either wholly or partly controlled by local governments. Trade unions support ICLEI in its position, that local government can play a central role in achieving cleaner and more sustainable energy and transport.

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<sup>20</sup> OECD, *Environmental Outlook*, October 2000, chapter 16.

#### IV. Priorities for the Commission on Sustainable Development

20. *Member States and major groups must do more to promote the Commission on Sustainable Development as an international force, and the CSD, for its part, must continue to lead with principled approaches to Agenda 21. In addition, the CSD must continue to promote the participation of major groups (an area in which it has broken ground), by focusing on the unique contributions they can make. Accordingly, we propose the following for CSD2001:*

- (a) *Promoting policy changes in member countries;* in particular, by highlighting policy changes and successful experiments in Member States that provide leadership to others;
- (b) *Promoting major policy changes that look to the long term* E.g., given the importance of transport to Kyoto targets, member states must move immediately to identify quantitative measures for their transport sectors that will contribute to meeting their targets;
- (c) *Building consensus with stakeholders:* The CSD to insist on public participation in international bodies that deal with energy, transportation and human settlement by promoting full engagement of civil society, including NGO's and trade unions;
- (d) *Promoting a new workplace culture of cooperation:* The CSD to promote good industrial relations as a tool for sustainable development; e.g., by acknowledging the 3.3 million collective agreements in the world that signify worker/employee cooperation;
- (e) *Promoting workplace and community models of democratic decision-making* by promoting the stake that workers and communities have in planning, implementing, monitoring and evaluation<sup>21</sup> of policies and programs for sustainable energy and transportation;
- (f) *Targeting financial flows in the energy sector for funding transition and other social costs,* especially the financial flows generated by the global energy sector, to finance adequate transition programs. Workers and their representatives must play a central role to ensure that funds are effectively applied, and that past mistakes with 'adjustment' programs are not repeated;

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<sup>21</sup> An overwhelming consensus which emerged from CSD99 Dialogue Session on Tourism.

- (g) *Conducting a critical examination of support and subsidies:* The trade union movement calls on the CSD to respond to growing demands for a review of subsidies in the transportation/energy nexus, as a growing number of studies <sup>22</sup> show that many work directly against the goal of sustainable development, and that their removal would result in substantial reductions in CO2 emissions, at the same time as they would stimulate economic growth.<sup>23</sup> The review should also identify subsidies and fees that exist for sound policy reasons; e.g., to promote the use of public transport, or transition programs;
- (h) *Reinforcing a central role for government:* Trade unions call on the CSD to promote the role of a strong public sector and improved regulation, complemented with voluntary approaches, to achieve sustainable development aims in energy and transportation. There is a clear need to reinforce public policy through inspection systems, complemented by workplace assessments and reporting systems, at both the local and national levels;
- (i) *Promoting capacity building strategies* The CSD can do much to promote capacity building in developed and developing countries alike, with education and information, based on sound research. Workers and trade unions can play a part in building trade, investments, technology and regulatory capability as the basis of policy decisions;
- (j) *Twinning the “Income-Poverty” nexus with the Energy-Transport nexus:* The CSD must continue to promote these themes, as they are essential components of sustainability. Workplace assessments around these themes can ensure that market and public policy measures are linked to concrete implementation programs to address hot spots and target groupings;
- (k) *Promoting the new OECD Guidelines for Multinational Enterprises*<sup>24</sup> to come to terms with the tremendous increase in power and influence of multinational corporations in energy and transportation. Trade unions participated in development of these guidelines and are pleased that they include implementation procedures, as well as disclosure and performance rules on employment and industrial relations, health, safety, bribery, etc. We look forward to participating in ongoing review and implementation;
- (l) *Promoting the vital role of international organizations* The trade union movement plays a central role in the ILO, and we applaud recent initiatives it has undertaken to

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<sup>22</sup> For example, see OECD, *Reforming Energy and Transport Subsidies*, 2000.

<sup>23</sup> A study by European Ministers of Transport (ECMT) revealed significant room in transportation pricing structures, taxes, and other financial measures to ‘internalize’ costs of unsustainable practices and noted where existing subsidies encourage the wrong types of services.

<sup>24</sup> OECD, *Guidelines for Multinational Enterprises*, 2000.

highlight the importance of the social dimension as it affects workers and their communities. We also view our role in the OECD as crucial, and as well, welcome recent opportunities to participate in UNEP, WHO and Meetings of the Ministers of the Environment;

(m) *Pursuing strategies in the context of an international commitment to change.* The CSD has provided leadership in the international context, and must continue to promote change shaped by such requirements as: polluter pays, transparency, independent monitoring, and observance of International Human Rights. It must continue to promote:

- Sustainable management of the global economy, consistent with growing concern over the social impacts of globalization, the power of multinational corporations, and the concentration of resources, influence, and decision-making power;
- Bringing national energy and transportation policies into the framework of international agreements and protocols, with mechanisms that allow consumers and governments to identify nations and suppliers that violate sustainable development standards;
- Linking energy, transportation and natural resource issues to labour policies; e.g., by promoting substantive cooperation between the WTO and the ILO to ensure that social standards, including labour standards, become integral to all trade-producing activity;
- Integrating energy and transportation policy with other policy areas, most notably: land use, poverty, water and energy on which Member States have agreed since 1992, as well as such agreements and accords at such events as the Copenhagen Social Summit;
- *Promoting international attention to the Social Dimension and Just Transition.*<sup>25</sup> The CSD has been instrumental in promoting Secretary-General Kofi Annan's 1999 call to support core values in human rights, labour standards, and environmental practices;

(n) *Leading the way to new social and economic priorities* Problems of unsustainable development in the energy and transportation will never be solved for developing countries or the economically disadvantaged in industrialized nations, unless social and economic priorities are included. Public opposition to the globalization agenda has

<sup>25</sup> TUAC note to OECD, *Liaison Committee with Inter-governmental Organisations* (Paris, 1999).

prompted calls<sup>26</sup> for trading rules that benefit the world's poor at the same time as they contribute to sustainable development. The CSD must call on international bodies to chart a path towards a world prosperity that focuses on:

- New ways to govern and work with transnational corporations, taking direction from the OECD process to regulate and control their conduct;<sup>27</sup>
- Action on trade rules concerning least developed countries, which could be impacted most heavily by any changes to make energy and transportation more sustainable;
- Changes in international organizations such as the World Bank and IMF to change the terms of debt relief to serve such goals as poverty reduction;
- Differential treatment for the least developed countries to allow them to protect their interests; e.g., incentives to promote transfer of beneficial technology to them;
- Use of trading and investment power to influence observance of human rights, labour and environmental standards.

21. Trade unions have the experience, competence and organizational capacity to participate in all of the above objectives. We are a worldwide movement, capable of linking the local and international levels in pursuit of a sustainable, peaceful and just world.

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<sup>26</sup> This sentiment was expressed in the Financial Times, *If free trade is to serve its purpose, it must not result in a race to the bottom Only negotiated, enforceable minimum standards can solve problems in basic areas like protecting workers and the environment.* R. E. Lighthizer, FT, Dec. 4-5, 1999.

<sup>27</sup> OECD, *Towards the Effective Implementation of the OECD Guidelines for Multinational Enterprises* (DAFFE/IME/WPG(99)).