



EUROPEAN TRADE UNIONS AND SUSTAINABLE DEVELOPMENT



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INTRODUCTION



This training guide on trade unions and sustainable development in Europe was produced by the ETUI-REHS Education Department in cooperation with the European Trade Union Confederation (ETUC) and with the support of the European Commission.

It is based on the findings of an education project run by the Education Department in partnership with the ETUC member organisations and with the active involvement of the ACTRAV training centre in Turin and focuses on application of the guidelines adopted by the ETUC Congress. It is aimed at improving the ways in which trade unions address this issue in their daily work.

With a view to developing some practical measures on sustainable development for tackling the challenges and addressing the developments, ETUI-REHS Education decided to produce this trade union training guide, as a tool for assisting the various stakeholders with implementing training strategies to meet the challenges facing trade unions in Europe.

The guide is designed primarily as a tool for activists: it is not simply another paper on the issue of sustainable development in Europe but is intended to be a practical tool for use in trade union activities and training.

By looking at the situation experienced by men and women across the European Union today, the guide aims to help officers and trainers with devising and implementing a trade union training strategy, in line with their own organisations' approach and the ETUC guidelines, on sustainable development generally and the following topics more specifically:

- the context and challenges raised by sustainable development and the players and institutions involved at both European and international level;
- the main challenges raised by sustainable development in terms of jobs and regional integration from the viewpoint of trade unions in Europe;
- the strategies adopted and action taken by trade unions at European and international level.

This training guide is intended as a basis for building the information and training tools required for devising a trade union strategy and associated training strategy on sustainable development comprising a range of activities at the national, European and international levels.

INTRODUCTION

We would like to thank the following in particular for their help with producing this guide:

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Brussels, 25 March 2008
Georges Schnell
ETUI
Director of the Education Department

FOREWORD



The ETUC, the European industry federations and the national trade union confederations have been pursuing and stepping up their activities on sustainable development since 1970. The study we carried out recently on climate change and employment (February 2007) bears witness to this.

We should note, however, that the scope of sustainable development has broadened considerably. As we see it, climate change and the political decisions needed to slow down its causes have an impact on employment.

Any approach to sustainable development faces challenges of several kinds:

- demographic: a population of 8.5 billion by 2025, rising by more than 100 million per year;
- social: 20% of the population consumes 85% of natural resources, whilst 3 billion people live on less than one euro per day;
- environmental: according to the IPCC, it is quite clear (90% certain) that global warming is the result of human activities.

The UNDP fears that as energy and food resources become scarce conflicts will increase.

There is therefore a vital need to address these challenges.

Controlling our environment is a social responsibility. The relationship between employee and employer, life at work and the nature of production (such as the hazards involved) are formative factors for the economy and society. Establishing a sustainable development strategy automatically involves workers and their representatives. For a long time, however, this was not clear and not recognised.

FOREWORD

Sustainable development is not a question of balancing priorities, but more a process of change. It is a form of development that aims to meet the needs of the present without compromising future generations' ability to meet their needs (Brundlandt report).

We face new and complex problems that are still poorly defined.

Our ability to act on this and to find solidarity-based, collective responses for the ever-growing number of workers around the world will be decisive for the future of trade unions, too, in view of our commitment to ensuring greater cohesion and a fairer distribution of resources.

Our specific approach involves assessing the evolution and requirements of economic and social development whilst "factoring in" environmental benefits. To that end, we need to gain new trade union rights in this area with respect to information, consultation, bargaining, social dialogue, training, analysis and expertise.

In supporting the inclusion of the Charter of Fundamental Social Rights in the treaties, the ETUC has always had a broad vision of democracy, attaching equal importance to political, social and environmental rights.

Rising poverty in Europe and worldwide, the threats ensuing from climate change and the scarcity of and lack of access to essential resources mean that fresh solutions combining social justice with economic efficiency are vitally needed.

Joël Decaillon
ETUC Confederal Secretary

SUMMARY

Note on training methods for trade union trainers	10
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Trade Unions and Sustainable Development

1. Trade unions and sustainable development: achievements	31
2. The scope of sustainable development has widened considerably	31
3. The challenges of sustainable development for trade unions	32

Part 1

Sustainable Development

1. Milestones and evolution of the notion	37
2. The main principles of sustainable development	42
3. Sustainable development and the difficulty of reconciling several conflicting factors	44
4. The EU's sustainable development policy	54
5. The ETUC's positions and strategy on sustainable development	58

Part 2

Corporate social and environmental responsibility (CSR)

1. Background	62
2. The approach to CSR in Europe	62
3. Definitions and concepts	65
4. The ETUC's positions on CSR	69

Part 3

The main challenges linked to sustainable development

Chemical hazards

1. A worrying situation	72
2. More effective policies	72
3. The impact of REACH on sustainable development	73
4. REACH and CSR	75
5. The involvement and positions of the ETUC	77

SUMMARY

Climate change and energy

1. Climate change and its consequences	79
2. Combating climate warming	85
3. The European climate change policy	90

Food safety and security and sustainable development

1. Food security: a fundamental right that is not being guaranteed	98
2. Food safety and security	100
3. Fair trade in foodstuffs	103
4. Resolving conflicting pressures: a tough task for sustainable development	103

Natural resource management

1. Challenges linked to natural resource management	105
2. The main concepts	108
3. Biodiversity	110
4. Waste management	112
5. Atmospheric pollution	113

INFORMATION SHEETS

SHEET 1 : Corporate social and environmental responsibility (CSR)	117
SHEET 2 : International Framework Agreements (IFAs)	122
SHEET 3 : Non-Governmental Organisations (NGOs)	126
SHEET 4 : The REACH Regulation	130
SHEET 5 : EMAS (Eco-Management and Audit Scheme)	133
SHEET 6 : ETUC-Syndex-ISTAS-Wuppertal Institute Study "Climate Change and Employment"	135
SHEET 7 : The European trading system for CO2 emission quotas	138
SHEET 8 : Declaration on Guiding Principles for Sustainable Development	141

EUROPEAN TRADE UNIONS AND SUSTAINABLE DEVELOPMENT

■ Presentation

This training guide has been devised by a team of trainers and experts working together under the guidance of the ETUI-REHS Education Department. It has been based on the experience of education officers and trainers who have carried out training activities on the issue of sustainable development.

The guide comprises three sections:

- a note on training methods for trainers based on the experience gained by trainers at national and European level: you may find it useful in putting together training sessions on these issues;
- details of a general approach in the form of an information file outlining general operational methods used in training sessions focussing on sustainable development: this file includes a summary of the various components required to put together European trade union policies and strategies within the ETUC and its member organisations;
- separate information sheets covering specific issues.

The guide was originally based on the fruitful cooperation between member organisations, ETUC experts and ETUI trainers during a training workshop. This initial work helped to outline the main requirements of organisations for devising sustainable development strategies for addressing the situations produced by both European policy and globalisation. It analyses various emerging issues and the resulting policies at European level and goes on to suggest various ways for building a trade union strategy and associated training strategy for addressing the issues raised.

The guide also aims to demonstrate that when implemented with appropriate methods and resources, trade union action can really make a difference and improve the situation of the people concerned.

Our approach centres primarily on training activities at European level. Individual member organisations and trainers will be expected to adapt it to reflect their particular situation, needs, culture, target groups, potential partners and objectives. When implementing national training activities the various information and activity sheets will, of course, need to be adapted as appropriate.

The guide should basically be regarded as a series of suggestion for helping you to put together your own activities; it is not a set programme but outlines a range of activities that can be tailored to the specific requirements of the organisations and/or participants involved. The various suggestions are in no sense exhaustive and should not be treated as such.

■ **Training is no easy task!**

It is impossible to guarantee that a trainer's words will accurately convey his/her intentions or, indeed, that participants will fully understand what they hear or will remember (and apply) what they have understood. We therefore prefer limiting the training input to absolutely essential aspects (that is the aim of the information sheets), whilst placing participants in active learning situations (see the suggestions in the activity sheets) and providing them with the resources (electronic, paper, etc.) they need for working out which aspects of a training programme will be directly relevant when they return to their normal surroundings.

■ **A shared experience!**

Working on a trade union training course covering such an extensive and complex topic is never easy for trainers. Our aim was to capitalise on the experience developed over the years in addressing this topic and on the lessons learned while compiling the guide itself. The close cooperation between experts, specialists and educators has revealed new ways in which we can work together to ensure that the training we provide is more effective and of a high quality. By sharing this experience with you, the aim is to help you get involved in an activity that will benefit the trade union movement across Europe whilst building up fresh knowledge and know-how among affiliates and their organisations.

■ **Work with experts!**

It would not have been possible to compile this guide without close and ongoing supervision by the ETUC and the Education Department. This support provided reassurance to the team of trainers whilst encouraging them to consider all the strategic aspects of the topic. Such close cooperation enabled us to set out the framework for the guide, both the topics to be covered and the format to be used. It helped us establish coherence between the specific dossiers, whilst ensuring the accuracy of their content. The joint work between trainers and experts in drafting the information sheets and outlining the structure of the training programmes enabled a more detailed exchange of information and exploration of the various aspects of the topic. This will confirm the need for trainers to have a basic knowledge of the topic. However, the collaboration will also show the experts that choices have to be made within a training context. It should also serve to establish ongoing exchanges between trainers and experts, in particular in compiling the various activity sheets. Such exchanges are valuable and will help to adapt the sheets to ensure that they reflect as closely as possible the intended results and declared objectives.

■ **Alternative solutions are needed!**

When working on contemporary issues, trainers also need to prepare alternative approaches, in particular when dealing with groups of participants who have little or no prior knowledge of the subject or when addressing specific situations in their respective organisations and countries. The team of trainers and experts can therefore prepare additional activities designed to help the training course achieve the desired objective as well as exercises and activities to help participants understand and tackle the issues under discussion. In such situations, the know-how and practical skills of the trainers are crucial in avoiding overly detailed programmes and making appropriate choices in view of the time available. The quality of an activity should be measured in terms of what the trainees have actually learned and can understand and implement rather than the number of subjects addressed.

■ **Work with the participants!**

Working in a training context on such an extensive and comprehensive dossier requires preliminary work with participants to ensure that the course is focused on the actual situations in a particular country or countries. These need to be borne in mind so as to identify common and differing situations and adapt the approaches. Working in this way based on an analysis by the participants themselves will enable trainers to make the appropriate choices in terms of their training content to ensure that their objectives are achieved.

Brussels, 26 March 2008
Trainers and experts team

TRAINING ACTIVITIES ON EUROPEAN TRADE UNIONS AND SUSTAINABLE DEVELOPMENT

■ Planned training activity (four-day course, 28 hours)

To illustrate some of the concerns described in this guide, we have outlined details of a sample four-day transnational training activity designed to help education officers and trade union trainers with devising and implementing a trade union or training strategy, in line with their organisation’s own approach and the ETUC guidelines, on the topic of sustainable development. The specific focus would be on:

- the general background, challenges raised by and players and institutions involved in sustainable development at European and international level;
- the main challenges raised by sustainable development in terms of jobs and regional integration, from a European trade union viewpoint;
- trade union strategies and action at European and international level.

This sample course programme indicates how trainers can build activities around the information sent to participants.

	Day One	Day Two	Day Three	Day Four
	<p>Opening Presentation of the course programme and technical aspects</p> <p>Background, conceptions and challenges of sustainable development</p> <p>Presentation by an expert</p> <p>Activity Sheet N°</p> <p>Actual situation at national and regional level: joint analysis of problems and challenges</p> <p>Group work</p>	<p>The main challenges raised by sustainable development from a trade union viewpoint</p> <p>Presentation by experts</p> <p>Activity Sheet N°</p> <p>Group work (with experts)</p>	<p>The role of trade unions as sustainable development players and the ETUC strategy</p> <p>Activity Sheet N°</p> <p>Presentation</p> <p>Discussion with the Confederal Secretary</p> <p>Trade union strategy at company, regional and international level</p> <p>Activity Sheet N°</p> <p>Group work</p>	<p>Equipping trade unions to take action to promote sustainable development – Action plan</p> <p>Activity Sheet N°</p> <p>Presentation of action plans</p> <p>General discussion</p> <p>Round-up and course evaluation</p>
<p>Activity begins late afternoon</p> <ul style="list-style-type: none"> • Presentation of objectives and work programme • Participants’ expectations • Introduction of participants 	<p>Group reports</p> <p>General discussion</p> <p>Concepts and challenges in the context of sustainable development: the role of international institutions</p> <p>Presentation by an expert</p> <p>Discussion générale</p>	<p>Group reports</p> <p>Round table</p> <p>General discussion with various experts</p>	<p>Trade union strategy at company, regional and international level (cont.)</p> <p>Group reports</p> <p>General discussion</p>	

Using this grid we would suggest the following sequence of activities (not including the introduction and final evaluation):

- **SITUATION AT NATIONAL AND REGIONAL LEVEL: JOINT ANALYSIS OF PROBLEMS AND CHALLENGES**
- **CONCEPTIONS AND CHALLENGES OF SUSTAINABLE DEVELOPMENT AND THE ROLE OF INTERNATIONAL INSTITUTIONS**
- **THE MAIN CHALLENGES RAISED BY SUSTAINABLE DEVELOPMENT FROM A TRADE UNION VIEWPOINT**
- **THE ROLE OF TRADE UNIONS AS SUSTAINABLE DEVELOPMENT PLAYERS AND THE ETUC STRATEGY**
- **TRADE UNION STRATEGY AT COMPANY, REGIONAL AND INTERNATIONAL LEVEL**
- **EQUIPPING TRADE UNIONS TO TAKE ACTION TO PROMOTE SUSTAINABLE DEVELOPMENT – ACTION PLAN**

We will now suggest some objectives, teaching approaches and methods, indicating the resources and time required for such activities.

Activity title	Devising trade union activities for promoting sustainable development
Course objectives	<ol style="list-style-type: none"> 1. To analyse the problems and challenges at national and regional level. 2. To understand the concepts behind and challenges raised by sustainable development and the role of international institutions. 3. To identify the main challenges raised by sustainable development from a trade union standpoint. 4. To identify the role of trade unions as sustainable development players and the ETUC strategy. 5. To devise a trade union strategy to be implemented at company, regional and international level. 6. Building a trade union approach to activities for promoting sustainable development – Action plan.
Target group	Trade union officers or trainers in charge of sustainable development policies.
Evaluation	From the outset it is important to prepare instruments for evaluating the course.

■ A. Preliminary work by participants

Participants are requested to prepare for the various activities by completing a preliminary questionnaire. The latter will be sent out to participants along with confirmation of their attendance on the course and participants should use both the guide and their knowledge of their own national systems to prepare for the group work part of the activity.

Questionnaire
Analysis of your national situation

Objectives:

- To identify the contribution by the ETUC to the Earth Summit on sustainable development held in Johannesburg in 2002:
 - <http://hesa.etui-rehs.org/uk/dossiers/files/develop-durable.pdf>
 - <http://www.ilo.org/public/english/dialogue/actrav/enviro/index.htm>
 - <http://www.etuc.org/a/1418>
- To identify your organisation's approach to sustainable development issues

Tasks

Having familiarised yourself with the enclosed documents, please give personal answers to the following questions:

1. How do your organisation and the other trade union organisations in your country view sustainable development?
2. What are the main problems and challenges in your country raised by the three dimensions of sustainable development: economic, social and environmental?
3. How does the interaction between these three dimensions affect the approach, demands and action of trade union organisations?

Outcome

The findings from this section will be used as a basis for group work at various stages of the course.

■ B. Methodology

For each **training sequence** (based on a training objective) we suggest a structure and provide information on:

- secondary objectives;
- pedagogical approaches: these are generally in three stages, starting with awareness-raising, moving on to a theoretical input and ending with the practical implementation;
- methods (interactive, affirmative and active) suited to the type of approach and corresponding techniques;
- resources: examples (activity sheets) are provided in the Annexes section;
- duration: when using affirmative methods (introductions, presentations, etc.) it should be borne in mind that the participants' attention span will not exceed 20 minutes. If a presentation is to last more than 20 minutes, it should be ensured that interactive (question-based) and practical components are included.

■ C. Training Sequences

1. SITUATION AT NATIONAL AND REGIONAL LEVEL: JOINT ANALYSIS OF PROBLEMS AND CHALLENGES

To address the issue of sustainable development at European level, we would suggest initially allowing participants to familiarise themselves with the situation in their own countries and to work together to produce a brief preliminary joint analysis comparing the different national situations. This exercise involves outlining how sustainable development is perceived within the union organisations in the various countries, identifying the main difficulties and challenges in terms of combining sustainable economic, social and environmental development, and how the interaction between these three dimensions affect the approaches, demands and action of trade union organisations. In other words, the aim is to counter the fairly widespread assumption that sustainable development is something that is unrelated, or even runs counter to trade union priorities at national and regional level.

Having outlined the situation (through exchanging information and experiences at national and trade union level), the next task is to identify the main difficulties and challenges as well as any common aspects, and to explain the main differences. This initial analysis will highlight what aspects are common to all the countries represented and as well as pinpointing differences at European level or between regions (on international courses).

We would suggest the following training sequence:

Training Sequence 1	SITUATION AT NATIONAL AND REGIONAL LEVEL: JOINT ANALYSIS OF PROBLEMS AND CHALLENGES
Primary Objective	<ul style="list-style-type: none"> • to clarify the conceptions behind and challenges raised by sustainable development and to exchange information on national practicalities; • to conduct a comparative analysis at national and regional level.
Secondary Objectives	<ul style="list-style-type: none"> • to raise awareness of the issue of sustainable development in the various countries present; • to identify the main challenges and problems raised by sustainable development; • to conduct a preliminary joint analysis of the challenges and problems, so as to highlight similarities and differences.
Approaches	<ul style="list-style-type: none"> • raising participants' awareness through Q&A; • theoretical input delivered by an expert; • practical application in group work.
Methods and techniques	<p>We would suggest:</p> <ul style="list-style-type: none"> • interactive method for raising awareness (Q&A session); • affirmative method for delivering the theoretical input (presentation by an expert to clarify about the issues and the players involved); • follow-up through group work.
Resources	<ul style="list-style-type: none"> • expert; • this guide; • PPT presentation / slides; • experience of participants; • questionnaire; • activity sheet; <p>A sample Activity Sheet is enclosed.</p>
Duration	3 hours 30 to 4 hours

2. CONCEPTIONS AND CHALLENGES OF SUSTAINABLE DEVELOPMENT AND THE ROLE OF INTERNATIONAL INSTITUTIONS

Following preliminary work on identifying the challenges raised by and the conceptions underlying sustainable development, we feel it is important to present the various parties involved in the debate on sustainable development, not least the international players.

For more detailed information, please consult the guide.

Training Sequence 2	CONCEPTIONS AND CHALLENGES OF SUSTAINABLE DEVELOPMENT AND THE ROLE OF INTERNATIONAL INSTITUTIONS
Primary Objective	<ul style="list-style-type: none"> • To identify the main sustainable development players.
Secondary Objectives	<ul style="list-style-type: none"> • to identify and become familiar with the various players involved in sustainable development, in particular the European players; • to identify players likely to be of assistance to trade unions.
Approaches	<ul style="list-style-type: none"> • raising participants' awareness through an interactive Q&A session; • theoretical input delivered by an expert; • practical application in group work.
Methods and techniques	<p>We would suggest:</p> <ul style="list-style-type: none"> • an interactive method for raising awareness (Q&A session); • an affirmative method (presentation by an expert); • a follow-up discussion and debate in the plenary.
Resources	<ul style="list-style-type: none"> • expert; • this guide; • PPT presentation / slides; • experience of participants; • list of questions.
Duration	45 minutes to one hour

3. THE MAIN CHALLENGES RAISED BY SUSTAINABLE DEVELOPMENT FROM A TRADE UNION VIEWPOINT

This section of the course will give participants more in-depth knowledge of a particular topic area covered by the team of trainers that is a key contributor to sustainable development. The number of topics addressed will depend on the size of the group and the availability of experts.

We would suggest working on four topics by asking each expert to give a brief introduction (approximately 15-20 minutes) to the plenary. More details will be explored in the working groups, which will be supported by the experts, and a group report will then be presented and discussed in the plenary.

The day will conclude with a round table discussion in which each expert, with guidance from the trainers, will draw on the difficulties identified in the working groups and focus discussions on the various key points and the concept of sustainable development itself with a view to devising an appropriate strategy.

For more detailed information, please consult the guide.

Training Sequence 3	THE MAIN CHALLENGES RAISED BY SUSTAINABLE DEVELOPMENT FROM A TRADE UNION VIEWPOINT
<p>Primary Objective</p>	<p>Chapter 29 of Agenda 21 adopted in Rio underscores the role of workers and trade unions and their involvement as players in implementing a sustainable development strategy at all levels, in particular in drafting and adopting social standards.</p> <p>On the specific topic presented in the plenary (i.e. either climate change and clean energy; or chemicals and the REACH Directive; or employment and corporate social responsibility) that the particular group was allocated, the group members should:</p> <p>identify the main challenges facing trade union organisations based the three dimensions – economic, social and environment – of sustainable development and identify what kind of trade union action is required to tackle them.</p>
<p>Secondary Objectives</p>	<ul style="list-style-type: none"> • to put questions to the experts on the specific topic presented in the plenary and allocated to the participant’s group; • to identify the challenges for trade union organisations at European, national and company level by analysing the situation, considering the various problems and drafting guidelines for addressing them; • to classify each of the challenges within one of the dimensions of sustainable development (table 1); • to analyse the impact (positive or negative) of that challenge on the other 2 dimensions using table 2.
<p>Approaches</p>	<ul style="list-style-type: none"> • raising participants’ awareness (working group); • theoretical and detailed input delivered by an expert; • practical application via discussions and debate.
<p>Methods and techniques</p>	<p>We would suggest:</p> <ul style="list-style-type: none"> • an interactive method for raising awareness (working group); • an affirmative method (presentation by an expert); • follow-up discussion and debate in the plenary.
<p>Resources</p>	<ul style="list-style-type: none"> • expert; • this guide; • PPT presentation / slides; • experience of participants; • activity sheet. <p>A sample Activity Sheet and table is enclosed.</p>
<p>Duration</p>	<p>2 hours 30 minutes</p>

4. THE ROLE OF TRADE UNIONS AS SUSTAINABLE DEVELOPMENT PLAYERS AND THE ETUC STRATEGY

In this programme, we aim to identify how appropriate the ETUC’s positions are on sustainable development through discussing the various priorities. This requires the presence of an expert– generally the Confederal Secretary responsible for the dossier – to outline the challenges facing European trade unions and the affiliated organisations.

This programme may also be supplemented and in our suggested programme we have done just that by adding a presentation on the ETUC’s external policy and relations with other continents.

The programme is prepared based on questions raised in working groups, which generate the discussion with the Confederal Secretary/expert.

For more detailed information, please consult the guide or the ETUC website.

Training Sequence 4	THE ROLE OF TRADE UNIONS AS SUSTAINABLE DEVELOPMENT PLAYERS AND ETUC STRATEGY
Primary Objective	Identifying the ETUC position as regards sustainable development.
Secondary Objectives	<ul style="list-style-type: none"> • identifying the ETUC guidelines and current discussion issues; • investigating in more detail the discussion points raised during previous work with experts.
Approaches	<ul style="list-style-type: none"> • raising participants’ awareness using a Q&A session; • theoretical input delivered by an expert; • practical application through discussions and a debate.
Methods and techniques	<p>We would suggest:</p> <ul style="list-style-type: none"> • an interactive method for raising awareness (Q&A session); • an affirmative method (presentation by an expert); • follow-up discussion and debate in the plenary.
Resources	<ul style="list-style-type: none"> • expert; • this guide; • PPT presentation / slides; • experience of participants; • list of questions.
Duration	1 hour 30 minutes to 2 hours

5. TRADE UNION STRATEGY AT COMPANY, REGIONAL AND INTERNATIONAL LEVEL

This programme will give participants the opportunity to plan trade union action for promoting sustainable development. By working in multinational and transnational groups participants are encouraged to discuss strategies and make choices.

Discussions will focus on the ETUC guidelines and will provide an opportunity for participants to formulate action plans that can be converted into national and regional action. These will be re-focused on the particular needs of the organisations and participants in the next training sequence (Training Sequence 6).

For more detailed information please consult the guide.

Training Sequence 5	TRADE UNION STRATEGY AT COMPANY, REGIONAL AND INTERNATIONAL LEVEL
Primary Objective	<ul style="list-style-type: none"> ● To strengthen the ability of national confederations to promote sustainable development. ● To formulate strategies and action plans for promoting promote sustainable development.
Secondary Objectives	<ul style="list-style-type: none"> ● to develop a more systematic role for the unions as sustainable development players; ● to devise strategies and trade union action for promoting sustainable development at both national and transnational level; ● to suggest the cooperation frameworks required to implement these strategies (partnership, joint work, platform, forum, etc.), identifying which partners are needed and what forms the cooperation should take; ● to consider the instruments required for implementing these strategies (a list should be compiled).
Approaches	<ul style="list-style-type: none"> ● raising participants’ awareness via a Q&A session; ● practical application.
Methods and techniques	<p>We would suggest:</p> <ul style="list-style-type: none"> ● an active method for raising awareness (working group).
Resources	<ul style="list-style-type: none"> ● expert; ● this guide; ● PPT presentation / slides; ● experience of participants; ● activity Sheet; <p>A sample Activity Sheet and Table are presented in this guide.</p>
Duration	2 hours 30 minutes

6. EQUIPPING TRADE UNIONS TO TAKE ACTION TO PROMOTE SUSTAINABLE DEVELOPMENT– ACTION PLAN

This programme will give participants the opportunity to plan trade union action for promoting sustainable development. By working in multinational and transnational groups participants are encouraged to discuss strategies and make choices.

Discussions will focus on the ETUC guidelines and will provide an opportunity for participants to formulate action plans that can be converted into national and regional action. These will be re-focused on the particular needs of the organisations and participants in the next training sequence (Training Sequence 6).

For more detailed information please consult the guide.

Training Sequence 6	EQUIPPING TRADE UNIONS TO TAKE ACTION TO PROMOTE SUSTAINABLE DEVELOPMENT – ACTION PLAN
Primary Objective	<ul style="list-style-type: none"> • To encourage participants to identify the resources, skills, know-how and potential for action in their own organisations that will help them take action on promoting sustainable development.
Secondary Objectives	<ul style="list-style-type: none"> • to help participants prepare a personal action plan to be implemented over the next six months; • to enable participants to play a proactive role in promoting sustainable development.
Approaches	<ul style="list-style-type: none"> • individual work; • practical application.
Methods and techniques	<p>We would suggest:</p> <ul style="list-style-type: none"> • individual work based on notes taken in previous sessions.
Resources	<ul style="list-style-type: none"> • activity Sheet; <p>A sample activity sheet (Activity Sheet 4) is presented later in this guide.</p>
Duration	3 hours

7. ANNEXES: SAMPLE ACTIVITY SHEETS

Pedagogical sequence 1

	<p>Situation at national and regional level: joint analysis of the problems and challenges</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">"How to develop trade union activities on sustainable development" 26 - 29 October 2006 - Turin (I) PED 652.34</p>	<p>Aims:</p> <ul style="list-style-type: none"> • to clarify the conceptions and challenges related to sustainable development and share information on the situations at national level; • to conduct a comparative analysis at national and regional level. <p><i>In other words, we have to counter the fairly widespread assumption that sustainable development is something that is unrelated or even runs counter to trade union priorities at national and regional level.</i></p> <p>Tasks:</p> <ol style="list-style-type: none"> 1. How is sustainable development perceived within your organisation and within the other trade union organisations in your country? 2. What are the main problems and challenges in your country as regards the three dimensions of sustainable development: economic, social and environmental? 3. How does the interaction between these three dimensions affect the approach, demands and action of trade union organisations? 4. After taking stock of the situation (sharing information and experiences at national and trade union level) what are the main problems and challenges in Latin America and in Europe? Where are the similarities and how can the main differences be explained? <p>Resources:</p> <ul style="list-style-type: none"> • the ETUC contribution; • the expert contribution on the conceptions and challenges of sustainable development; • each participant's knowledge of the economic, social and environmental situation in their country. <p>Duration: 2 hours</p> <p>Report:</p> <p>The group report will focus on the joint analysis and the comparisons (question 4). You can use the tables provided, focusing on those aspects that the group considers to be the most important.</p>

Table 1: Main problems and challenges

Dimension	Latin America	Europe
1. Economic		
2. Social		
3. Environmental		
4. Other		

Table 2: Comparative analysis – Reasoning

Main problems challenges	Similarities	Differences (why ? How ?)
1. Economic		
2. Social		
3. Environmental		
4. Other		

Pedagogical sequence 2

	<h2 style="color: #e67e22;">Main challenges</h2>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"> Ways to develop trade union activities linked to sustainable development 26 - 29 October 2006 – Turin (I) PED 652.34 </p>	<p>Chapter 29 of Agenda 21 adopted in Rio stresses the role of workers and trade unions and their involvement as actors in implementing a sustainable development strategy at all levels, particularly in terms of developing and adopting social standards.</p> <p>Suggested topics for the plenary session:</p> <ul style="list-style-type: none"> • food and agriculture; • climate change and clean energy sources; • chemicals and the REACH directive; • employment and corporate social responsibility (CSR). <p>Objectives: Outline the main challenges faced by trade unions in each of the three dimensions of sustainable development - economic, social and environmental - and trade union action that can be taken.</p> <p>Tasks:</p> <ol style="list-style-type: none"> 1. Ask topic experts about the issue presented and allocated during the plenary session. 2. What are the challenges for trade union organisations at the European, national and company levels? Analyse the situation, identify problems and list the trends. 3. List each challenge under one of the three dimensions (Table 1). 4. Note the impact (positive or negative) that each challenge has on other dimensions in Table 2. <p>Report: The group will appoint a spokesperson to present the results to the plenary session.</p> <p>Group work: The session will last for two and a half hours including a break.</p> <p>Resources: Presentations made by the experts and their answers. Presentation of concepts and terminology. Speech by Pierre Bobe</p>

	CHALLENGE Task 3	CONSEQUENCES FOR OTHER AREAS Task 4
ENVIRONMENT		
SOCIAL		
ECONOMIC		

Pedagogical sequence 3

	<p>Trade union strategy</p>
<p>Ways to develop trade union activities linked to sustainable development 26 - 29 October 2006 – Turin (I) PED 652.34</p>	<p>Aims:</p> <ul style="list-style-type: none"> • strengthen national confederations' capacities for addressing the issue of sustainable development; • develop strategies and actions for promoting sustainable development. <p>Tasks:</p> <p>After refining the concepts, including the framework, address the challenges of sustainable development by:</p> <ol style="list-style-type: none"> 1. Developing a more systematic role for trade unions as sustainable development players. 2. Devising national and transnational trade union strategies and action for promoting sustainable development. 3. Proposing cooperation strategies (partnerships, joint work, platforms, forums, etc) with particular partners and forms of cooperation. 4. Discussing the tools needed for implementing the strategies and compiling a list of those strategies. <p>Resources:</p> <ul style="list-style-type: none"> • presentations and work from our seminar; • your accumulated experience. <p>Time:</p> <p>2 hours; 10' presentation</p>

Trade union strategy: notes				
levels	stratégic aims	Actions	Tools and instruments	Cooperation arrangements
1. National				
2. Regional (Europe - Latin América)				
3. International				

Pedagogical sequence 4

	<p>Trade Union Strategy Personal Action Plan</p>
<p>« Comment développer des activités syndicales sur le développement durable et l'emploi » Dates : 13 au 16 septembre 2007 - Lieu : Turin (I) - 752.33 PED</p>	<p>Aim: Mobilise the participants' resources within their own organisation, in terms of skills, knowledge and potential for action, for promoting sustainable development.</p> <p>Task: Work individually; please prepare a personal action plan for playing your own part in promoting sustainable development. Please prepare a plan for the next 3 - 6 months.</p> <p>Report: This activity takes 30 minutes. Each of the participants will have 5 minutes to present their personal plan in the plenary session.</p>

Trade Unions and Sustainable Development

Preamble

1. Trade unions and sustainable development: achievements

Although they are chiefly acknowledged for their main role as social and economic actors, Europe's trade unions have also been addressing environmental issues for a long time.

Trade unions have been questioning the ways in which work organisation and technical progress have been evolving. During the 1970s, the rational use of natural resources and the controlling and saving of energy were widely supported by trade unions in Europe. The questions raised by trade unions at the Rio and Johannesburg conferences on universal access to public resources such as water, energy, food, education and health and their global campaigns on decent work are as topical as ever.

The work of trade unions on controlling the risks inherent in industrial activity showed the connection between external risks and those arising within companies. The disasters at Bhopal, Chernobyl, Seveso and AZF have re-ignited public debate on the safety of facilities and the participation of employees and their representatives in the prevention of industrial risks, though also on how land is managed and the risks to people living in areas near to industrial plants.

Catastrophes such as the Erika oil spill have reopened debate on the organisation of maritime transport, the employment status of seamen and the right to a clean environment.

Although progress has been made in terms of the management of the risks inherent to industrial activity, the development of science and technology has created new hazards or shifted old ones to new areas. The developments in genetic engineering, cloning and nanotechnology as well as the BSE crisis have exposed new risks, some of which will take a long time to be understood and controlled.

2. The scope of sustainable development has widened considerably

Over two decades, the perception of environmental hazards has changed considerably. It has evolved from a local phenomenon (e.g. the British fogs caused by coal dust, the heating of rivers near power stations) to a regional (e.g. the identification of acid rain - SO_x and NO_x - and the nuclear accident at Chernobyl) and then global phenomenon, as illustrated by climate change.

A number of global obstacles to sustainable development are more worrying today than they were ten years ago. Poverty is endemic, with 800 million people underfed

PREAMBLE

and malnourished, while billions do not have access to drinking water, adequate sanitary facilities or energy. Although programmes have been set up to address climate change and the disappearance of biodiversity, largely thanks to the Kyoto Protocol and the UN Convention on Biological Diversity, it is clear that these issues, on which human lives depend, are not yet being satisfactorily dealt with.

Two conceptions of sustainable development are currently struggling for supremacy. On the one hand, there are the defenders of the economic approach to sustainability, whose goal is to optimise the utilisation of resources (natural, productive, human) with a view to the long term. This is the approach supported by the major international organisations. On the other hand, associations and environmentalists favour an environmental approach to sustainability, reject the substitution of one form of resources for another and argue that we need to conserve a stock of natural resources to pass on to future generations.

Beyond the differences between the two conceptions, the underlying philosophy is the preservation of something that is regarded as having lasting value. However, agreement has yet to be reached on what it is that needs to be preserved.

At the same time, environmentalist NGOs have increased in numbers and brought to the attention of the media a debate that up to the 1980s had been confined to production sites.

In this context, trade unions are being increasingly challenged to address issues other than those directly related to enterprises and to represent the interests of workers on a local and global scale.

3. The challenges of sustainable development for trade unions

- *Anticipate and manage the transitions required for sustainable development*

The UN's concept of sustainable development, as defined in 1987 by the Brundtland report, is characterised as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". This definition stresses the limits (the Earth has finite dimensions and its resources are therefore also finite), the very long term (beyond the usual horizons of company management) and the need to take into account the interests of other actors, present and future.

It is becoming obvious that the lifestyle of wealthy countries is not viable in the long term and cannot be reproduced on a global scale for want of energy, water and space in adequate quantities and of appropriate quality.

Inadequate resources coupled with increasing interdependence and flagrant inequalities mean that political and society-wide solutions are needed. These must instigate thoroughgoing reform strategies at all levels for achieving a wholesale reorganisation of resource allocation, including between the "haves and have-nots", and ensuring that the interests that are currently being ignored will be taken into account in the future.

PREAMBLE

For this reason, sustainable development implies a renewal of democracy. Lifestyle changes will only be possible if they are credible and accepted by all citizens. They will require the implementation of as yet untested participative processes. The trade unions will need to help guarantee an adequate balance between the social, economic and environmental consequences of intended reforms and changes.

They will therefore be required to negotiate fair transitions based on accurate data concerning the social repercussions of the various changes and measures planned, instruments for the prevention and alleviation of such repercussions, and secure their own involvement in the strategy planning process and recognition of their role through obtaining appropriate rights and areas of competence.

European trade unions also need to realise that an unsustainable form of development would lead to social upheavals with unacceptable economic consequences, including in developed countries.

- *Is there an «employment vs. environment» dilemma?*

When dealing with the practical consequences of environmental issues, trade unions may be faced with conflicts between direct benefits for employment and longer-term environmental benefits, especially if companies threaten to close down facilities.

However, trade unions have one particular strength, which is their ability to assess environmental, social and economic costs and benefits simultaneously. A cross-sectoral approach may also help generate a more balanced vision. This means that trade unions can help ensure balance in the process of identifying and classifying issues and in the choice and implementation of sustainable solutions.

To meet the needs of present generations without compromising the prospects of future generations, strategies need to be defined which incorporate economic, social and environmental goals. These different goals (in particular employment and environment) should not be viewed as contradictory but as factors ensuring high-quality development in the broader sense.

- *Enterprises and sustainable development*

Environmental concerns will play an increasingly central part in production processes. They will affect choices in terms of raw materials, technology and the use of human resources. Demands by citizens for information on the life cycle of products will force enterprises to change, as indeed some of them are already doing. Sustainable development emphasises the relations between all actors all the way down the supply chain: respect for children's rights, safety training, ISO 14001 certification, environmental statements, "green" products, etc. Trade unions, which generally include representatives and members from suppliers and customers in many countries are already making a contribution here.

- *A new area of consensus-building and negotiation*

Another important stake for trade unions is the possibility of considerably

PREAMBLE

broadening their area of activity and increasing their influence while supporting sustainable development. Sustainable development has opened up a new arena for dialogue, consensus-building and negotiation with management at company level, and also at the sectoral and cross-sectoral levels.

Environmental issues have sometimes been raised by trade unions within the scope of collective bargaining. Issues such as hazardous substances, transport and waste processing have been included on the agenda. In some countries, workers' representatives and trade unions now have the right to take environmental initiatives and participate in the drawing-up of environmental management plans.

However, the implementation of these various trade union roles required that trade union rights be broadened and increased in the areas of information, consultation, participation, negotiation and therefore training and expertise.

The part played by trade unions in the application of health and safety protection measures, the promotion of public health and the creation of decent jobs (at the European and global level, in particular in multinationals) must be acknowledged and formalised. This can only be done by reaffirming Chapter 29 of Agenda 21 (Rio Earth Summit, 1992), ratifying the ILO conventions and drawing up basic social standards within the ILO.

In the face of new and complex issues with ill-defined consequences and challenges to our styles of production and consumption, trade unions must not yield to the temptation of corporatist withdrawal. On the contrary, they need to deal with such issues proactively, using their acquired knowledge and experience, and to be able to devise solutions for discussion with all actors concerned. Trade unions therefore need to approach sustainable development from a broad, society-wide perspective.

- *The role of European trade unions*

Although many environmental issues remain the province of local public authorities, the geographical scope of the general problem of the environment requires a collective, transnational and legitimate response, i.e. a pan-European response. In Europe, sustainable development is a basic constitutional concern since it was included in the Amsterdam Treaty as early as 1987. The Göteborg Council (2001) later added an environmental pillar to the «Lisbon Strategy» and adopted a joint strategy for promoting sustainable development.

The European Trade Union Confederation (ETUC) has attempted to coordinate the sustainable development strategy with its action promoting social Europe.

First, it worked on the issue of environmentally friendly jobs by initiating cooperation with an alliance of environmental NGOs, the European Environmental Bureau (EEB).

This alliance then extended to the Platform of European Social NGOs (the «Social Platform»). It now aims to influence the policies of the European Union so that they contribute to sustainable, balanced development in which social justice, competitiveness and environmental sustainability are goals that mutually reinforce rather

PREAMBLE

than exclude each other. The most significant action taken by this alliance was a 2003 campaign entitled «Investing for a Sustainable Future»¹.

**«Investing for a Sustainable Future» ETUC – EEB -
Social Platform campaign,**

November 2003

The «Investing for a Sustainable Future» campaign launched jointly by the European Confederation of Trade Unions, the European Environmental Bureau and the Platform of European Social NGOs calls on the European and national public authorities to implement their commitment to sustainable development by granting the financial resources and incentives required for public investments that generate sustainable social and environmental benefits.

The campaign manifesto contains proposals concerning the manner in which the EU's policies and mechanisms can stimulate sustainable investment, in particular the regulations on public tenders, the reform of the Stability and Growth Pact, the utilisation of European budgets and the transfer of taxation from labour to natural resources and capital gains. Moreover, joint priorities are defined concerning two key investment areas: housing and transport.

At the same time, the ETUC has initiated a process of reflection on sustainable development and the environment based on the experience of its national affiliates and European industry federations. In 2002, the preparation of the European trade union contribution to the Johannesburg Summit² provided an opportunity to define the ETUC's priorities in the area of sustainable development. Chemical hazards, energy and climate change, food safety and increasing trade unions' competence in the field of sustainable development were identified as core issues and remain so today.

The ETUC's commitment to a Europe of fundamental social rights, social justice and solidarity, and full and high-quality employment has therefore been supplemented by its support for a Europe that promotes a high-quality environment and quality of life.

Currently, the ETUC's main concern is to be recognised as an actor capable of generating proposals, building consensus and negotiating a form of sustainable development which takes into account the aspirations and actual experience of employees as well as societal changes.

The ETUC is seeking to develop its particular areas of expertise, independently from the employers' organisations and the European institutions, specifically on REACH (chemicals) and the impact of climate change on employment.

¹ See the manifesto adopted by the ETUC, the EEB and the Social Platform (http://www.etuc.org/IMG/pdf/Manifesto_for_Sustainable_Investment.pdf).

² European Trade Unions – Actors for Sustainable Development, An ETUC contribution to the Johannesburg Earth Summit, 2002

PREAMBLE

With that in mind, it is working on the definition of joint positions for its affiliates, as well as any proposals required for promoting and supporting sustainable development. To that end, an ETUC working group on «Sustainable Development, Climate and Energy» was set up, which is chaired by the Confederal Secretary in charge of sustainable development issues and includes national affiliates and European industry federations. The group meets regularly.

The ETUC is represented in a number of advisory bodies and on the Management Board of the European Chemicals Agency in Helsinki.

The European industry federations and national trade union confederations are able to address sustainable development via the European sectoral social dialogue committees and European Works Councils, in which they are represented by coordinators. The European Metalworkers' Federation (EMF) is represented on the Steering Committee of the UICOS European research and development programme.

In view of Europe's economic and political weight at world level, the part played by the European trade unions at the European level also has a global impact. For instance, the European trade unions are able to influence issues relating to equality in the world, contribute to giving all its inhabitants access to essential goods and services, and encourage appropriate management of global resources and hazards. The ETUC actively participates in the major international conferences of the UN (COP, CSD, UNEP, ILO, etc.) and the WTO, in close cooperation with the International Trade Union Confederation (ITUC), and on the Board of the international trade union foundation Sustainlabour.

The Sustainlabour Foundation

The Sustainlabour Foundation was created in 2004 to develop tools for promoting the action of international trade unions on sustainable development. The tools include training modules, studies and research, databases of trade union practice, experience and indicators, and the organisation of events (conferences, seminars, etc.) for initiating exchanges between trade unions and the various stakeholders in sustainable development.

Part 1

Sustainable Development

1. Milestones and evolution of the notion

The notion of sustainable development was popularised in 1987 by a report by the UN World Commission on Environment and Development (Brundtland report) entitled «Our Common Future». The definition supplied in this report is the one most often quoted:

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

The definition also emphasises that «it contains within it two key concepts: the concept of `needs', in particular the essential needs of the world's poor, to which overriding priority should be given; and the idea or limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs».

The very general nature of this definition explains both the success of a «catch-all» phrase and the many interpretations which have arisen from it³. Sustainable development is a concept constructed and developed in line with the approaches of its main stakeholders. The principles behind it (see below) are not accepted by all the stakeholders, or at any rate are not accorded equal importance by each.

The German philosopher Hans Jonas can be credited with the basic ideas on which the concept of sustainable development has been built. In Jonas's view, human beings must act systematically so as to cause zero damage and actors must answer for their actions, no longer after the fact, but *ex ante*, by demonstrating that their actions will cause no potential damage. The political authorities must ensure that all its actions comply with the «imperative of responsibility» and educate citizens also to comply. Jonas thus erected the bases for the two major underlying principles of sustainable development: intergenerational solidarity and the precautionary principle (see below).

Despite the changing nature of the notion of sustainable development, some central features can be gleaned from the historical development of the term.

A. From catastrophe theory to sustainable development

With its 1972 report «The Limits to Growth», the Club of Rome was first in drawing attention to the dangers of uncontrolled economic and demographic growth for the planet's ecosystems. Its proposals, and in particular the one concerning zero growth, sparked off a debate on a new form of development aimed at combining economic growth with environmental protection.

³ The phrase «sustainable development» is itself controversial. While some prefer the idea of sustainability (i.e. something which can be supported by our environment in the medium and long term), others like to think in terms of «durability» (as in the French expression «développement durable») and insist on maintaining consistency between requirements and the Earth's long-term resources rather than seeking the point up to which Earth will be able to feed all of humanity.

As the irreversible deterioration of the environment became apparent, many came to assume that catastrophes would provide a learning experience (as catastrophe theorists René Thom and Christopher Zeeman had indicated). Faced with a serious catastrophe, humanity would pull itself together and, under public pressure, economic and political leaders would develop the will they lacked in ordinary times. However, history shows that catastrophes can only lead to significant decisions if they are preceded by major efforts on problem-solving, policy-building and awareness-raising. Policy decisions are the only way forward.

In this respect, the 1987 Brundtland report breaks significantly from the catastrophe approach by stressing the notion of sustainable development, whereby the need to coordinate social and economic development, combat inequalities and preserve the environment and natural resources are emphasised. The environment becomes the vital resource for development: if the environment is destroyed, development will ultimately collapse. By the same token, a world with endemic poverty will naturally engender environmental catastrophes.

The report proposes a two-pronged approach to solidarity:

- intra-generational: each inhabitant of planet Earth has the same rights to the planet's resources;
- inter-generational: although we may utilise the Earth's resources, we are also under the obligation to ensure their sustainability for the coming generations.

The Brundtland Report - extracts

"The concept of sustainable development does imply limits - not absolute limits but limitations imposed by the present state of technology and social organization on environmental resources and by the ability of the biosphere to absorb the effects of human activities. But technology and social organization can be both managed and improved to make way for a new era of economic growth. The Commission believes that widespread poverty is no longer inevitable. A world in which poverty is endemic will always be prone to ecological and other catastrophes."

"Meeting essential needs requires not only a new era of economic growth for nations in which the majority are poor, but an assurance that those poor get their fair share of the resources required to sustain that growth. Such equity would be aided by political systems that secure effective citizen participation in decision making and by greater democracy in international decision making."

"Sustainable development can only be pursued if population size and growth are in harmony with the changing productive potential of the ecosystem."

"Yet in the end, sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs. We do not pretend that the process is easy or straightforward. Painful choices have to be made. Thus, in the final analysis, sustainable development must rest on political will."

B. The Rio Earth Summit: the first incarnation of sustainable development

The 1992 Rio Earth Summit was a turning-point in the realisation of the risks affecting the future of humanity and the need for global governance of human development and natural resources. This is also when sustainable development was given the task of promoting convergence between the North and the South.

A number of important texts were adopted on this occasion: the Rio Declaration on Environment and Development, which includes 27 principles for sustainable development and an action programme for the 21st century known as Agenda 21, which lists some 2,500 recommendations for implementing the principles in the declaration.

**Rio Declaration on Environment and Development
The 27 basic principles of sustainable development**

- 1) Human beings are at the centre of concerns,
- 2) Mindful of present and future generations,
- 3) States which shall cooperate in good faith,
- 4) Shall have the sovereign right to exploit their resources without causing harm to the other States,
- 5) Which shall be notified of all catastrophes,
- 6) Or hazardous activities which may affect them,
- 7) Environmental protection forms an integral part of the development process,
- 8) Eradicating poverty is an indispensable requirement for sustainable development,
- 9) And concerns all States,
- 10) Which have common but differentiated responsibilities,
- 11) Unsustainable patterns of production and consumption must be eliminated
- 12) In favour of viable patterns, the dissemination of which must be encouraged.
- 13) The public shall be involved in decisions,
- 14) Within the scope of effective legislative measures,
- 15) Economic measures which internalise costs using the «polluter pays» principle,
- 16) With impact studies,
- 17) Any measures which do not constitute unjustified trade barriers,
- 18) While ensuring the liability of those who cause damage,
- 19) And avoiding the transfer of polluting activities,
- 20) The precautionary principle shall be applied,
- 21) A number of major groups have special roles to play: women,
- 22) Young people,

- 23) Local and native communities,
- 24) Peace, development and environmental protection are interdependent and indissociable,
- 25) Laws providing protection for the environment shall be respected in times of armed conflict,
- 26) And in the case of oppressed and occupied peoples,
- 27) Environmental disputes shall be resolved peacefully.

In addition to representing progress for many peoples (women's rights, access to drinking water, sanitation, food safety, health and education, social rights, consumer rights) the commitments of the Rio Summit provide a set of proposals and even concrete measures for supporting trade union action in this area.

The Rio Summit acknowledges that sustainable development requires the participation of all the major groups in our societies and the support of all stakeholders. «Workers and their trade unions» are recognised as one of the 9 major groups. Section 3 of Agenda 21 provides detailed explanation of the goals themselves and ways of strengthening the role of these major groups.

Agenda 21 defines some objectives for action to which the unions are committed:

- ensuring safety in the workplace and in the environment, inside and outside enterprises;
- eradicating poverty and promoting eco-compatible jobs;
- developing responsibility and collective bargaining in all areas;
- massively increasing education;
- mainstreaming equality between men and women;
- promoting freedom of association;
- promoting human rights.

The Rio Summit also led to the signing of two international framework conventions, one on climate change and the other on the protection of biodiversity, and some progress was made on two conventions that went on to be signed in 1994, on desertification and forests.

C. A process that has since become rather bogged down

The 2000 Millennium Declaration adopted in September 2000 by 191 member states of the UN emphasised the eradication of poverty by defining «Millennium Development Goals». However, its impact on political and economic decision-makers was not comparable to that of the Rio Summit.

**The Millennium Development Goals:
8 specific goals to be achieved by 2015:**

- 1) Eradicate extreme poverty and hunger
- 2) Achieve universal primary education
- 3) Promote gender equality and empower women
- 4) Reduce child mortality
- 5) Improve maternal health
- 6) Combat HIV/AIDS, malaria, and other diseases
- 7) Ensure environmental sustainability
- 8) Develop a global partnership for development

The chief purpose of the 2002 World Summit on Sustainable Development in Johannesburg was to make a progress report on Rio. Its focus was on sustainable development and its goal was the adoption of a 153-article action plan on many subjects: poverty and pauperisation, consumption, natural resources and their management, globalisation, etc. However, in the end the Johannesburg World Summit turned into a pale copy of Rio.

More recently, the concept of sustainable development has become a reference for international institutions and conferences. The OECD (Organisation for Economic Cooperation and Development) includes in its "Guidelines". In 2001, the European Commission defined a «European strategy for sustainable development».

The various actors of civil society, including trade unions, are generally becoming better involved in the United Nations' work processes, thanks to new forms of participation (multiparty debates) introduced by the Commission on Sustainable Development.

However, the precise definition of the term «sustainable» remains as elusive as ever. Does «sustainable development» require maintaining a balance between North and South? Should the status quo be maintained by making a few marginal changes? Or should this be regarded as a process of change and a principle for political action to be steered by the demands of the social actors? The latter definition is clearly the one supported by the ETUC.

2. The main principles of sustainable development

The precautionary principle⁴

Often used inappropriately and confused with the principle of prevention, the precautionary principle is an ethical and political principle included in international law texts as well as a scientific principle. Based on the principle that «Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation», the Rio Declaration of 1992 stipulated that where greenhouse gas emissions were concerned the signatory States " will continue to apply the precautionary principle, that is to take action to avoid potentially damaging impacts (...) even where there is no scientific evidence to prove a causal link between emissions and effects".

Prevention better than cure

The prevention principle is based on an approach in which anticipation of the effects of a policy or product prior to making strategic decisions prevails over repairing the consequences of such decisions afterwards. The prevention principle requires the application of information, consultation, participation and awareness-raising arrangements, and training of the actors involved.

In terms of industrial relations, this approach requires enterprises to establish information, consultation and negotiation procedures prior to taking decisions that may in particular lead to restructuring, by ensuring that workers' representatives are equally well informed as their management counterparts. In environmental terms, this means assessing the negative impacts of a product on the environment at the design stage in order to minimise them, rather than dealing with environmental pollution by applying technical measures at the end of the production cycle.

The «polluter pays» principle

The purpose of the «polluter pays» principle is to discourage the development of activities harmful to the environment by setting a price for damage done. This is feasible as long as the polluter is clearly identified and is able to pay, but less so in the case of nonpoint source pollution.

The mainstreaming principle

The mainstreaming principle affirms the need for a global vision. This comprehensive approach, which requires all components of a phenomenon being taken into account, is well suited to the study of ecosystems, which are inhabited by interacting components. This principle also encourages researchers, scientists and managers to apply their knowledge to the complex problems that arise. Politicians should therefore encourage and organise such mainstreaming.

⁴ See AppendixSheet 8 of the Appendices

The participation principle

The participation principle is based on the fact that the decisions required to promote sustainable development are naturally collective. New procedures involving many different players need to be set up. Sustainable development cannot be imposed and has to be negotiated.

The subsidiarity principle

The debates governing the forms of development chosen and the resources to be allocated take place at several levels. Though consistency must be ensured between the local and global levels, the actors' perceptions and demands vary at the different levels. The appropriate levels for addressing particular problems, whilst observing democratic procedures, therefore need to be decided.

The responsibility principle

This principle should be understood as part of an ethical approach to the environment and development. Countries' interdependence means there is a global and universal level of responsibility as well as individual and local responsibilities. The common interest and corporate responsibility both need to be pursued. Companies need to assume their corporate responsibility at both the European and global levels.

The solidarity principle

This principle covers three areas:

- temporal solidarity between generations, to maintain natural resources and biological diversity;
- spatial solidarity, whether between developed and developing countries, or, on a smaller scale, between regions or within large conurbations;
- solidarity between social categories, to prevent particular groups suffering from both social and environmental inequalities.

3. Sustainable development and the difficulty of reconciling several conflicting factors

It is now commonly accepted that there are three dimensions to sustainable development and that it needs to reconcile economic efficiency with social well-being and the preservation of the environment («culture» and «governance» are sometimes added). In other words, the purpose of sustainable development is to meet the needs of the whole of humanity (economic concerns) while preserving the conditions in which nature can reproduce itself (environmental concerns) and maintaining fair social conditions that ensure peace and social cohesion (social concerns).

However, the problem is that these three dimensions are in a state of continual tension or even conflict. The challenge for public policy is to solve these dilemmas, choose between various options and negotiate compromises between the defenders of the different conceptions underpinning the three sorts of concerns.

Moreover, in this quest for solutions, sustainable development has to combine many different dimensions:

- varying levels of perception of sustainable development: global, intermediate, sectoral/branch, territorial, company level;
- timescales: the long-term preservation of natural resources and short-term economic decisions;
- cycles: political, economic, social, resources, the ecosystem, etc.

There is no ideal model for sustainable development. The stronger the degree of integration and balance between the social, environmental and economic dimensions, the more sustainable the development will be. This requires a combination of technological, industrial, organisational and social innovation as well as new approaches to governance and decision-making.

A. The three pillars of sustainable development

1 - The social dimension

In most debates on sustainable development, it is the environmental aspect which is highlighted. This is because the environmentalist actors, NGOs, vigorously defend their views in the media and vis-à-vis the national, European and international institutions.

However, the issue of employment and social inequalities is just as important a pillar as the other two. As specified in the Brundtland Report, «meeting the needs of the present» means that the poorest must have short-term access to their basic needs. That is how the notion is understood by most developing countries, especially the least advanced.

The application of the sustainable development goals requires at the very least an international acknowledgement of fundamental social rights, including workers' rights and the ILO Conventions.

The ILO Conventions are the fullest set of international standards. An international

consensus has gradually emerged in favour of global recognition and the specific protection of four core standards defined in eight ILO conventions⁵:

- 1) Prohibition of forced labour.
- 2) Freedom of association and the right to organisation and collective bargaining.
- 3) Eradication of the exploitation of children.
- 4) Non-discrimination at work.

The ILO considers that these standards constitute the basic rights of workers and can be applied anywhere, whatever the level of development of the country. According to many economists (R.M Stern, R. Bazillier, etc.), labour standards may in the medium and long term have a positive effect on economic growth and incomes via the determining factors in growth, which are productivity, investment in physical capital and investment in human capital. Demographics as well as the living standards and quality of life of households would also have an effect on the preservation of the environment and of natural resources.

Another important reference for the social aspect of sustainable development is the ILO's «Decent Work Agenda», which comprises four pillars: workplace standards and rights, job creation and development of enterprises, social protection, governance of the labour market and social dialogue.

2 - The economic dimension

Development is not simply a matter of economic growth. "Meeting the needs of the present without compromising the ability of future generations to meet their own needs» leads one to rethink the concepts of development and growth. «Sustainable development» contradicts a purely economic view of growth when the latter is calculated without taking into account factors which are difficult to assess in mercantile terms. The onslaughts of human activity on natural and cultural resources are never, or seldom, evaluated in financial terms. Things that cannot be measured in economic terms are generally considered as being without value.

Although flows are estimated in national accounts (GDP), economists have trouble evaluating "national heritage" accounts (i.e. a nation's natural resources). For instance, the storms of December 1999 increased GDP levels owing to the increase in work required for repairing the damage. However, we have no means of measuring the impoverishment of the country's natural resources due to the resulting destruction. If GDP rises as a result of environmental degradation or whilst there is continuing social inequalities, this can be termed "growth" but not development. Thus, sustainable development entails a quality-based, long-term approach.

The GDP is no longer an adequate gauge of the life expectancy and well-being of

⁵ Convention 29 on Forced Labour; Convention 87 on Freedom of Association and Protection of the Right to Organise; Convention 98 on the Right to Organise and Collective Bargaining; Convention 100 on Equal Remuneration; Convention 105 on the Abolition of Forced Labour; Convention 111 on Discrimination; Convention 138 on the Minimum Age for Admission to Employment; Convention 182 on the Worst Forms of Child Labour.

a country's population, the quality of its way of life or its ability to pass on an undiminished environmental heritage to future generations. In that sense, the state of health and education in a country, the ability of its citizens and workers to influence decision-making, the lack of discrimination and exclusion, and the distribution of wealth are as valuable to it as its level of GDP.

3 - The environmental dimension

> The main environmental challenges

The atmosphere

The main challenges in this area are climate change and the degradation of the ozone layer.

The medium- and long-term threat to the climate has been demonstrated by the IPCC (Intergovernmental Panel on Climate Change). Unless forceful, deliberate measures for the drastic reduction of greenhouse gas emissions are taken in the short term and on a global scale, there is a serious, lasting risk that terrestrial and marine ecosystems will be disrupted, as will the water cycle. The consequences include polar ice-cap and glacier melting, a perceptible increase in sea levels, flooding, deforestation, desertification, disruption of fishing areas, hurricanes and increasingly frequent weather disruptions.

Water

Pollution of the oceans by substances of all kinds is becoming a serious concern. Though it was long regarded as a free and renewable asset, water has become a global resource, the use and sharing of which are an increasing source of tension and conflict between countries.

Land

The annual loss of 6 million hectares of fertile and productive land worldwide is the result of multiple causes: soil erosion, desertification, deforestation, nonpoint source and accidental pollution, artificialisation due to excessive or unplanned construction, attacks on biodiversity.

Chemicals

The environmental component of chemical activities is probably the most visible. They are responsible for major air, water and soil pollution. They also generate considerable population-threatening technological risks such as toxic clouds, acid rain, explosions, oil spills and fire. With their economic, social and environmental components, chemical activities therefore present multiple challenges to society in terms of sustainable development – they demand innovative responses and have a major impact on standards of living, health and foodstuffs - and pose a serious threat to the future of ecosystems and the human race. As a result, trade unions have new responsibilities in terms of protecting the health of both the workers and the consumers who use chemical products.

Where major risks are concerned, each crisis or disaster tends to bring a series of

reforms in its wake. These include:

- the issuing of the «Seveso» directives following that disaster;
- the directive banning «floating dustbins» resulting the Prestige and Erika oil spills.

> **C h a n g e s r e q u i r e d i n p o l i c i e s**

The challenges of new technologies

Although the development of new technologies is helping solve health, waste processing and environment-renewal problems, they are also generating a new series of hazards. Concern about the development and use of biotechnologies, genetic engineering and nanotechnologies has arisen due to the difficulty of assessing their positive and negative effects.

The management of the environment as a heritage

By 2030, the population will have increased by another 2.5 billion inhabitants. The demand for non-renewable fossil fuels will soar. Developing countries will play an increasingly important role in global energy consumption as they develop their infrastructures, manufacturing industries and plant. The pressures on the environment will only increase over the next 25 years. The planet's environmental and energy balance in 2030 will very largely depend on the patterns of development adopted by developing countries. Also, the occupation of space, the utilisation of land and the consumption of forest and fishery resources raise the question of how to produce and consume without damaging the environment. The extension to much of the planet of the form of development pursued by Europe in the 20th century constitutes a major environmental challenge.

Although priority has so far mainly been given to flow processing in the form of combating pollutant emissions and controlled utilisation of resources, the chief concern of the coming decades will be the need to preserve resources, restore stocks and rehabilitate damaged environments. This approach to the environment as a heritage, which is at the core of sustainable development, will gradually take on great importance.

The need to prevent environmental hazards

The imperative of ever cleaner production requires the implementation of a preventive policy focusing on information, awareness-raising and large-scale training of citizens on savings of resources, the rational use of energy and waste management.

The notion of sustainability requiring environmental management within and outside companies represents a radical challenge to traditional approaches. The recovery-oriented policies now predominant in Europe will not, in the long term, prevent damage to natural and urban areas and environments. The treatment of environmental pollution by applying technical measures at the end of a production process is now proving inadequate. Failure to study and assess the negative environmental impact of a product at the design stage leads to the adoption of purely curative strategies with limited effects. As is now well understood, the associated problems are that:

- they do not take into account the negative effects they induce in other sectors, as depollution often means simply shifting pollution;
- they usually take the form of gradual improvements, the effect of which is to reinforce existing technologies to the detriment of groundbreaking innovation; the improvement of the electric-ignition engine is slowing down the transition to less polluting engine types (electrical engines with high-autonomy batteries, fuel cells, etc.);
- they do not encourage investment in clean production processes, but develop a new economic activity centred on depollution equipment, the promoters of which, for economic reasons, have a stake in opposing clean production;
- they are increasingly expensive due to the increasing strictness of the applicable standards. All low cost solutions have been tried. Nonpoint source pollution control is one example: substantial financial investment will be required to reduce it drastically.

We now need a strict European and global reference framework for producing and consuming without damaging the environment, as part of an approach to sustainable development that is both integrated and comprehensive.

The solutions are not only scientific and/or technical. Given the complexity of the problems to be solved and the resulting controversies, they also involve organisational and political choices.

The need to reduce all risks

Let us return to the challenge of climate change. How will it be possible to respond fairly to the energy requirements of the 10 billion individuals who will inhabit our planet in 2100 without increasing the global risks linked to the production and utilisation of its resources?

It is not merely a question of choosing between risks. These will have to be addressed simultaneously. The energy sector presents four types of risks:

- the depletion or rarefaction of fossil fuels such as coal, oil and natural gas;
- the increase of climate change due to the intensive use of fossil fuels;
- civilian and military nuclear risks (accidents, transport and storage of waste, proliferation);
- competition for land use caused by the intensive use of arable land for producing biofuels.

Development approaches centred on an abundant and cheap supply of energy cannot prevent these risks.

Development based on a sparing use of energy, by attempting to disconnect economic growth from energy consumption, appear to be the only way of preventing the need to choose between risks and minimise them over the next fifty years. Such approaches, which are based on energy demand rather than on supply alone, require energy policies that also cater for energy-hungry sectors such as transport and housing.

Facing all these risks will require the implementation of a huge programme of

investment in non-fossil energy production capacities (renewable, nuclear, etc.) coupled with ambitious measures to develop energy efficiency.

B. Interactions between the various dimensions of sustainable development: some examples

1 - Accumulation of social and environmental inequalities

Very often, social inequalities go hand in hand with environmental inequalities. For instance, underprivileged population groups are usually exposed to industrial and natural pollution and hazards. Future climate change will also have a larger social and economic impact on the poorest countries than the others. The IPCC report for 2007 forecasts that by 2030 there will be tens of millions of people with "climate refugee" status.

In industrialised countries, workers in precarious employment and high-risk jobs frequently live in poor-quality housing and a degraded environment. The association between poverty and a degraded environment, which is clear in the large metropolises of the South, shows that social inequalities also include an environmental dimension. Thus, social and environmental work needs to be combined in local communities.

The access to a high-quality environment demanded by the European population cannot be dissociated from living and working conditions. From this point of view, environmental protection has social consequences that cannot be ignored. It can also create problems and even generate conflicts.

Including environmental costs in our economic policies, in the form of taxes or fees or the added cost of substitute products, could increase inequalities since they may cause the price of consumer products to rise, thereby affecting the incomes of all consumers.

Industrial modernisation and the introduction of new technical facilities for improving environmental protection and public health will require management of the social transitions, changes and adaptations. The social impact will be of primary importance and trade unions will need to be at the forefront of the process.

2 - Producing and financing «global public property»

The concept of «global public property» is being increasingly used to analyse and find responses to transnational sustainable development problems.

The concept of global public property (or "common" property) raises two issues: that of global governance and that of the boundaries between public and private authorities at the global level.

In a context of market globalisation and limited intervention by states, many environmental, health related, social and educational goods and services can only be produced in adequate quantities and quality at the international level. Such assets are termed «public» or «common» due to the fact that their effects, both positive and negative, cannot be limited to a single group of countries or social group. They

cross the borders between states, generations, population groups, or the rich and poor⁶. This applies in particular to climate stabilisation, fresh water⁷, basic research, the struggle against the spread of diseases such as AIDS or malaria, or the struggle against poverty.

«Public property» can be used simultaneously by many people. Such assets are available on a «non-competitive» (the fact that a type of property is consumed by one person does not prevent it from being consumed by another) and «non-exclusive» (no one may be prevented from consuming this property) basis. When it is impossible to prevent anyone from consuming it, such public property is termed «pure». Here both the requirements - of non-competitiveness and non-exclusion - are met. Market demand for public property needs to be treated differently from that for private property.

The problem is that there is no international authority which may legitimately produce and invest in such global public property. At the national level, the role of the state is to facilitate collective action or boost the production of public assets.

The market does not enable optimal production of such assets and it is in the individual interest of countries to become «freeloaders» and leave others to finance and produce them. Without an international body promoting collective action production of such assets may be inadequate.

Several approaches are available to determine who will produce public property, who can and should finance it, and at which level it should be managed.

According to the «free market» approach, the production of such property may take place based on agreements between the actors (private actors can produce public property in accordance with specifications), or via externality markets (e.g. the emission quotas market);

In economic policy terms, global public property requires international regulation with transfers of sovereignty and international sanctions, corporate responsibility for the production and financing of global public property, and international democratic participation through the emergence of a global civil society and regional and/or global governance.

The trade union movement prefers the second approach. Although the concept of global public property must of necessity remain vague, it does allow collective and community notions back in within an approach dominated by the free market, whilst securing public support for development and allowing trade unions to play their legitimate role within international participative democracy.

3 - Taking into account hidden or externalised costs

There are many examples of environmental damage created or intensified by

⁶ The eradication of smallpox in 1977 is a good example. Once the disease was eradicated, all humanity benefited: current and future generations, rich and poor, etc.

⁷ see Appendices

human activity that are difficult to remedy. Such damage is largely due to the existence of external environmental costs for which no responsibility is taken and by the absence of clearly defined property rights. This applies, for instance, to public areas, rivers and landscapes.

Such situations have obvious economic consequences, namely the expenditure required to prevent or remedy the damage caused. Although certain natural resources are traded on the markets, their price is not high enough to prevent overuse. In other cases, there are no markets, and therefore no prices. This applied to the climate until the Kyoto Protocol attempted to remedy the situation by implementing a number of economic instruments (the emission quotas market) which fix a price per ton of CO₂.

The costs generated by harmful products are sometimes known but not in many cases. They are complex to measure and responses may vary widely, depending on whether the aim is to reduce their impact to an acceptable level, to remedy their consequences, or to eradicate them completely. In general, these costs are either ignored or paid by the community. The markets do not spontaneously include them in the price of manufactured goods, which means they are externalised. Serious consideration should be given to including them in the real prices of goods.

The passing of legislative and fiscal measures enables the environmental cost of our activities to be included in economic balance sheets. For such measures to be effective and acceptable, they should discourage the development of activities potentially harmful to the environment and encourage the emergence on the market of new products that are eco-friendly and/or promote public health.

The allocation of the financial resources obtained in these ways remains an issue, however, as does the value and effectiveness of using economic instruments on a large scale for protecting natural resources.

Which price levels would enable the targets to be met most efficiently and at the lowest cost? Attributing a financial value to damage sustained by a natural environment may prove a complex calculation (evaluating damage to the biodiversity or beauty of a landscape, oil spills, etc.).

Moreover, the «polluter pays» principle, which is ultimately part of the “curing” approach, will not promote the large-scale development of prevention policies, since the ability to pay automatically gives the right to pollute. Given the low awareness of the damage caused to the environment and of the remedies available, this principle needs to continue to be applied, but will remain inadequate unless political action focuses on prevention. For instance, in the case of climate change, creating a market for CO₂ emission quotas makes sense only if the total volume of available quotas is reduced to a degree which enables the prevention of global warming.

The internalisation principle therefore needs to be studied carefully so as to prevent consumers and law-abiding enterprises from being penalised along with polluters.

4 - Industrial innovation as a driver of sustainable development

Research, technology and innovation can all contribute to removing the link

between economic growth and environmental deterioration. Improved energy efficiency, cleaner manufacturing processes and better use of land can all contribute to a significant reduction of negative effects on the environment.

It can already be seen that polluting industries have responded to regulations with a series of innovations not limited to end-of-chain changes. The innovations also include the development or alteration of production equipment aimed at energy saving, raw material recovery for reuse or the use of materials that are less costly and more "eco-friendly".

Many companies which have been able and willing to respond in an innovative manner to environmental regulations now have facilities which consume fewer raw materials and less energy, and are often more competitive and profitable. These days, clean and efficient technology is having a positive impact on energy saving and working conditions. Many companies have also found new outlets for their investments. Anti-pollution techniques have developed fast over the past decade in the Member States of the European Union.

The environment has thus become a component of development. For instance, a number of German industrial SMEs were swift to understand the opportunities in the field of clean coal technologies by developing smoke-scrubbing devices, making Germany a world leader in this sector. The same is true of wind and solar generation equipment.

Although environmental protection will ultimately become a universal obligation, this is far from obvious to many industrialists, who still consider environmental protection as a regulation they are forced to observe.

That being said, although the environment-economy debate remains heated in certain sectors, its outcome has, in fact, already been decided. The measures taken by the European Union, which encourage the integration of industrial policy with environmental protection, are beginning to bear fruit. The environment is already, and will increasingly become an integral part of economic development.

Trade unions need to take action to ensure that these moves do not contribute to an increase in social inequalities, but help boost employment and improve working conditions.

5 - The Marrakech Process on sustainable consumption and production

The Johannesburg Action Plan includes a commitment by heads of state to develop a «10-year framework of programmes in support of regional and national initiatives to accelerate the shift towards sustainable consumption and production». In response, several initiatives have been taken at the international and regional level. In June 2003, a first international meeting took place in Marrakech and enabled priorities to be defined at the global level in a «10-Year Framework of Programmes on Sustainable Consumption and Production» (SCP), thus launching the «Marrakech Process».

This process is directly linked to the UN Commission on Sustainable Development (CSD), which has since 2002 been in charge of monitoring and implementing the

Johannesburg Action Plan (from which the Marrakech Process is derived). SCP issues are discussed in the course of each CSD session as «cross-cutting issues», and the CSD's programme for the 2010/2011 cycle includes a review of the actual process.

The intention is to achieve an economical use of resources and efficient and sustainable production processes in order to cut resource degradation, pollution and waste, and ultimately to adapt all production and consumption processes in line with the principles of sustainable development. Cooperation between countries, led by the developed countries, should utilise financial and technical assistance from all available sources, and strengthen the capacities of developing countries.

Experts from developed and developing countries, governments, international organisations and civil society, including trade unions, are taking part in the Marrakech process.

The operational phase of the process is based on the creation of a number of technical task forces which focus on specific issues related to SCP. These task forces are composed of a small number of countries (5 to 10) and are each led by one country. Six task forces have been launched on the following subjects:

- sustainable Lifestyles (led by Sweden);
- sustainable Products (led by the United Kingdom);
- sustainable Public Procurement (led by Switzerland);
- cooperation with Africa, led by Germany, linked to the African 10-year plan approved by the African Ministerial Conference on the Environment;
- sustainable Tourism (led by France);
- sustainable Buildings and Construction, led by Finland.

4. The EU's sustainable development policy

A. The European Union's role on the environment

Environmental concerns were included in the Single Act as early as 1986. The Single Act provided environmental policy with a legal basis and set some ambitious goals: high levels of environmental protection and public health and the rational use of natural resources.

The first reference to the notion of sustainable development was made in 1997 in the Amsterdam Treaty. Sustainable development is included not only in the Community's environmental goals (*Article 2 of the European Community Treaty*) and in the *Preamble to the European Union Treaty*, but in the European Union's general goals (*Article 2 of the European Union Treaty*). The European Union sets itself the objective of promoting "economic and social progress and a high level of employment" and achieving "balanced and sustainable development».

Thus, sustainable development has become a goal not only for the Community, but for the entire European Union. This means it must be taken into account in common foreign policy and security measures, as well as those relating to justice and internal affairs.

The Amsterdam Treaty has also given added weight to the concept of integration by including it in the Community's principles: «*Environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities referred to in Article 3, in particular with a view to promoting sustainable development*».

In the area of environmental policy, the Treaty grants «shared competence» to the European Community and the Member States. This means that the Member States and Community may both adopt environmental policies. In the absence of European standards, the Member States may draw them up (unlike in the case of trade policy, for instance). Where European standards exist the Member States may go further.

In addition, the Treaty introduces qualified majority Council voting for the definition of «general action programmes» and «actions» corresponding to the goals in the Treaty, with the exception of fiscal measures, management of land use, land allocation and energy issues, which require a unanimous vote.

The European Union draws up its own environmental policy and is in charge of ensuring that it is implemented by the Member States. European environmental legislation is part of the «*acquis européen*» with which countries which have newly joined the European Union must comply.

Over time, European legislation has become more substantial in order to deal with new issues which were more easily addressed at EU level than through national legislation, due either to the free circulation of goods on the European internal market (chemicals, greenhouse gas standards) or to the global nature of the impact (e.g. greenhouse gas emissions). It is estimated that approximately 80% of national legislation on environmental protection is derived from European

legislation (framework directives, directives and regulations⁸).

The current cornerstone of EU environmental policy is the 6th environment action programme of the European Community, called «Environment 2010: Our future, Our choice», which focuses on four priorities:

- climate change and global warming;
- the preservation of natural habitats and wild flora and fauna;
- environmental and health issues;
- natural resources and waste management.

B. From the environment to sustainable development

In 2001, one year after defining the ambitious Lisbon Strategy for re-launching growth and employment in Europe by 2010, the European Union adopted a sustainable development strategy, which has become the third pillar of the Lisbon Strategy.

The European Union's Lisbon Strategy

Since March 2000, the EU has been defining its policies based on the ambitious goals of the so-called «Lisbon Strategy», which sets an action framework for the period up to 2010. The specific aim of the Lisbon Strategy is to re-launch economic, social and environmental activity. It also seeks to increase European competitiveness not through social dumping but through investing in a knowledge-based society, productivity and social cohesion.

During the mid-term review in 2005, it was already clear that results were disappointing and that the EU would have great difficulty in meeting the 70% employment target set in Lisbon. At the spring European Council meeting in 2005, Europe's leaders revised the process.

The ETUC, which has consistently supported the Lisbon Strategy, and in particular the «balanced and integrated nature» of that strategy, stressed that efforts to re-boost the European economy must not compromise the fundamentals of the European social model (social dialogue, collective bargaining and worker protection and participation) or environmental goals. The ETUC emphasised the benefits in terms of growth, employment and competitiveness of a coordinated European programme of investment in sustainable development (especially in renewable energies, clean production technologies and low cost housing).

The 2001 sustainable development strategy is more than an environmental protection programme. Its aim is to meet the environmental (those in the 6th action programme) and social (poverty, social exclusion, ageing and demographics) challenges Europe will be facing over the coming decade, by defining a fresh approach to policy-making.

⁸ Whereas directives must be transposed into national legislation, regulations are applied in their original form.

The need to integrate all three pillars – economic, social and environmental – was acknowledged: «economic, social and environmental policies should be examined in a coordinated way». To emphasise this integrated approach, it was decided that the Spring European Council, at which the EU's heads of state and government meet each year around March, would examine the progress of the Lisbon and sustainable development strategies simultaneously and propose the necessary measures.

The emphasis was on disconnecting economic growth from environmental damage and on technological innovation to improve environmental quality and economic performance. In environmental matters, where the hitherto dominant standardising and technical approaches had made environmental legislation difficult to apply, the European Union decided that its regulatory apparatus needed to be made more flexible and efficient: fewer directives, fewer standards, more tax incentives (ecotaxes) and contractual approaches (environmental management systems).

C. Challenges to policy integration

A few years later, the Commission and the Member States were emphasising the weakness of European economic growth, the productivity gap with the United States and persistent unemployment, however, and backtracked on the idea of balancing economic, social and environmental goals. At the European Council of March 2005, the Lisbon Strategy was refocused on economic growth and employment. The other two pillars, social policy and sustainable development, were referred back to the respective political agendas: the European social agenda and the sustainable development strategy.

The very principle of integration and balance between the European Union's economic, social and environmental policies was being called into question. The underlying idea was that environmental and social protection were cost factors which the European Union could only afford if economic growth was adequate. This change of direction was also reflected at the institutional level, as the sustainable development strategy would henceforth be reviewed by the heads of state and government at the December Council.

Although the Lisbon Strategy had included a social dimension, this had been largely «instrumentalised» with a view to boosting economic growth through the promotion of innovation and green technologies.

In the new Lisbon Strategy, the reference to sustainable development was maintained, but was vaguer and less concrete. Sustainable development was considered to be «an overarching objective» of the European Union, the purpose of which was «safeguarding the earth's capacity to support life in all its diversity».

The revision of the Lisbon Strategy led to the revision of the sustainable development strategy in 2006. Despite its limitations, the new sustainable development strategy has, in the opinion of the ETUC and the associations, brought major progress by introducing goals and guiding principles for sustainable

development, which were adopted by the Council in June 2006⁹. Sustainable development is said to be based on the principles of democracy, gender equality, solidarity, the rule of law and respect for fundamental rights. The principles which should guide the European Union's policies are: the precautionary principle, social dialogue and corporate responsibility.

A seventh priority was added to the six in the previous sustainable development strategy: sustainable patterns of consumption and production.

The priorities of the EU's sustainable development strategy:

Climate Change and Clean Energy: To limit climate change and its costs and negative effects to society and the environment.

Sustainable Transport: To ensure that our transport systems meet society's economic, social and environmental needs whilst minimising their undesirable impacts on the economy, society and the environment.

Sustainable Consumption and Production: To promote sustainable consumption and production patterns.

Conservation and Management of Natural Resources: To improve management and avoid overexploitation of natural resources, recognising the value of ecosystem services.

Public Health: To promote good public health on equal conditions and improve protection against health threats.

Social inclusion, demography and migration: To create a socially inclusive society by taking into account solidarity between and within generations and to secure and increase the quality of life of citizens as a precondition for lasting individual well-being.

Global poverty: To actively promote sustainable development worldwide and ensure that the European Union's internal and external policies are consistent with global sustainable development and its international commitments.

⁹ Voir Fiche en annexe

5. The ETUC's positions and strategy on sustainable development

At the Johannesburg Earth Summit in 2002, the ETUC had clarified its position on sustainable development by stating that European trade unions considered sustainable development to be "an issue" with implications for the future and that it was of central concern to the unions' "role and interests».

A. The need for coherence in European Union policies

The ETUC welcomed the adoption of the sustainable development strategy in 2001, just as it had welcomed that of the Lisbon Strategy in 2000, considering that it opened the way to environmentally sustainable growth, with more and better jobs and greater social cohesion.

The ETUC emphasised the need for a balanced approach to issues relating to employment, workers' rights and environmental protection, by calling for:

- coordinated initiatives by the Member States to support investment, jobs and training in eco-friendly technologies, products, services and infrastructure (green jobs);
- guaranteed high-quality public services in the water, energy and waste sectors based on a European framework directive;
- the establishment of a European legal framework governing corporate responsibility in the social and environmental areas, including in particular:
 - information and consultation rights for workers and their representatives on environmental matters;
 - a social dialogue for European social partners on issues relating to environmental policies;
 - international governance based on the promotion and respect of the fundamental human rights, including workers rights, defined by the ILO, and of the international environmental agreements.

It was in the light of this need for coherent European policies that the ETUC strongly criticised the uncoupling of the sustainable development strategy from the Lisbon Strategy agreed by the European heads of state in 2006.

It must be noted that the adoption of the sustainable development strategy has not prevented growth and competitiveness from outdistancing social progress and, to a lesser degree, environmental protection. The abovementioned ETUC proposals were barely acted on, though a few timid initiatives are now under way in the areas of social dialogue and environmental training.

B. Improving the quality of the impact studies for the Commission's proposals

One of the most significant contributions of the 2001 sustainable development strategy is that the European Commission is obliged to perform an assessment of the potential economic, social and environmental impact of all political initiatives

prior to their adoption, as well as of alternative policy options. This assessment must include consultation of all the stakeholders in accordance with the consultation rules established by the Commission. This obligation applies to directives and multilateral (WTO framework) or bilateral trade agreements, as well as Communications.

While maintaining that this instrument can foster the integration of European policies and improve the anticipation of the potential economic and social impact of policies, the ETUC has often been critical of its practical application. Far from supplying a truly «objective» assessment, impact studies can be hijacked by stakeholders' attempts to influence them, as shown by the battle over the REACH regulation on chemicals. Moreover, aspects of these studies that are difficult to quantify (e.g. human health, quality of work, etc.) tend to be undervalued.

Ultimately, the problem is that the social and employment related sections of impact studies are generally of low quality, short on data and almost never address issues relating to the quality of work.

However, these criticisms certainly do not mean that trade unions should lose interest in this instrument. Trade unions need to become even more committed to developing their own expertise on the aspects which concern them most, in particular the comparative impact of the various instruments of environmental policy on employment and working conditions (regulations, taxation, voluntary instruments, etc.), and, conversely, the contribution of the European social model to improving the environment. Only then will they be able to effectively influence the Commission's decisions and increase their ability to anticipate and manage the changes generated by the policies.

C. Employment and sustainable development

Is environmental protection a help or a hindrance to employment and economic development? We have seen that the answer to this question, though clear when taking a sufficiently long-term view or considering the economy as a whole, is far less obvious from a short-term or sector-based perspective.

In 2002, the European Commission published a working paper entitled "the links between environmental policy and employment policy"¹⁰, which discusses various aspects of this issue.

The recent evolution of environmental policies, which impose standards not so much on methods (e.g., fitting all new cars with a catalyst container) as on results, leaving companies free to determine their own means of achieving them (e.g. a CO2 emission standard for cars), means that their ultimate impact on employment depends largely on innovation development and transfer processes which are difficult to gauge.

Porter's theory, which emphasises the competitive export advantage a company gains for environmental quality, is confirmed by many successes in Europe and

¹⁰ European Commission SEC (2005) 1530

elsewhere, though it remains controversial. Porter's hypothesis is that although companies will bear the cost of compliance with environmental standards, they will benefit from both resource savings and competitive positions on new markets.

Conversely, companies which fail to take notice of changing regulations or new customer requirements at the right time will perceive them as a restriction.

In so far as they require investment by companies, environmental regulations will affect overall costs in the short term. The impact on wages and employment will ultimately depend on the following factors:

- the extent to which the standards entail a substantial increase in costs;
- the extent to which additional costs can be reflected in consumer prices;
- the structure of the market and the degree of competition, in particular exposure to international competition;
- existing contractual relations between the various enterprises in the sector (e.g. subcontracting);
- the financial situation of companies in the sector.

At EU level, the development of «eco-industries» illustrates the potential for job creation and profit linked to environmental protection. According to a study by Ernst & Young in 2006, turnover in the sector rose by 7% between 1999 and 2004 and represented around 2.2% of GDP in the EU-25. Employment in this sector represents the equivalent of 3.4 million full-time jobs. In Germany, the renewable energy sector employs 135,000 people directly. Moreover, in some sectors such as tourism and fishing, profits and jobs are directly linked to the quality of the environment.

Combating climate change no longer requires adaptations by only a single sector or a limited number of sectors (as in the case of the CFCs that were destroying the ozone layer). Almost all economic activities will need to contribute to the reduction of greenhouse gas emissions within a very short time (around 10 to 15 years).

These actions will have significant effects on employment due to conversion (development of industries focused on renewable energies and public transport; new manufacturing processes and new materials for housing; the shift from thermal to electrical engines and fuel cells) and potential relocations (energy-hungry sectors exposed to international competition).

The ultimate impact on employment will depend on technical and energy-related choices, the balance of costs and profits, and the supporting measures that are adopted, particularly in the commercial and social fields. The more measures are accompanied by appropriate employment and training policies, the easier it will be to manage their negative effects and to utilise their positive potential. For instance, the lack of qualified labour in the renewable energy and energy audit sectors in many European countries today may considerably slow down the application of environmental standards.

D. Developing social dialogue and workers' rights in the area of sustainable development

The ETUC is convinced that the transition from non-sustainable to sustainable development will require negotiations and compromises which take into account the public interest and acknowledge the key role played by workers and their representatives in the transformation of our patterns of production and consumption. Trade unions, which are already used to making compromises between social and economic considerations, are well placed for playing a leading role in the sustainable development construction process.

The participation of workers in decisions relating to sustainable development needs to take place at all the levels at which they are represented (workplace, sectoral, cross-sectoral, European), not only so as to defend their interests where the choices have repercussions on employment and working conditions, but also since it is generally workers who have the knowledge required for adapting production methods in line with the new environmental standards.

The European Union's legal arsenal in the area of information and consultation, including Directives on information and consultation and on European Works Councils, is a good basis for demanding that workers' representation bodies in the Member States are given competence in environmental policy areas.

In some Member States, the area of competence of health and safety representatives has been extended to cover environmental issues.

Collective bargaining and the social dialogue must also be used to enable sustainable development to progress at the sectoral, national and regional levels. Based on the European treaties, the ETUC is a partner in the European social dialogue, along with BusinessEurope, CEEP and CEPME. Several European collective agreements have already been signed between the European social partners (on maternity leave, stress in the workplace, etc.) and have been incorporated into the legislation of the Member States.

In view of its potential major economic and social impact on the economy as a whole, the ETUC is asking for the EU climate change policy to be included in the agenda of the European cross-sectoral social dialogue. That is also the wish of the European Commission, which has called upon the European social partners to include the European climate change strategy in their discussions.

In addition, the issues of specific importance to each sector need to be addressed in the European sectoral social dialogue committees, with a view to finding solutions that take account of the general interest.

Part 2

Corporate social and environmental responsibility (CSR)

1. Background

Why should there be so much talk of corporate responsibility today, given that the basic issues concerning the relationship between society and economic activity, and the balance to be maintained between the destruction of the resources needed for that activity and the reproduction of the resources required for the survival of humanity, are as old as civilisation itself? This is due to the combination of a number of simultaneous and linked historical events:

- the reduced role of the welfare state and the gradual removal of national public regulations, which a free hand to market forces;
- the dominance of multinational groups in the context of globalisation;
- the internationalisation of economic, social and environmental issues;
- the lowering of the risk acceptability threshold for various reasons, including a more acute awareness of major perils for the planet: wars, poverty, uncontrolled migratory flows, climate change, etc;
- enterprises, especially multinationals, are undergoing a severe legitimacy crisis (scandals, top executives' salaries, etc.) and are attempting to regain the trust of civil society and restore their image.

Large corporations are therefore regarded as both the main culprit in global problems and a central actor in the new, emerging regulations.

All this has contributed to the emergence of a wide-ranging debate. The relations between corporations and civil society needs to be redefined and new forms of regulation need to be established based on innovative arrangements for consultation and dialogue between all the parties concerned.

2. The approach to CSR in Europe

A. A hybrid approach

To understand CSR approaches in Europe, a number of terms and situations need to be carefully described, since they are approached differently in Anglo-Saxon countries and Continental Europe and may generate confusion in international discussions on CSR.

This applies, for instance, to the notion of responsibility. Whilst the Anglo-Saxons tend to view this as a voluntary commitment, Southern Europeans regard it rather as a binding requirement. The first approach relies on voluntary measures whilst the other calls for public regulations.

In that sense, the definition of CSR adopted by the Commission has more of an Anglo-Saxon flavour.

«By stating their social responsibility and voluntarily taking on commitments which go beyond common regulatory and conventional requirements, which they would have to respect in any case ...»

«Corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment.»

(Excerpts from the Green Paper published by the Commission on «Promoting a European framework for corporate social responsibility» (COM/2001/1366) in July 2001)

Apart from that, the definition of CSR reflects the particular conception of the individual's place in society as well as the public interest.

Regarding the first aspect, Americans considers individuals to be responsible: they should not ask for protection but act in their own interests, trusting the market as a positive regulating instrument. In Europe, people are primarily regarded as social beings with a duty towards and dependence on others. Hence the stress is on collective responsibility, which is associated more with people's vulnerability than with preserving their interests. Concerning the second aspect, the United States consider that the common good exists as soon as there is a community: shared interests are fostered naturally by market forces. Europeans regards the common good as a political choice requiring debate and based on a belief in people's ability to transcend their individual attachments and interests.

These opposing conceptions explain why companies' role in society is perceived differently. In many American companies, CSR consists of philanthropic actions that remain outside their core activity, i.e. business. In Europe, however, there is a tendency to regard CSR as an integral part of companies' usual activities.

In that sense, the European Commission's view of CSR does include a strong "European" focus.

«Although the prime responsibility of a company is generating profits, companies can at the same time contribute to social and environmental objectives, through integrating corporate social responsibility as a strategic investment into their core business strategy, their management instruments and their operations. ...

... Within the company, socially responsible practices primarily involve employees and relate to issues such as investing in human capital, health and safety, and managing change. They open a way of managing change and reconciling social development with improved competitiveness.

... Corporate social responsibility extends beyond the doors of the company into the local community and involves a wide range of stakeholders in addition to employees and shareholders: business partners and suppliers, customers, public authorities and NGOs representing local communities, as well as the environment. In a world of multinational investment and global supply chains, corporate social responsibility must also extend beyond the borders of Europe».

(Excerpts from the Green Paper published by the Commission on «Promoting a European framework for corporate social responsibility» (COM/2001/1366) in July 2001)

B. The current situation in Europe

Since the Lisbon Summit, where CSR was mentioned for the first time at European level, the definition of CSR has been fine-tuned based on the above-mentioned principles.

As part of the Lisbon agenda, the Commission published a Green Paper in 2001 to promote a European framework for CSR, which launched a wide-ranging debate between the stakeholders. In 2002, the Commission then published a Communication: «Corporate Social Responsibility: A Business Contribution to Sustainable Development».

The various stakeholders convened several times, at the Commission's initiative, in order to discuss CSR, find points and areas of agreement, and make progress on its practical implementation. In order to follow up its Communication, the Commission launched a European multiparty forum on CSR in October 2002. A second Communication, «Making Europe a pole of excellence on corporate social responsibility», was then published on 22 March 2006.

The multiparty forum validated the definition of CSR proposed by the Commission, but mainly highlighted major differences of opinion between the representatives of companies and the other stakeholders (NGOs and the ETUC in particular).

The launch of the «European Alliance on CSR» in 2006 placed companies' representatives at the centre of the system. The ETUC and a number of NGOs criticised the Commission for adopting an unbalanced, unilateral approach which favoured the business world. As a result, the NGOs' representatives refused to sit on the Forum. That latest initiative by the Commission effectively gave CSR an even more pronounced Anglo-Saxon flavour.

The European Alliance on CSR

«Acknowledging that enterprises are the primary actors in CSR, the Commission has decided that it can best achieve its objectives by working more closely with European business, and therefore announces backing for the launch of a European Alliance on CSR, a concept drawn up on the basis of contributions from business active in the promotion of CSR. The Alliance is an open alliance of European enterprises, for which enterprises of all sizes are invited to express their support. ...

... It is not a legal instrument and is not to be signed by enterprises, the Commission or any public authority. There are no formal requirements for declaring support for the Alliance, and the European Commission will not keep a list of companies that support it. ...

... The Alliance lays the foundations for the partners to promote CSR in the future. It evolves around the following three areas of activities:

- *Raising awareness and improving knowledge on CSR and reporting on its achievements;*
- *Helping to mainstream and develop open coalitions of cooperation;*
- *ensuring an enabling environment for CSR"*

(Communication by the European Commission on «Making Europe a pole of excellence on CSR»; launching of a «European Alliance on CSR», March 2006)

In its March 2007 report on «*Corporate Social Responsibility: a New Partnership*», the European Parliament stated its conviction that CSR «*represents an essential element of the European Social Model, of Europe's strategy for Sustainable Development and in meeting the social challenges of economic globalisation*». It makes a number of proposals to improve the approach to CSR in Europe, and in particular feels that «*the EU debate on CSR has approached the point where emphasis should be shifted from 'processes' to 'outcomes', leading to a measurable and transparent contribution from business in combating social exclusion and environmental degradation in Europe and around the world*». It is also of the opinion that «*social dialogue has been an effective means of promoting CSR initiatives*» and «*European works councils have also played a constructive role in developing best practice in relation to CSR*».

The ETUC welcomed this report by the European Parliament as setting the European debate on CSE back on the right track by retrieving components such as multilateralism, responsibility and transparency, which appeared to have been lost in the recent work of the Multistakeholder Forum.

3. Definitions and concepts

A. Definitions

- Definition of CSR by the EU in the Green Paper (2001)

«Being socially responsible means **not only fulfilling legal expectations, but also going beyond compliance** and investing more into human capital, the environment **and the relations with stakeholders**».

This means:

- the voluntary integration by enterprises of social and environmental concerns into their commercial activities;
 - the formalisation of relations with the stakeholders in the areas of sustainable development in which they are investing.
- Definition of CSR by the ISO (as part of the preparatory work for the future ISO 26000 standard)
 - «Actions by an organisation to take responsibility for the impact of its actions on society and the environment, provided its actions are consistent with the interests of society and sustainable development, based on ethical behaviour, compliance with current legislation and intergovernmental instruments, and **integrated in the organisation's regular activities**».

B. The major components of CSR

- CSR **transfers sustainable development to the company level**. Thus, specific issues relating to a company's sector of activity and geographical scope are linked to the global issues. CSR represents a company's voluntary contribution to progress towards sustainable development beyond its strictly legal obligations.
- CSR also refers to an **area of responsibility** which exceeds a company's legal area of responsibility (subcontracting, etc.).

- This notion therefore shifts the vision of companies as essentially economic entities, which prevailed in the 20th century, to that of companies having a **multidimensional role**, i.e. not just as economic actors, but as actors having an impact on ecosystems, social issues and even society as a whole.
- CSR challenges **the very notion of what it is to be an enterprise** by emphasising that companies are institutions that need to take into account (find compromises between) the interests of several actors (shareholders, management, employees, employees' representatives, civil society and the public authorities). This is described by some as the Continental European corporate model, as opposed to the Anglo-Saxon model, which only takes into account the interests of the shareholders (as part of a conception in which the interests of the other stakeholders «naturally» derive from that of the shareholders').
- the development of **Socially Responsible Investment (SRI)** is part of an increasing awareness of the financial implications of sustainable development: banks should no longer unthinkingly support a form of economic development that upsets the major social and environmental balances of the planet. SRI is being driven in Europe by two types of pressure:
 - legal: the strengthening of the legal requirements aimed at obliging certain institutions, in particular public institutions, to allocate part of their assets to SRI (e.g. 10% in the case of Belgian institutions);
 - unilateral commitments by public and private actors displaying their willingness to develop SRI and even apply CSR criteria to all of their assets.

The introduction of responsible selection criteria for the establishment of employee savings funds or pension fund portfolios is one form of action that trade unions can support.

Information concerning the actual market share of SRI at EU level is scarce. However, in the United Kingdom, where «ethical» investing has grown fastest, SRI accounts for approximately 5% of total investments. At European level, the «core SRI» approaches that take most account of non-financial criteria represent approximately 100 billion euros of outstandings, i.e. 1% of global assets.

The CIES

(Inter-Union Employee Savings Fund Committee) in France

In January 2002, four French trade union confederations (CFDT, CGT, CGC, and CFTC) founded the CIES. The CIES is involved in the statutory collective bargaining on employee savings funds. Although it does not directly manage these funds, it supplies the social partners from sectors and enterprises and workers with instruments (labels) for channelling the funds into socially responsible investments. The member trade unionists are also involved in monitoring committees, the purpose of which is to ensure compliance with the CIES specifications, especially management practices in the area of SRI (choice of shares, GA voting policy, monitoring of securities, etc.).

After 5 years of existence, the product ranges labelled by the CIES account for 1 billion euros, i.e. half of socially responsible employee savings funds in France (which themselves comprise less than 20% of all SRI amounts).

- To ensure they do not merely pay lip service to the main principles of documents such as ethical charters, codes of conduct or the Global Compact (see Information Sheet 1, Appendices, on CSR), companies which state their commitment to CSR are expected to develop **CSR management systems** for defining and implementing genuine CSR policies (which very few companies are currently doing).
- CSR also applies to **reporting and audits**. Whereas economic assessment is thorough and environmental assessment is improving, social aspects have been almost totally ignored until recently. A number of national, European and international initiatives are attempting to remedy this imbalance. Companies are issuing social and environmental reports on a mainly voluntary basis. However, things are changing (see boxed text). In 2002, France issued a law which obliges listed companies to publish information concerning the social and environmental impact of their activities in their annual management reports.

European-level social and environmental reports are not yet produced. The 2002 Communication takes the position that during this start-up phase reporting should be kept as flexible as possible. However, the Commission acknowledges that a greater consensus concerning the type of information to be included in social reports may be required in the future if worthwhile comparisons are to be made. For this purpose, the Multiparty Forum on CSR has issued a series of general guidelines and assessment criteria for such reports.

- **Social labels** enable consumers to decide which products to purchase on the basis of ethical considerations. This is a difficult subject as there is no harmonised system. Various labels have been assigned to various socially responsible practices and products. For instance, the Rugmark, Kaleen and Abring labels concern child labour in certain industries; the Fairtrade label includes decent working conditions and fair market prices. Max Havelaar supports guaranteed purchase prices for environmentally and socially responsible products such as coffee, tea, fruit and other fair trade products. The Max Havelaar, Fairtrade and FSC (Forest Stewardship Council) labels try to combine connect the three aspects of the «three-pronged approach»: social, environmental and economic.

There is no social equivalent yet of the ecolabels, which are covered by many national initiatives (such as Nordic Swan, Ecocert and the EU Ecolabel flower logo), except in Belgium, where a law on voluntary social labelling based on the ILO's basic standards has been introduced.

The 2002 Communication shows that the Commission intends to review the need for new measures at the European level in order to promote fair and ethical trade. In concrete terms, the Commission has requested that the Multiparty Forum on CSR work on the joint definition of guidelines for labelling systems based on the ILO's core conventions and environmental standards.

- Since the early 2000s, **individual countries have also been taking an interest in this approach**, which is now being formalised at the international level and will soon be unavoidable.

National CSR regulations in Europe

- **Norway (accounting law passed in 1998)**

All companies required to keep accounts are concerned.

The obligations relate to:

- the external environment: description of activities, input and products which may have a significant impact on the external environment; impacts;
- the internal environment (working conditions): information concerning working conditions; accidents in the workplace; sick leave;
- equal treatment: reports on the equal treatment of men and women in the company; measures taken.

This information must be included in the annual report by the Board of Directors or management.

No geographical restrictions.

No audits required and no penalties.

- **France (Article 116 of the May 2001 Law on new economic regulations)**

Listed companies must publish in their annual management report information concerning the manner in which the company takes into account the social and environmental consequences of its activity.

This obligation concerns only listed companies (potentially 950). Legally, the system applies only to holding companies, though it is hard to imagine that the obligation will not be applied at group level, or at least beyond the French borders.

The contents of the report must include:

A first group of 32 «internal social» pieces of information includes payroll size, training, hygiene, equal treatment, etc., and a second set of 8 headings concern the territorial impact of the activity (subsidiaries, subcontractors, links with the territory, etc.). Finally, a third group of 28 headings concerns the environment. The following must also be mentioned: emissions into the atmosphere, soil and water which may severely affect the environment (greenhouse gases, toxic or radioactive substances, etc.).

As this information is included in the management report, it is reviewed by the company auditors. This constitutes a major departure from the previous situation, in which some of this data was included in the activity report, not subject to review. However, no genuine external inspection is required at present.

This law is therefore an incentive rather than a coercive instrument:

- it includes no legal sanctions;
- it leaves companies a great deal of latitude as to the means of achieving compliance with the new requirements; companies are free to present the information as they wish;
- in effect, this law constitutes the starting point of a process for gradually including the notion of performance based on the «triple bottom line», i.e. economic, social and environmental performance.

C. The search for new regulations

The traditional forms of regulation, which were chiefly issued by national public authorities, are currently being challenged. Sustainable development and CSR are typical examples of areas in which the hierarchy of standards is being questioned in terms of:

- geographic relevance: national measures are not appropriate in many cases;
- the basis for law: the public interest is no longer a given but is becoming a complex notion;
- the stakeholders, whose number is growing.

The image below summarises the main types of regulation at work in today's world, as well as the major trends based on which they are changing. It shows the two main regulatory approaches, which are "content-based" («you must do the following») and "procedure-based" («you should do it this way») and delineates the main developments that are taking place:

- traditionally, the chief regulatory actor is the nation state, which issues laws and regulations;
- nowadays, there is a move towards self-regulation initiated by enterprises;
- a dialogue is emerging between the stakeholders;
- the «north-east» quadrant is the ideal approach, since the public interest is defined by the various stakeholders with guidance from the public authorities at international level.

However, it is still very uncertain how things will develop in future.

One potential danger is that CSR (as a voluntary process undertaken by enterprises) may replace the respective roles of the public authorities and of trade unions and collective bargaining.

For this reason, amongst others, trade union organisations have started to negotiate International Framework Agreements (IFAs) with multinational groups (see Information Sheet 2, Appendices).

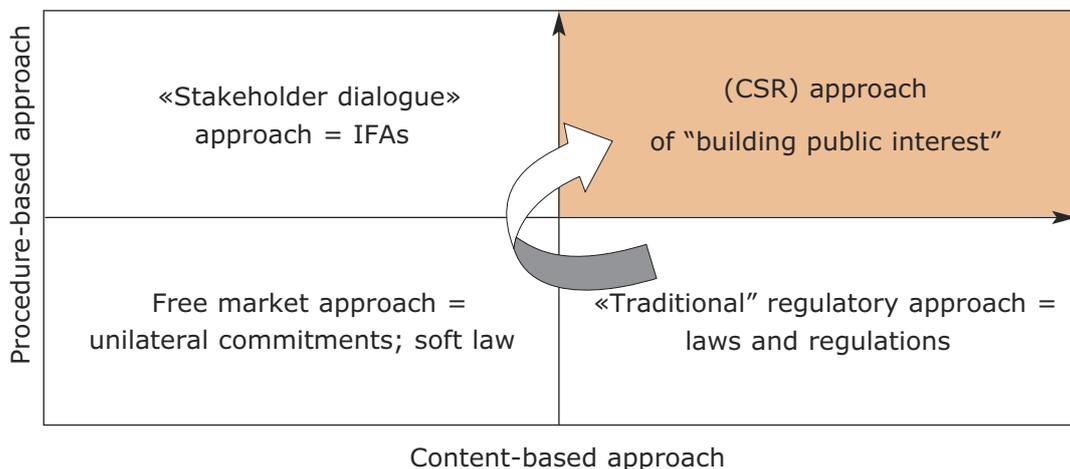
4. The ETUC's positions on CSR

- CSR should complement, but in no sense replace, legislation on social and environmental rights or standards set by collective bargaining. Thus, no company failing to respect agreements, legislation or social dialogue could be described as socially responsible.
- CSR should not take the form of additional action outside the company's activities, but consist of integrating social and environmental concerns in its everyday work. As a result, philanthropic activities should not be included in CSR.
- Companies may only describe themselves publicly as "responsible" once they have applied the strictest standards to their internal activities. These include:
 - respect for industrial relations;

PART 2

- promotion of worker participation, particularly in European Works Councils;
 - developing vocational skills and training;
 - respecting health and safety standards and adopting preventive measures;
 - promoting gender equality;
 - promoting the social rights of workers;
 - enhancing the quality of work;
 - defending and integrating vulnerable groups (such as young people, disabled people and immigrants).
- The ETUC is calling for the social dimension to be taken into account in world trade.
 - The ETUC acknowledges that CSR should be based on a voluntary commitment, but that commitment needs follow certain guidelines to be set at European level. Without such a framework, the voluntary approach is not acceptable. When a company chooses to pursue a socially responsible approach, it should do so by following some clear guidelines established with trade union involvement and input.
 - In the EU's view, CSR needs to be based on European values in addition to the existing international reference standards (ILO, OECD and UN). The ETUC is calling on the European Commission to set some standards governing socially responsible behaviour, so as to provide companies with a single framework to comply with once they have chosen to be socially responsible and prevent them from setting their own criteria. To that end, the ETUC has asked the Commission to establish some common frameworks and, more specifically, to:
 - set specific standards and criteria and insist that large companies produce an annual report on the action they have taken regarding social and environmental impacts, which should be presented to the relevant European Works Council;

Social regulation approaches and roles of the actors



PART 2

- promote standards for the supervision of all corporate governance: not merely the certification of end products, but also transparency and quality throughout the chain of production, including product traceability and subcontracting;
- adopt a consistent policy for promoting CSR, setting access criteria for the use of Community funds and thereby encouraging positive choices. The ETUC is calling for these criteria to specifically cover structural funds, export credits and public procurement contracts;
- promote a resource centre with real and active participation by the social partners and other stakeholders for supporting policies on information, training and exchanges of knowhow and positive practices;
- cover codes of conduct and/or labels or similar certificates by means of certification agencies and/or instruments, applying verified criteria based on input and opinions from trade unions and NGOs;
- act as a permanent monitoring body for verifying compliance with European standards; the Commission should publish an annual report measuring the progress made on CSR and present it to the social partners.

Part 3

The main challenges linked to sustainable development

Chemical hazards

1. A worrying situation

The current methods for the production and consumption of chemicals generate a number of serious hazards.

The use of chemicals is hazardous to public health, the health and safety of workers, and the environment: 3% of exposure occurs within the chemical industries themselves and 97% occurs with the users and end-users of chemicals.

The ETUC's research and training institute (ETUI-REHS) has estimated, on the basis of a Eurostat survey, that one work-related illness in three is due to exposure to chemicals.

According to the calculations of the European Trade Union Technical Bureau (TUTB, now "HESA"), which were based on European statistics, 88% of work-related respiratory illnesses are linked to exposure to chemicals.

The considerable costs to the community generated by chemicals should also be remembered. Three million working days are allegedly lost each year in the European Union due to work-related skin diseases caused by chemicals. A study by the European Commission's research centre estimates that the cost of cleaning soil polluted by chemicals will be 7.5 billion euros over the next ten years.

This situation is particularly worrying in developing countries. Chemicals with highly toxic active ingredients (usually banned in the developed countries, but still sold in developing countries) are often used on industrial and agricultural sites. Protective equipment is generally non-existent. Information and training are almost invariably inadequate. Due to lax regulations and the deliberate strategies of companies which relocate production to countries with less stringent standards, workers in such countries may well fall victim to social, environmental, health and safety dumping.

These alarming figures are due to lack of knowledge and information on chemicals and the lack of willingness on the part of some employers in the chemical industry to improve their employees' working conditions.

2. More effective policies

Chapter 19 of Agenda 21, signed in Rio in 1992, includes principles and means of action for a more efficient management of chemicals and hazardous waste throughout their life cycle. The European trade unions particularly support the integration of the

precautionary and substitution principles specified in the Rio Agreement.

Chemical risk prevention policies aimed at workers in the Member States of the European Union are based on the application of Directive 98/24 (Chemicals Agents Directive) which itself is based on the 1989 Framework Directive. The foundation of this directive is the principle of assessment of workplace risks. The assessment of chemical risks to workers is based on accurate knowledge of the hazards of chemical agents (with toxicological and physical and chemical properties) and on a detailed analysis of the conditions in which these agents are used, which may cause worker exposure (methods of use, collective and individual protective equipment, frequency and duration of worker activity, intensity of exposure, etc.).

Although the risk assessment methods are well-established now (Directive 93/67/EEC), in practice they do not yet enable effective risk assessment to be performed, as knowledge of the hazards of chemical agents remains very fragmentary. Indeed, for most of the 100,000 substances on the European market, only acute health effects have been studied. Delayed effects on health caused by repeated exposure to low doses are only known for a minority of chemicals. In these conditions, it would seem that risk assessments, when performed, do not always enable a correct appreciation of the risks to workers' health, and it is always extremely difficult to make a connection between professional exposure to a chemical with a delayed effect and a particular illness (e.g. especially in the case of carcinogens and mutagenic chemicals, which are known as "CMRs").

In Europe, after noting in its 2001 White Paper that existing legislative action in the European Union could not supply the information required to ensure a high level of human health and environmental protection in the area of chemicals, the European Commission worked on a new regulatory framework based on the precautionary principle. This process led to the REACH regulation ("Registration, Evaluation, and Authorisation of Chemicals").

This approach had the support of the European trade unions, which called for: "*proper State involvement in bringing about effective chemical risk management in the EU. This means:*

- *increased resources for evaluation and regulation concerning the use and the production of chemicals in Europe;*
- *sufficient involvement of the national authorities to ensure that producers comply with national and international legislation»* (excerpt from "European Trade Unions – Actors for Sustainable Development", TUTB, July 2002).

The REACH regulation (see Information Sheet 4, Appendices) was finally adopted in December 2006 and came into force in June 2007. The European Chemicals Agency will be operational from June 2008.

3. The impact of REACH on sustainable development

A. REACH and the reconciliation of the various components of sustainable development

REACH is an approach for dealing with chemicals based on the sustainable development policy associated with the Lisbon Strategy.

It should be remembered that sustainable development aims to balance several dimensions at a global level, i.e. economic, social, environmental and governance issues. The constant tensions between these types of issues mean that arbitration and compromises are needed. The quality of a sustainable development policy should be measured, therefore, not just in terms of the goals to be achieved in each area, but also in terms of how well the stakeholders are involved in handling the inevitable tensions between them. In this respect, the challenge for REACH is to generate:

- a high level of protection (health and environmental) for all chemicals;
- while ensuring the smooth operation of the internal market;
- and stimulating innovation and competitiveness.

The REACH regulation supplies a number of guarantees in terms of sustainable development policy:

- it creates a specialised, independent agency which will have a high level of expertise and should improve transparency;
- the process that has developed based on the initial text has involved broad and lengthy consultations, thus displaying the willingness to observe the balances inherent in a sustainable development approach;
- the transfer of the burden of proof to enterprises is also logical and welcome (prior to the new regulation, just 1% of chemicals on the European market had been properly tested in order to assess their level of safety and the hazards they posed to health and the environment);
- and REACH provides an opportunity for monitoring and transparency through the instrument of the «*responsible care agreement*» adopted by the chemical industry.

B. REACH and the complex process of standard issuance

The issuance of public standards (national, regional or international) is usually required to supervise private activities and provide them with a legitimate framework for action. They also aim to compensate for the ineffectiveness of market regulation alone in the case of complex issues, especially where there is a need to reconcile a large number of conflicting dimensions. Their purpose may also be to encourage actors to change their behaviour and achieve goals that go beyond their individual interests.

C. Standards and related «games» and adaptation processes

By definition, standards affect behaviours and interests, so the issuers of standards come under heavy pressure from the various stakeholders, depending on their respective power and resources, during the drafting phase.

Once adopted, standards help redefine the rules of the game and each actor is required to change its strategy to derive the greatest possible benefit for itself.

The two phases generally overlap and the key for each stakeholder is to work out the right time for developing its own strategy. This means preparing as thoroughly as possible for the economic application of the standard whilst it is being set or anticipating the setting of the standard (for those actors that have a stake of their own in the development of a new restriction).

Moreover, a number of standard dissemination bodies may exceed the terms of reference specified by the actual standard, particularly as it moves from being a subject of dispute to a vehicle for competitive advantage. The standard is usually disseminated over a larger geographical area than was originally envisaged.

D. The industrialists most susceptible to public pressure were the quickest to support REACH

REACH did not remain free from such lobbying and «games». After a certain time, the debate on the various components of REACH became stale as most of the arguments had already been stated and re-stated several times by the stakeholders, who then began to adopt positions on the forthcoming framework based on their specific interests.

The first to make a move were those under the strongest pressure to adopt the new regulations, which had already taken some steps in line with REACH (in particular firms in the Nordic countries). It is no coincidence that groups such as Ikea, Skanska, Mark & Spencer, Procter & Gamble, Unilever, Electrolux, Ericsson, Boots, etc. quite spontaneously expressed positive views on REACH.

Enterprises which sell products containing chemicals are the most exposed to consumer pressure and need to factor them into their strategies. They are therefore likely to be pioneers for the REACH process in industry. And owing to their economic weight and the importance of their brand names, they can encourage producers to apply product substitution policies.

4. REACH and CSR

REACH also provides a framework for corporate social responsibility, i.e. the contribution of companies to sustainable development through increased control of their impact on their environment. However, specific sectoral issues need to be taken into account here, not least the position of the chemical industry in the world (the European chemical industry accounts for 31% of world chemical activity) and in Europe: it is one of the most important economic sectors, with a total of 3.2 million jobs in over 60,000 companies, as well as 5.7 million indirect jobs. In 2004 the chemical industry accounted for two thirds of the EU's industrial trade surplus, 12% of industrial added value and 2.4% of the European GDP.

The impacts of REACH at the meso- and micro-economic levels need to be measured in order to define and measure areas for vigilance as effectively as possible. Two issues are particularly sensitive: the ability of REACH to promote innovation and the ability of SMEs to cope with the economic impact of REACH.

A. REACH and innovation

In addition to the general incentive to substitute products, REACH includes a number of provisions which should have a highly positive effect on innovation:

- exemption for 5 years of substances used in R&D processes;
- increase of the exemption limit from 10 kg to 1 ton for new substances;
- the removal of the distinction between old and new substances, so that the latter are no longer penalised;

the withdrawal of hazardous substances, which will automatically require the development of alternative substances.

However, some industrialists see REACH as an obstacle to development. Assessment and registration costs allegedly divert resources from R&D (this seemingly affects SMEs more strongly as their resources are smaller). The portfolio rationalisations caused by REACH (withdrawal of products manufactured in small quantities and/or too strongly affected by REACH) would also limit the range of substances available to R&D.

The tools issued by the European Union therefore need to be used to develop innovation by introducing crosscutting approaches that enable economic and social/societal innovation to be decompartmentalised. This is a huge challenge, since even when this is planned the scope of projects is rarely broadened to include all stakeholders.

B. Economic impact on SMEs

- *SMEs are the most vulnerable*

80% of the costs are borne by 20% of firms, most of them SMEs, in the production of fine and specialty chemicals.

10 to 30% of substances manufactured in small quantities (1 to 100 tons) are hazardous, making SMEs the most vulnerable.

Support systems are being set up by trade unions.

REACH might reduce competition within the market.

- *Potential direct impacts: registration costs*

Within the chemical industry, SMEs tend to focus on manufacturing fine chemicals and small quantities with high margins. In terms of the actual chemicals, they are doubly disadvantaged with respect to the large corporations: they produce more substances in smaller quantities, which means they require more testing and their cost is more difficult to offset due to the small quantities involved.

It should be noted that the SMEs which use chemicals (the majority, in fact) are not affected by these direct costs.

- *Potential indirect impacts due to the disappearance of inputs for users of chemicals¹¹*

Loss of access to chemicals for users and end-users can be explained by economic and/or environmental reasons.

¹¹ In this case, the analysis of the impact of REACH on the users is considered to be the same as the impact on SMEs, which although approximate is fairly relevant given the weight of SMEs in the industrial sectors using the chemicals.

As far as the former are concerned, manufacturers and/or importers may decide that sales and profits are too low to justify the testing and registration costs. Overall, it is likely that such withdrawals will weigh hardly at all in the balance¹² (the rotation of chemicals is already a widespread economic fact even without REACH). The risk mainly affects chemicals produced in small quantities, the profitability of which is already in doubt (in this respect, REACH may only be speeding up an ongoing rationalisation process). However, some users may face individual problems.

Attention should also be paid to the potential for finding substitutes for products withdrawn from the market: are substitutes available? What are their technical properties and cost compared with the old chemicals? If no substitutes are available, can they be developed within the times specified by REACH (are the industrial and statutory time frames for substitution compatible?).

Products may also disappear for health or environmental reasons. Although advantageous to health or environmental protection, such moves may generate costs for users, wherever the chemical concerned is economically important and there are no real substitutes.

The advantage of REACH for users of chemicals should also be taken into account. Although REACH may impose one-time costs, it contributes to the subsequent reduction of the recurrent costs related to the use of hazardous substances, on which there is not enough information. Moreover, the disappearance of a substance from the market may constitute an opportunity for a company producing a substitute (competitive edge).

5. The involvement and positions of the ETUC

Throughout the redrafting of REACH, the ETUC campaigned for measures which created an effective framework for the protection of the environment and of workers' health.

The ETUC systematically supported the European Commission in its efforts to increase control over the use of chemicals, which it regards as a step towards sustainable development.

At the time of the first reading in the European Parliament, the MEPs agreed on a compromise text which met most of the ETUC's demands. In particular, the burden of proof remained with the manufacturers and substitutes were made mandatory for the «substances of highest concern» where safer alternatives were available.

The ETUC criticised the decision by the «Competitiveness» Council of December 2005, which removed this principle from the authorisation process, a backward step for workers' health.

In October 2006, the ETUC welcomed the reinstatement of these principles by the Parliament's Environment Committee and called on the Council to accept the Parliament's position.

¹² Provided the implementation model for REACH is consistent (see below).

Ultimately, the ETUC is convinced of the huge potential benefits of this reform for the health of millions of workers, who are exposed on a daily basis to chemicals, and also for the future of the chemical industry. It was able to influence the process which led to this new European regulation and achieved participation in the European Chemicals Agency in Helsinki. However, it disapproved of the increased thresholds, as well as the weakening of the original text on mandatory substitution.

Although Europe is a precursor in the area of chemical risk management, this issue is also being debated by international bodies. For instance, at the first meeting in Nairobi of the Trade Union Assembly on Labour and the Environment in January 2006, under the auspices of the UNEP, the final resolution included the following objectives:

«To implement the Johannesburg goals on chemicals to make industry prove that chemicals used are safe for workers, consumers, communities and the environment; in the context of the Stockholm Convention on Persistent Organic Pollutants, to ensure the substitution of the most dangerous substances; and to ensure concerted global action through the adoption of the Strategic Approach to Chemicals Management and its follow-up».

The trade union representatives at the Assembly also undertook to develop trade union action in the area of sustainable development, and in particular on chemicals, with a view to:

«the application at global level of proposals contained in the European Union REACH programme on chemicals to regulate, within the context of the precautionary principle, the responsibility and liability of producers to trace and detect dangerous chemical substances».

North America also appears to be developing policies and programmes to improve the management of chemicals. For instance, at the end of 2006, Canada launched a programme known as the «Chemicals Management Plan» based on the categorisation (finalised in September 2006) of the 23,000 chemicals introduced into Canada according to their assessment priority. This project has enabled 200 substances to be identified as potentially hazardous to human health and the environment; they will be evaluated within a maximum of three years (for more detailed information please consult the Canadian government website http://www.chemicalsubstanceschimiques.gc.ca/plan/index_e.html).

Inspired by the Canadian initiative, the United States have just undertaken to carry out risk assessments on over 9000 substances produced in quantities of over 11 tons per year by 2012 (see <http://epa.gov/chemrtk/index.htm>). This project is part of a regional partnership with Canada and Mexico. Unlike REACH, it does not currently require registration by industrialists.

Climate change and energy

Climate change is an unprecedented threat to the future of the planet. It is essentially linked to energy, as its main cause is the use and generation of energy for human requirements. Combating climate change will require negotiated solutions involving all social actors and most activity sectors, aimed at a detailed redefining of production and consumption patterns as well as technological solutions.

1. Climate change and its consequences

Scientists became concerned about the effects of human activity on the climate in the 1970s. Founded in 1988 under the patronage of the UNEP (United Nations Environment Programme) and the WMO (World Meteorological Organisation), the IPCC (Intergovernmental Panel on Climate Change) is in charge of summarising and evaluating the available research on climate change. Its main publications are the «evaluation reports»¹³. To date, the IPCC has published four such reports, the latest in 2007.

This guide is largely based on the information in the IPCC's 4th evaluation report¹⁴, which constitutes the most up-to-date scientific consensus on the issue of climate change.

A. The greenhouse effect, a natural phenomenon

Without the atmosphere – a mixture of gases surrounding the Earth – the temperature on this planet would be well below zero (-19°C). Six gases in the atmosphere known as «**greenhouse gases**» (**GHGs**) retain the heat the Earth receives from the sun and which it reflects: CO₂ (carbon dioxide), CH₄ (methane), N₂O (nitrous oxide) and the fluorinated gases (HFCs (hydrofluorocarbons), PFCs (perfluorocarbons) and SF₆ (sulphur hexafluoride)). This natural system is known as the «greenhouse effect», and it is vital to all human and natural life on the planet.

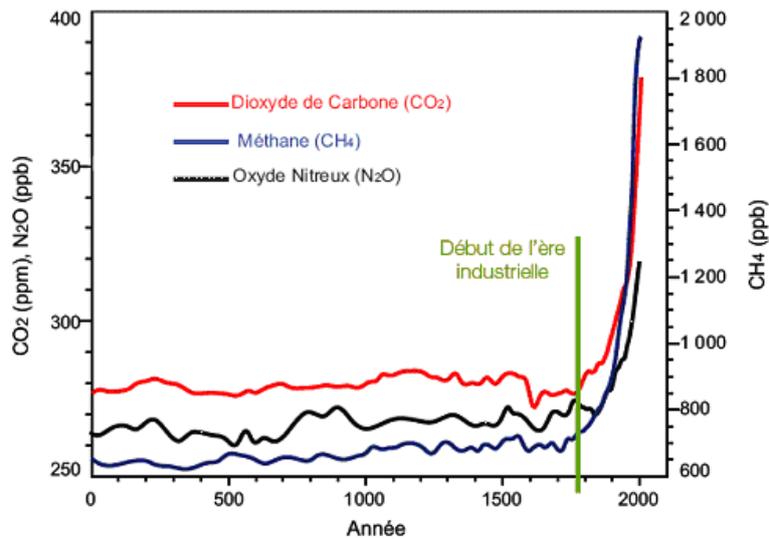
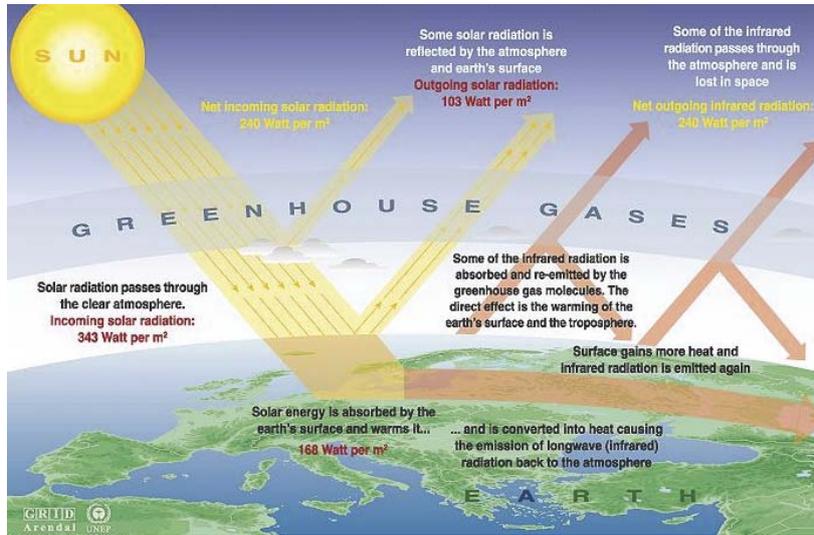
However, since the Industrial Revolution, the concentration of greenhouse gases in the atmosphere has increased considerably (by 31% for CO₂, 145% for methane).

Yet, even more than the increase in concentrations, it is the speed of this change that is spectacular.

¹³ It should be noted that prior to being published and declared to be «IPCC documents», the evaluation reports are explicitly approved in the IPCC plenary sessions. All member countries of the United Nations are also members of the IPCC.

¹⁴ IPCC, 4th evaluation report, 2007

PART 3



Source : GIEC, 4^e rapport du 1^{er} groupe de travail, 2007.

Atmospheric concentrations of greenhouse gases since the year 0

Once in the atmosphere, greenhouse gases remain there for a very long time, during which they continue to affect warming. The lifetime of the gases varies: 100 years for a molecule of CO₂, 9 to 15 years for a molecule of methane and up to 50,000 years for fluorinated gases. This means that the increase in the atmospheric concentrations of GHGs is to a certain extent irreversible: even if all emissions were to be eradicated today, the CO₂ level would take several centuries to return to its pre-Industrial Revolution levels (see green line on chart).

The contribution of each gas to the greenhouse effect is measured in terms of its global warming potential (GWP). The GWP is the energy returned to the ground by 1 kilo of gas over 100 years. This value is measured by comparison with CO₂. For instance, **1 kg of CH₄ and 25 kg of CO₂ emitted at the same time will have warmed the atmosphere to the same degree in 100 years.**

B. The increase in GHG emissions is of human origin

The increase in the atmospheric concentrations of GHGs is the direct consequence of our production and economic and social model, which since the 19th century has been based on the combustion of energy, 85% of which is derived from natural sources (oil, gas and coal).

Greenhouse gases are emitted by various human activities:

- the increase in the concentration of CO₂ is chiefly due to the use of fossil fuels (oil, coal, gas) and deforestation, which reduces Earth's capacity to draw CO₂ from the atmosphere;
- the observed increase in methane concentration (CH₄) is mainly due to agriculture (breeding of ruminants¹⁵, rice paddies), household waste dumps, oil and gas fields and coal mines;
- the increase in the N₂O concentration is mainly due to the massive use of nitrogen fertilisers in intensive agriculture;
- fluorinated gases are used in refrigeration systems, aerosols, aluminium manufacture and electrical equipment.

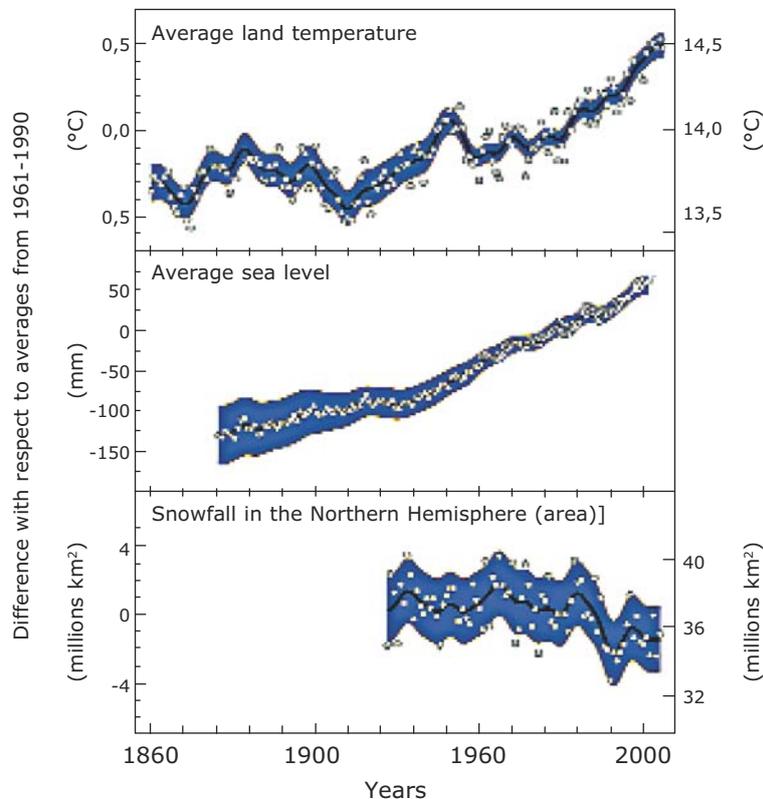
C. The climate is already changing

The IPCC scientists have established a causal relationship between the increase in the atmospheric concentration of greenhouse gases since the mid-19th century, which we have seen to be mainly due to human activity, and a number of global climate changes that occurred during the second half of the 20th century (see illustration below).

• **The increase in average temperatures** at the surface of the globe: the temperature has increased by 0.74°C between 1906 and 2005, a process which has accelerated over the past years (+0.13°C per decade, i.e. more than double the rate for the past 100 years). Eleven of the last twelve years were hotter than all previous years since 1850.

¹⁵ The food in their stomachs ferments and causes methane to form.

- **The average sea level** has increased by 1.8 mm/year since 1961 and 3.1mm/year since 1993. This is due to the thermal dilation of seawater, glacier and ice-cap melting, and the shrinking of the polar ice sheets.
- **An increased number of «extreme» weather events:** lower rainfall associated with harsher and longer droughts in the Sahel countries, around the Mediterranean, in southern Africa and certain areas of South Asia; heavier precipitation on the eastern side of North and South America, Northern Europe and North and Central Asia; more heat waves; an increase in tropical cyclonic activity.



Changes in average temperature, sea level and snowfall values in the Northern Hemisphere

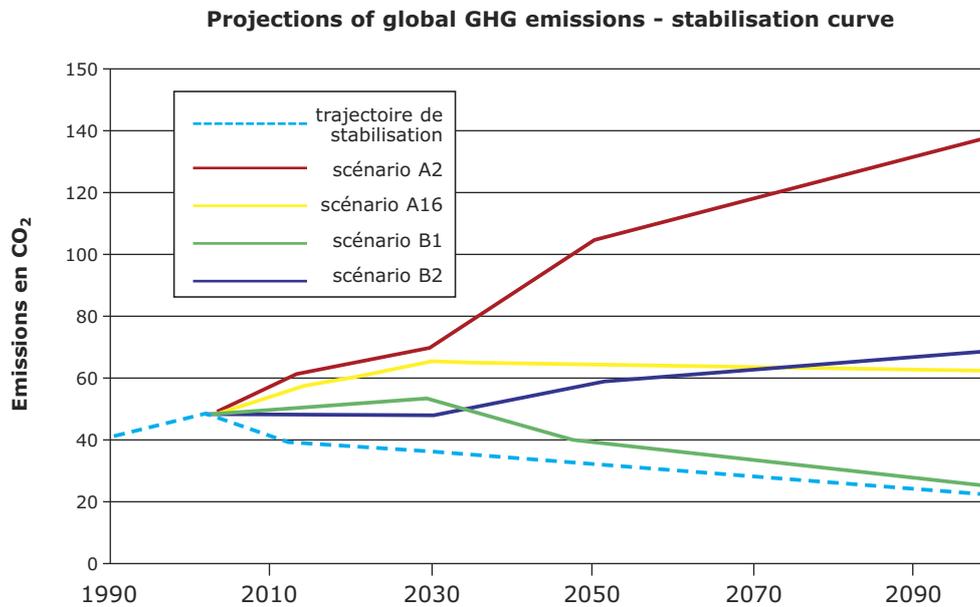
This does not mean that the climate is not changing for natural reasons. The Earth’s climate has experienced wide fluctuations during its history. Glacial and interglacial periods have followed each other in regular succession, approximately every 100,000 years, due to cyclical variations in the Earth’s position with respect to the sun. During the past millennium, a relatively warm period (11th-14th centuries) known as the Mediaeval Warm Period, preceded a relatively cold period (15th-19th centuries) called the Little Ice Age. The sudden warming observed during the 20th century is unprecedented in speed and extent (+0.74°C in 100 years) for the past millennium. According to the experts, it cannot be considered simply as a return to “normality” following the Little Ice Age. Living species, including humans,

will have to adapt very swiftly to these changes, and in many cases such adaptation will, quite simply, not be possible.

D. Future trends

In the future, the climatic state of the planet will depend on what greenhouse gases we have already released into the atmosphere (their life being around 100 years), but also, and especially, on those we emit from now until 2100.

Scientists are therefore working with emission scenarios which describe the potential evolution of greenhouse gases between 2000 and 2100 based on various socio-economic hypotheses - demographic, social, economic and technological - as shown on the following graph.



The scenarios studied by the IPCC show that unless very proactive policies are adopted to minimise climate change, temperatures could increase by 1.8 to 4°C in 2100 (compared with the pre-industrial era), and the sea level could rise by 18 cm to 59 cm above its 2000 level. It should be remembered that an average rise in temperature by 3°C in a century would cause major climate change, as it would be approximately half the temperature increase since the last ice age, only it would occur over a century instead of 5000 years.

Lower rainfall and drought would also probably occur in most subtropical regions, and high rainfall at high latitudes. It is highly likely that heat waves and tropical cyclones will also become more frequent.

The likely speed of such changes remains highly uncertain. However, some studies believe that they may occur suddenly, over just a few decades, making it very difficult for ecosystems and human populations to adapt.

E. Impact on populations and production sectors

Although there is as yet great uncertainty concerning the nature of future impacts on given systems at such and such a point, experts feel that global warming may severely affect the terrestrial and marine ecosystems along with human activity and public health on a lasting basis.

Over the next ten years, the number of people who may have difficulty gaining access to water may rise from tens of millions to several billion. The shrinking of glaciers in Asia, Latin America and Europe may cause a severe water shortage for much of the world's population and may also affect agriculture and power generation.

Rising sea levels, hurricanes and floods will threaten a many people, who will be displaced or forced to migrate, as over half the world's population lives less than 60 km from the sea. The most vulnerable areas are the Asian deltas such as Ganges-Brahmaputra in India, the Nile delta in Egypt, and almost all small islands. The industries and infrastructures in those areas will also be vulnerable. Moving populations, economic activities and infrastructures would be a costly and complex process.

Lower yields of a number of agricultural staples and reduced stockbreeding potential will increase the risks of malnutrition and hunger in poor regions.

It is also expected that climate change will cause an increase in deaths and accidents due to heat waves¹⁶, floods and storms. The risks to outdoor workers will also be changed and increased. A number of carriers of infectious diseases such as malaria are also likely to migrate to regions where the population is not immune. However, some effects on health will be beneficial, such as lower death rates in winter.

Economic activities which depend closely on climate-sensitive resources such as agriculture, fishing and tourism will be affected.

And in Europe?

The ETUC's study on «Climate Change and Employment»¹⁷ attempts to analyse the impact on employment in Europe of a rise in temperature of no more than 2 to 3°C.

Moderate and gradual climate change will cause a mixture of positive and negative impacts on economic activity and employment, with substantial disparities among regions in Europe. Southern Europe and the Iberian Peninsula will be most severely affected due to the relative importance of agriculture in the economy. In Germany, a balance of positive and negative impacts on economic activity is foreseen. Central Europe as a whole is particularly vulnerable to extreme weather, especially floods. In Scandinavia, the impact of climate change on economic activities at national level is expected to be slightly positive, although masking possible significant adverse effects in regions depending primarily on climate-sensitive resources.

When discussing the potential positive impact of climate change, e.g. the availability of new farmland in higher latitudes, it must be remembered that these

¹⁶ We also know that climate change strongly increased the likelihood of the heat wave which struck Europe in 2003.

¹⁷ ETUC, Syndex, ISTAS, Wuppertal Institute (2007), «Climate Change and Employment».

new opportunities come at a price and have their limitations. The ability to take advantage of these new opportunities depends on many factors, such as available technology and skills, and the structure and organisation of the market. The cost of transition and the population movements involved are also often ignored or underestimated.

2. Combating climate warming

A. Emission reduction is expensive – why not focus on adaptation?

In view of the cost of reducing emissions and the remaining uncertainties concerning the future climate, some have argued that programmes on adaptation to climate change may be an easier solution.

However, there are many reasons for combining measures for reducing warming and those for adapting to it, given that it has already begun.

According to the IPCC, keeping average increases of global temperatures below 2°C would enable the brutal and irreversible consequences of uncontrollable climate change to be avoided.

The economic cost of adaptation is higher than that of prevention. Inaction in the face of climate change could cause the global GDP to fall by at least 5% or even 20%, according to the report by Nicholas Stern¹⁸ (2006), whereas if prompt action is taken the cost of protecting the climate might not exceed 1% of the global GDP.

Postponing all emission reduction usually encourages governments to make decisions in favour of emitter energies which are difficult and expensive to reverse.

If nothing is done, climate change will first of all affect the poorest countries, and within those countries the most disadvantaged populations, whose ability to adapt is limited. Action to prevent climate change as far as possible is therefore indispensable to social justice and solidarity.

Moreover, combating climate change may generate benefits in other areas. For instance, renewable energies generally have a positive impact on energy security, employment and air quality.

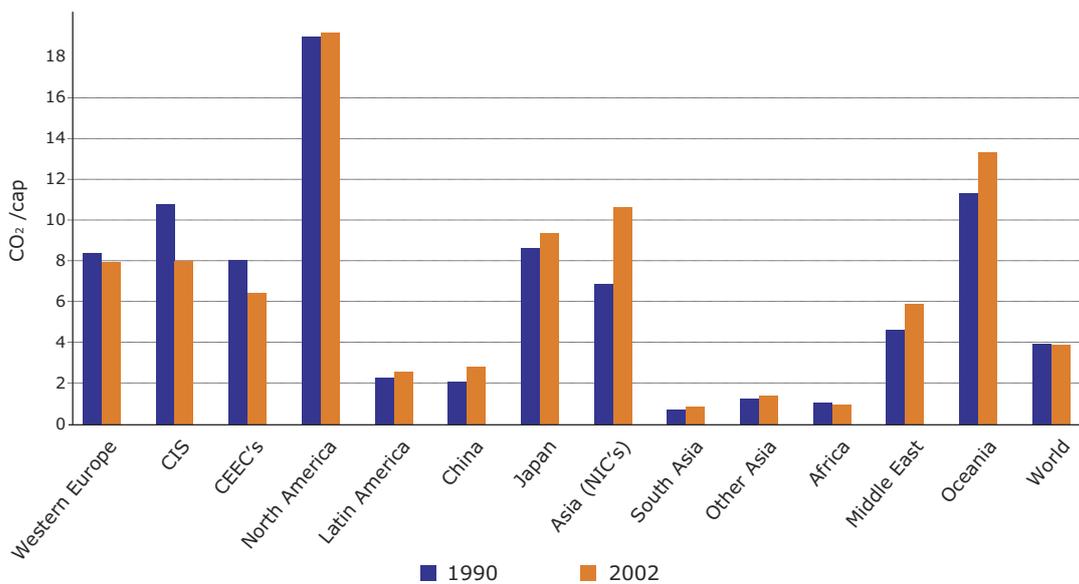
B. Existing international objectives

The United Nations Framework Convention on Climate Change (UNFCCC), adopted in May 1992 by government representatives, was a first step towards international governance for the mitigation of climate change. The Kyoto Protocol was adopted during the third session of the UNFCCC in 1997 and constitutes the main action programme for emission reduction.

The Convention establishes the principle of «common but differentiated responsibility», acknowledging that the industrialised countries, which historically have

¹⁸ Stern review of the economics of climate change (http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm)

made the greatest contribution to the problem and have the most resources to remedy it, are the only ones to be bound to reduce emissions. This mandatory target is set by the Kyoto Protocol at 5.2% of 1990 levels by 2008-2012.



This chart shows that emissions per year are highest in developed countries, although emissions by emerging countries are on the increase. These figures also show that the continuation of development, especially the fast growth of the most populated countries (China, India, Brazil) may increase emission levels soon.

The United Nations Framework Convention on Climate Change (UNFCCC)

This was opened to signing during the United Nations Conference on Environment and Development (UNCED), also known as the «Earth Summit», in Rio de Janeiro (Brazil), on 4 June 1992. The Convention came into force on 21 March 1994. To date, 191 governments as well as the European Community are parties to the Convention and meet regularly at the annual **Conference of the Parties (COP)** to monitor the application of the Convention and continue their talks on the best way of approaching climate change.

The Convention's «ultimate objective» is to stabilise the concentrations of greenhouse gases in the atmosphere at safe levels. These levels, which are not quantified by the Convention, should be reached within a timescale that enables ecosystems to adapt naturally to climate change, ensure that food production is not jeopardised, and enable economic development to continue in a sustainable manner.

To achieve this goal, all countries acknowledge their responsibility with respect to the need to deal with climate change, adapt to its effects and account for the actions they take in order to implement the Convention.

The Kyoto Protocol

The Kyoto Protocol complements the Framework Convention on Climate Change and was adopted in 1997, then ratified. It came into force on 16 February 2005 and is the UNFCCC's «action programme» for stabilising GHG levels.

The Protocol specifies that the developed countries, known as the «Annex I» countries¹⁹, are legally bound to reduce their total greenhouse gas emissions by 5.2% compared with 1990 between 2008 and 2012.

Moreover, each Annex I country has been set an individual emission reduction target (see table below).

The Protocol introduces 3 innovative economic instruments: the «flexibility mechanisms» which enable the «developed» countries to partly reduce their emissions in other developed countries by negotiating emission quotas (*Emission Quota Exchange*) and by financing overseas projects which reduce emissions, either in developing countries (*Clean Development Mechanism (CDM)*) or in the so-called «transition countries», especially Russia and the Central and Eastern European countries (*Joint Implementation*). The underlying principle is that it does not matter in which country emissions are reduced and that it is advisable to begin reductions where the process is cheapest.

¹⁹ Annex I to the Protocol refers to the developed countries which have undertaken to reduce GHG emissions. Conversely, Annex II includes the signatory countries which have not made any commitments to date (developing countries, especially headed by China).

**Table: Emission reduction targets for Annex I countries
(1990 to 2008-2012)**

European Community (EC), Switzerland, Central and Eastern European countries	-8 %
United States	-7 %
Canada, Hungary, Japan, Poland	-6 %
Croatia	-5 %
New Zealand, Russian Federation, Ukraine	0 %
Norway	+1 %
Australia	+8 %
Iceland	+10 %

Source: UNFCCC

C. What efforts remain to be made?

The Kyoto Protocol is only a first step towards combating climate change. Additional action is required after 2012 to achieve the ultimate goal of the Climate Convention, which is «to achieve (...) stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system».

Although the Climate Convention does not quantify this «interference level», an international consensus is beginning to take shape. It is estimated that the temperature increase must be limited to **2°C** compared with pre-industrial levels (i.e. prior to 1750).

If warming is to be limited to 2°C, emissions must begin to fall very soon, at the latest in 2015, and be divided by 2 or even 4 by 2050²⁰.

D. How should these efforts be distributed?

In the view of the IPCC, if global GHG emissions are to be halved, the industrialised countries, currently the worst offenders, need to reduce their emissions by 25-40% by 2020 (compared with 1990 levels).

The aim of the current international talks intended to draw up a successor to the Kyoto Protocol is twofold: to obtain a binding commitment by the industrialised countries to reduce their emissions to an extent compatible with the above figures, and to secure a commitment by developing countries with fast-growing emissions at least to limit the carbon intensity of their economic growth.

E. Considerable potential for mitigation by 2030 provided deliberate policies are applied

²⁰ This corresponds to atmospheric concentrations of 450 ppm of CO₂ equivalent, or 350 ppm of CO₂ (the current level is over 370 ppm!).

The IPCC's work shows that there is great economic potential for mitigation of world GHG emission levels over the coming decades, which would enable the forecast global emission increase to be postponed or emissions to be decreased to below current levels.

New investments in renewable energies and the associated infrastructures in the developed and developing countries, as well as policies intended to promote energy efficiency, may in many cases open up possibilities for lowering CO₂ emission levels below the reference scenarios.

- It is often more profitable to invest in efficient development of the end use of energy than to increase the energy supply to satisfy the demand of energy-consuming services. The improvement of efficiency has positive effects on energy security, the reduction of atmospheric pollution at the local and regional levels, and employment.

There are many options for mitigation in the transport sector, which may, however, be offset by growth in this sector. Potential mitigation measures face many obstacles, such as consumer preferences and the lack of regulations.

- Depending on local conditions and policies, the shift from road transport to rail, waterway and maritime transport, from private transport to public transport, as well as the allocation of land, town planning and non-motorised transport provide many possibilities for GHG mitigation.

In the industrial sector, those industries which consume a great deal of energy also have the greatest economic potential. Neither the industrialised countries nor the developing countries are making full use of the mitigation measures available to them.

- The chief obstacles to the full application of the various mitigation possibilities are the slow rotation of corporate capital, the lack of financial and technical resources, and the limited ability of enterprises, especially small and medium-sized, to gain access to technological information and apply it.

The energy efficiency options for new and existing buildings could considerably reduce CO₂ emissions while turning net economic profits. Although there are many obstacles to the implementation of this potential, the related advantages are considerable:

- Although there are opportunities for reducing GHG emissions in the construction sector worldwide, many obstacles make this difficult. They include a lack of available technology and qualified labour, financing, poverty, the high cost of reliable information, the limitations inherent to building design and an appropriate set of policies and programmes.

The mitigation measures relating to forestry could, at little expense, contribute to considerably reducing source emissions and increase CO₂ absorption by carbon sinks. They can be designed to create synergies with adaptation and sustainable development.

- Biomass from agricultural residues and crops for energy production may form a

major component of green energy. However, its contribution to mitigation measures depends on the demand on green energy for transport and energy supply, and on the availability of water and land for food and fibre production. Extensive allocation of land to the production of energy biomass may compete with other crops and have negative as well as positive implications for the environment. It may also constitute a threat to food security.

Consumer waste plays little part in global GHG emissions (<5%). However, the contribution of the waste sector to the mitigation of GHGs may prove beneficial and inexpensive, and encourage sustainable development.

Current waste processing practices can be used for the efficient mitigation of GHGs in this sector. There are many environmentally efficient, tried and tested techniques for reducing emissions while generating improvements in public health and safety, soil protection, the struggle against pollution and local energy supplies.

3. The European climate change policy

A European approach to combating climate change has been developed over the past decade, and this is an area in which the European Union has decided to take the lead.

A. The European Union intends to play a leading role in the area of climate change

Due to the reluctance of some countries to accept emission reduction programmes within the scope of the international climate talks, the European Union is playing a key part in demonstrating that effective solutions are feasible. The 15 Member States of the time agreed to meet a collective target (-8% by 2008-2012)²¹ and have defined the arrangements for transnational coordination within the European emission quota trading system ETS (*Emission Trading Scheme*). The EU is thus playing a key role in the action against global warming despite the fact that the Union only accounts for 15% of the world's CO₂ emissions.

B. Joint and coordinated policies for the Member States

The European Climate Change Programme (ECCP) launched by the Commission in 2000 includes proposals not only in the area of demand control (energy efficiency and pollution standards), but also in the area of the energy supply (targets for electricity from renewable sources).

Although the Community has no general competence in the area of energy, the EU policy provides for a genuine, albeit limited, integration of national energy policies. The 2001 Directive on the promotion of the electricity produced from renewable energy sources is certainly the most important measure in this respect,

²¹ The 10 new Member States which joined further to the enlargement of 2004 have all ratified the Kyoto Protocol and have their own targets, which range from -6% to -8%

**Table 2: Emission-reduction targets
for the EU Member States
(1990 to 2008-2012)**

Austria	- 13%
Belgium	- 7,5%
Denmark	- 21%
Finland	0%
France	0%
Germany	- 21%
Greece	+25%
Ireland	+13%
Italy	- 6,5%
Luxembourg	- 28%
Netherlands	- 6%
Portugal	+ 27%
Spain	+ 15%
Sweden	+ 4%
U.K.	- 12,5%

as it stipulates a European right of supervision over a major part of the national energy mixes. For the first time, national targets are specified for information purposes on the basis of a common definition of Renewable Energy Sources (RES), the means being left to the individual Member States.

The European Union was the first to set up an emission quota trading system²² (see description in Information Sheet 7, Appendices) by means of the Directive concerning activities in the sectors of energy, the production and processing of metals, the mineral industry and a number of other industrial facilities. This involved the allocation (more or less free of charge) of an initial quantity of quotas to the companies concerned, which may trade them on the European market, i.e. sell them if they have too many and

buy them if they do not have enough. The European price of carbon depends on such trading.

In terms of *energy demand*, although Europe is the world's most energy efficient area (its energy intensity being 30% lower than that of the United States and 40% lower than that of China), the European Union has identified considerable potential for emission reduction (-20% in 2020 compared with consumption trends) in the residential, tertiary and industrial sectors, which is frequently complemented by cost reduction due to energy saving. A Directive on the energy performance of buildings (2002), a Directive on energy end use efficiency and energy services (2006) and an Action Plan for Energy Efficiency (2006) have been adopted.

The main pillar of the *transport* policy takes the form of voluntary agreements with the European, Japanese and Korean automotive manufacturers to reduce the CO₂ emissions of new private cars and improve fuel consumption. The integration of climate related constraints into transport policy is, however, coming up against considerable inertia in the Member States. The structural measures proposed in the Commission's White Paper, «European transport policy for 2010: time to decide» (internalisation of environmental costs by means of joint principles concerning tariffs for the use of infrastructures, measures to encourage an

²² European ETS Directive (2003/87/EC).

intermodal shift of balance, etc.), are making very slow progress indeed.

The use of *energy taxation* for European environmental purposes remains undeveloped due to its impact on the price of fuel and the fiscal revenues of the Member States. At present, the various forms of taxes on energy in the EU are contributing to the reduction of its environmental, whilst slowing down the promotion of more efficient modes of transport. Though its adoption following several years of talks was a success in itself, the 2003 Directive on the taxation of energy products will clearly not be an adequate instrument for steering national policies towards reducing energy consumption and more environmentally friendly energies.

Lastly, the *liberalisation of the electricity and gas markets* has to date been the driving force behind European action on energy. However, its overall impact on greenhouse gas emissions has not been clearly established. Increased competition between the various energy sources is supposed to encourage flexible, less capital intensive and smaller scale production methods with lower CO₂ emissions. However, there are many arguments to the contrary.

C. Increased efforts after 2012: the industrial and social stakes for the European trade unions

Without waiting for the results of the international talks on new post-2012 agreements (further to the expiry of the Kyoto targets), the Commission has proposed the adoption of a 20% emission reduction target for the EU by 2020 compared with 1990 levels.

At the international level, the Commission proposes that all developed countries adopt a greenhouse gas reduction target of 30% by 2020.

At the same time, the Commission has tabled a series of proposals for legislation in the areas of industry, transport and energy efficiency. These proposals will be reviewed by the European Parliament and the European Council during 2008.

The ETUC has analysed these proposals and their consequences for industrial development and employment in Europe and has itself formulated a number of proposals.

● Reinforcement of the EU emission quota trading system (EQTS)

The Commission would like to reinforce the emission quota trading system applicable to energy producers and industries that consume a great deal of energy. Based on the proposals, facilities in this sector would have to reduce their emissions by 21% by 2020 compared with 2005 levels.

The ETUC welcomes proposals to improve the efficiency of the EQTS system, in particular the setting of a single Europe-wide cap on emissions from such facilities to replace the national ceilings, the principle of auctioning quotas for sectors not exposed to international competition, and the inclusion of new sectors such as aviation.

However, it remains highly sceptical concerning the manner in which the issue of the competitiveness of European energy intensive industry exposed to international competition is treated. Based on its own studies, which show the risks of relocation, or freezing of investment, in these sectors owing to the absence of similar requirements outside Europe, the ETUC would like the Directive to include compensation measures, such as border adjustment mechanisms for energy intensive industries in the form of a carbon tax or the inclusion of importers/exporters in the carbon market, with the possibility of activating these mechanisms in 2013 if the other industrialised countries do not similarly regulate their emissions.

The allocation of quotas free of charge has the ETUC's support on the following conditions: a) that it be based on the best available technology; b) that it complement rather than serve as an alternative to taxation at the border. In the absence of a border adjustment mechanism, companies might resell their free quotas on the European carbon market and relocate their production to countries with lower production costs. Free allocation would then amount to subsidising such industries without securing compensation from them in terms of employment.

Moreover, the impact of energy costs on consumers will be considerable. This means that universal access to energy must be secured by investing to reduce the energy bills of underprivileged households and provide social energy tariffs.

Lastly, the ETUC has noted that auctioning will allow the electricity sector to generate significant revenue for the Member States (an estimated 40 billion euros). It would like a significant percentage of the income from auctions to be invested in energy savings and public transport to enable underprivileged households to become less dependent on expensive energy and transport, and in providing assistance to workers who lose their jobs as a result of the transition to a low-carbon economy.

● **Renewable energy target**

The ETUC supports the Commission's proposal to increase the share of renewable energies to 20% of the EU's energy consumption by 2020. This development would contribute not only to the reduction of the EU's greenhouse gas emissions, but also to the creation of jobs and to the Union's energy self-sufficiency.

However, the ETUC is very sceptical concerning the binding obligation to use 10% of biofuels in transport by 2020, due to the social costs often associated with such production (increase in the price of foodstuffs, working conditions), potential competition with other industrial sectors, and uncertainty concerning the environmental impact of the production and transporting of biofuels. If this target is to be maintained, the ETUC insists that adequate social and environmental criteria must be drawn up.

● **Draft Directive reducing the CO₂ emissions of new cars**

Due to its potentially harmful effect on the environment and public health, the transport sector constitutes one of the main political challenges to European sustainable development. Vehicles produce 10% of Europe's CO₂ emissions.

In the wake of the failure of the voluntary agreement with car manufacturers, the ETUC welcomes the Commission's follow-up initiative of imposing binding legislation on the CO₂ emissions of cars and expects major social and economic benefits.

The Commission is proposing that emission standards for cars be set so that the average for the fleet is 130 grams of CO₂ per km in 2012, a measure supported by the ETUC. Greater efforts must be made for vehicles with high emissions than those with low emissions.

In the Commission's proposed Regulation, the ETUC supports setting up a system of fines for manufacturers which do not meet targets. Although they would increase over time, these fines must be dissuasive. Income from penalties should be paid into a fund managed at either the national or the European level and used for investment in research, development and training aimed at making further reductions of CO₂ emissions.

The ETUC is also calling on the Commission to propose measures soon for promoting the purchase of the least polluting cars with the lowest CO₂ emission levels (i.e. demand-oriented measures).

● **Sustainable mobility and travel plans: good trade union practice**

The European trade unions are committing themselves to improve the sustainability of transport generated by companies. They are taking action within the scope of the «corporate mobility plans» which are being developed in certain European companies further to regulations requiring that corporations over a given size develop mobility plans focusing in particular on employees' travel between their homes and their workplaces.

Unions have been emphasising the positive correlation between more environmentally friendly modes of transport in companies and the benefits to workers' health, the quality of the work environment and the creation of jobs in alternative modes of transport or new functions (e.g. «mobility manager»), as well, of course, as the economic gains for enterprises.

A tripartite approach to sustainable mobility in Belgium

In 2002, a partnership charter was signed by the Walloon Government and the Economic and Social Council of the Walloon Region (CESRW). This charter includes a «mobility» section, the purpose of which is to encourage corporate transport or zoning plans.

Within the tripartite working group (Walloon Government, trade unions, employers), the trade unions have helped to a) draw up an inventory of zoning mobility, aimed in particular at identifying the expectations and requirements of the workers concerned; b) provide support and expertise to enable workers to receive compensation for their travel, work flexible hours and benefit from investments in certain work-related infrastructures (e.g. changing rooms); c) inform and increase the awareness of workers concerning the measures in the plan, e.g. car pooling and the various aspects of mobility.

The trade union campaign for «transport cheques» in Italy

In Italy, the 3 trade union confederations CGIL, CSIL and UIL met in 2004 to propose the introduction of a «transport cheque» based on the meal voucher model. The proposed formula enables employers to contribute to the transportation of their employees by supplying transport cheques which can be used for all forms of public transport, including taxis. This system has helped increase the funding of and demand for public transport while remaining inexpensive due to tax exemption of the sums concerned for both companies and employees.

- **The energy efficiency of buildings: considerable potential for job creation in Europe**

The construction sector accounts for 40% of greenhouse gas emissions in the EU.

This sector has the most substantial potential for energy efficiency gains in Europe. The application of higher standards to new and renovated buildings would make a significant contribution to the achievement of the Kyoto targets while creating jobs and improving working conditions and the skills content of jobs, provided requirements for innovation and vocational training are met. It would also constitute an effective tool against energy shortages.

The ETUC believes that the EU should reinforce its energy efficiency policy. The action plan adopted in 2006 should be revised to include binding energy efficiency targets for the Member States. The Directive on the energy performance of buildings should set energy efficiency standards.

The possibility of including social and environmental clauses in public works contracts, one of the advances in the new European legislation adopted in 2004, is a major means of promoting sustainable construction.

The German Alliance for Work and the Environment

The German trade unions are cooperating within a broad coalition that includes the government, industries and the environmental NGOs to renovate existing housing with a view to combating climate change while creating sustainable jobs and improving social conditions.

The goals of the «Alliance for Work and the Environment» («Bündnis für Arbeit und Umwelt») are to: renovate 300,000 housing units per year, create or preserve 200,000 new jobs, cut CO₂ emissions by 2 million tons each year and slash energy bills for tenants as well as homeowners by improving building insulation and heating technology as well as the use of renewable energies. In return, this project helps promote German environmental technology exports and renewable energies.

This project was financed by the German government and by low interest credits and has been very successful. Thousands of jobs have been created or saved in the depressed construction sector as well as the heating, sanitary and air-conditioning equipment sectors. The renovation activities have also revitalised underprivileged areas.

- **Improve knowledge of connections between climate change and employment**

Any transition to a more sustainable, less carbon-intensive production and consumption model will generate significant change in the areas of employment, qualifications, lifestyle and societies.

Moreover, if nothing is done to combat climate warming, employment in Europe as well as developing countries will be severely disturbed.

This dimension has been largely ignored by the Kyoto Protocol as well as by the European Union's climate policies. The IPCC's latest report limits itself to citing a few employment figures for the renewable energy sector and the risk of relocation due to carbon leaks which may occur in energy intensive industries should action be taken unilaterally.

The ETUC needs to increase its expertise on the connections between climate change and employment to improve its ability to make proposals, take action and negotiate in areas such as:

- the sharing of efforts between each activity sector according to its technological potential and social situation. These endeavours must also be economically feasible;
- policies and measures in the areas of training and skilling to enable the potential for job creation associated with combating climate change to be utilised;
- anticipating and planning the job changes required by a swift transition to a low-carbon economy.

The study performed by the ETUC in cooperation with experts from Syndex, Istas and the Wuppertal Institute entitled «Climate Change and Employment» (see description in Information Sheet 6, Appendices) was an important first stage in the acquisition of expertise in this area by the ETUC and European trade unions.

This study analyses the impact of climate change and the greenhouse gas emission reduction measures on European employment, quantitatively and qualitatively, using a sectoral approach (electricity, oil, iron and steel, cement, construction, transport).

- **Adapting social dialogue and collective bargaining to the requirements of climate change: the Spanish experience**

In the ETUC's view, «employment transition plans» need to be implemented to anticipate and manage the economic and social effects of the measures taken to combat climate change. Such a programme must include social dialogue between the European social partners (employers and trade unions); a tripartite advisory committee at the European Commission; support during job searches and income support for workers losing their current jobs; training to support employment in the new services and industries and in research and development; public investments.

The tripartite round tables on the Kyoto Protocol in Spain

A framework agreement concerning the implementation of a tripartite dialogue on adaptation to and the mitigation of climate change was signed in 2005 in Spain between the State, the employers and two trade union organisations, CC.OO. and UGT.

Tripartite sectoral round tables have been set up and meet regularly, demonstrating that there is no theoretical obstacle – on the contrary – to the increased involvement of the social partners in climate change issues.

CC.OO. and UGT have taken part in the national debate on the national climate change strategy and on the national strategies on energy saving and the rational use of energy. They have insisted that the 15% CO₂ emission reduction target be mainly achieved in Spain itself and that the emission quota trading system be used only as a back-up.

Sectoral agreements on targets and means of achieving them were reached within the framework of these sectoral round tables and of the social transition measures.

Moreover, some of the measures proposed by CC.OO. and UGT have been successfully included in the national climate change strategy, such as ensured participation in the national quota allocation programme, training courses on climate change for workers and their representatives, and the drawing up of public transport and car pooling plans for getting to the workplace.

Food safety and security and sustainable development

Food security is now understood as the principle of ensuring the inalienable right of human beings to feed themselves, which is not simply a question of meeting their nutritional requirements. This right entails a number of major requirements: an adequate food supply for poor population groups, foodstuffs with high social and environmental quality and fair trade in these products. These goals are largely interdependent, yet frequently contradictory if not in open conflict. More than in any other area, it is essential to pursue a sustainable development policy.

1. Food security: a fundamental right that is not being guaranteed

The fulfilment of nutritional requirements has had a powerful influence on the history of civilisation. For a long time, eating was our ancestors' primary concern. Today, this still applies to half of humanity: 800 million inhabitants of this planet suffer from chronic malnutrition (including 34 million in developed and transition countries), whilst 2 billion suffer deficiencies due to inadequate nutrition.

Food security, i.e. the fulfilment of the entire population's nutritional requirements, is therefore far from being achieved in many of the world's regions. Beyond the availability of natural resources, this situation is caused by many factors:

- unequal access to production factors (land, water, genetic resources, technologies, etc.);
- unjust agricultural production systems and food distribution and unequal purchasing power;
- unfair tariff systems;
- inappropriate distribution of agricultural produce.

The burden of injustice is mainly being borne by the poorest and weakest, many of whom work in the agricultural sector. The workers of the agricultural and agrifood sectors are among the worst paid, with the hardest working conditions and the fewest trade union rights (where they have any).

Agriculture is one of the sectors with the highest accident rates (according to the ILO estimates for 1997, out of 330,000 workplace fatalities, 170,000 were agricultural labourers), due to the increasing use of machinery, pesticides and other agrochemicals. Exposure to these chemicals constitutes a major occupational hazard and may cause severe lung disease, cancers, reproductive disorders and poisoning. These risks are compounded in developing countries due to the lack of appropriate protective equipment during use of highly toxic active ingredients, as well as the lack of information and training.

Beyond access to adequate amounts of food, food safety is a major concern of

developing countries. Water and foodstuffs, which carry many diseases, caused over 2 million deaths worldwide in 2000. Manufacturing, storage, transport and preparation conditions are essential factors in ensuring food safety. However, the necessary infrastructures are often lacking or inadequate.

A. The quality of agricultural work

High environmental standards may be useful tools for enabling agricultural and food sector workers to improve their long-term job security as well as the environment in which they work. Workplace health and security must be one of the priority areas of sustainable development policies. The Convention and the Recommendation on safety and health in agriculture adopted by the ILO in June 2001 need to be ratified by all countries as soon as possible.

By way of example, let us take pesticides and their impact on the environment and agricultural workers. Despite their technical efficiency, high levels of pesticide use are increasingly and regularly challenged by public opinion, since water, air and soil are being polluted though the precise impact is difficult to measure. Pesticide dispersion is very difficult to control and there is insufficient knowledge about the environment's vulnerability to pollution and its capacity to recover from it. The inadequate selection criteria applied when using pesticides means they affect many life forms in addition to the targeted pests. And the substances or their residues remain in the food chain and their impact on the health of agricultural workers, who use them in widely varying conditions, is increasingly under scrutiny.

In addition, global food security requires the combating of child labour. In 1997, according to the ILO, 250 million children aged 5 to 14 worked in agriculture in developing countries, half of them on a full-time basis. Over 80 million children are in dangerous jobs. The ILO's IPEC2 programme also estimates that approximately 70% of child labourers work on farms. The ban on child labour is open to debate: if the working conditions are appropriate to the children's age and they also have access to schooling, child labour may provide an opportunity for vocational training and access to the mainstream labour market. However, these practices are often nothing more than shameless exploitation of defenceless beings abandoned to their fate and subjected to appalling and inhuman working conditions.

Such practices are incompatible with sustainable development. Trade unions in the agrifood sector have a particular responsibility in combating these extreme and unacceptable forms of exploitation.

B. Food safety and security and the exploitation of natural resources

Without questioning the right of countries to use their timber resources, certain systematic deforestation policies (over 140 million hectares of forest were destroyed between 1990 and 2000) are seriously endangering ecosystems and impoverishing our natural heritage, whilst failing to provide adequate incomes to those who perform the forestry work or those who subsequently work on the land

that is cleared. The domestic use of wood as an energy source remains essential to many of the planet's inhabitants. Population growth is increasing pressure on this resource which, although potentially renewable, often leads to desertification and extreme poverty due to predatory political systems and inadequate technology. Ambitious policies which support the protection, management and renewal of forests are required more than ever in many areas of the world.

Another key example of sustainable development is the protection of the marine environment against the exploitation of its resources by industrial fisheries and pollution, both terrestrial and by maritime transport. The setting up of responsible fisheries and sustainable ecosystems, which is also a key basis for the food safety and security of coastal and island countries, is a requirement in many of the UN's international agreements, though it needs to be expressly implemented.

Also, the many jobs related to the utilising of natural resources, whether forest or marine, are also being threatened by their over-exploitation and the depletion of stocks. An example is the collapse of fishing in Newfoundland in the 1990s, as a consequence of rampant over-fishing and the subsequent depletion of cod stocks.

Fish, an endangered species?

The FAO regularly expresses its concern over the depletion of fish stocks in the oceans. The intensification of fishing and of the international fish trade may cause existing stocks to disappear unless their management by individual states becomes more rigorous. Today, all species are being over-fished. 30% of current catches are intended only to feed poultry, livestock and... farmed fish. As well as the depletion of the natural resources required for human development, this also raises the issue of biodiversity, as the extinction of species may decrease the ability of ecosystems to adapt.

In several respects, the management of global fishing is a core issue in sustainable development. The current crisis is having consequences for global food stocks, especially in poor countries, where fish is the main source of protein. Also, the deterioration of the environment and ecosystems in coastal areas due to intensive and industrial fishing is threatening the reproduction and growth of living species.

2. Food safety and security

Although most inhabitants of developed countries eat their fill, foodstuffs are a subject of concern for many. Recent crises have raised the issue of food safety (chemical or bacteriological risks): BSE, dioxin, listeriosis and avian flu have thoroughly shaken consumer confidence.

Food safety issues regularly hit the headlines of the major media of developed countries. Focused as they are on consumer safety, our societies have become increasingly risk-averse, while the globalisation of trade has helped worsen the impact of health-related accidents.

Nutritional education needs to be improved for all. In the West, the changes in food culture have led to a loss of consumer knowhow in the area of food safety,

most of which is delegated to the agrifood sector, with the final product being protected by regulations, sophisticated packaging and the cold chain. Around one third of foodstuffs consumed in Europe and over one half of foodstuffs eaten in the USA are industrially prepared.

Moreover, increased global trade and technological innovation in the agrifood sector are increasing the probability that the world will have to face unknown or as yet barely emerging risks.

Food safety is a sensitive area since it is linked to the inclusion of certain ingredients, which is based on particular cultural and social identities. Experts cannot prescribe what should be eaten on health grounds alone, and although they are endeavouring to measure impacts in quantitative terms and based on the probability of risks, consumers are more concerned with the nature of the consequences rather than their probability.

Production methods are also being questioned in terms of food safety, but also as regards their impact on natural environments and resources and land use, where agriculture methods are concentrating production in certain regions and on certain farms.

Over three-quarters of our food is provided by just a dozen cultivated species. Besides their proven risk to natural resources, intensive farming methods have decreased the quality of diets.

A. The social and environmental quality of products

Consumers are increasingly concerned about, and demanding guarantees from politicians, the agrifood industry and the distribution sector as to the environmental and social quality of the products they are offered, together with their impact on health. The appearance of genetically modified organisms (GMOs) has generated heated debate amongst trade unions and raises direct issues about workers' role in the agrifood industry. The European consumer health policy is also concerned by these issues.

Workers' representatives in the agro-industries are regularly challenged concerning the conflicts between product development and risks. Their role sometimes places them in difficult situations, at the very heart of the tensions and contradictions between the many dimensions of sustainable development. This makes it all the more important to achieve progress on the economic, social and environmental aspects of food safety, viewing them as a whole rather than only considering what the agro-industries have tended to regard as their direct economic interests.

Moreover, change is accelerating in the agrifood sector and a number of sectors are going global. Job losses in both the production and processing phases are resulting from the decrease in the number of farmers in developed areas.

B. The quality of the agricultural production system

Satisfying consumers' demands from the food industry mainly involves securing their approval of agricultural methods.

In Europe, the recent reform of the CAP (Common Agricultural Policy) and fisheries policy has largely ignored the issue of the «quality» of the EU's approaches in terms of land management, habitat protection, product quality, and the preservation and renewal of natural resources and fish stocks. And ways of promoting environmentally friendly and job-creating agricultural production methods such as organic farming need to be examined.

The CAP, which is mainly attentive to quantity, needs to open up to environmental and societal concerns, not least as regards how land is used. Besides support for agricultural markets, production and produce (the first pillar), Community aid needs to be freed up to support rural development (second pillar) too.

Through their impact on the maintenance of jobs, the policies of the CAP affect land management, so farmers become indispensable actors in land and environmental management. The sustainable approach to food safety and security gives farmers a leading role in the management of biodiversity, the water and carbon cycles, land management, fertility management and the maintenance of ecosystem potential.

Sustainable development requires increased convergence between the CAP and the creation of high-quality jobs (Community funding does not take employment into account, a fact deplored by the ETUC). At the same time as the CAP is restructured, rural development funds need to be substantially increased to tackle the employment and competitiveness issues which affect rural areas, especially in the new Member States.

C. A less wasteful agriculture

Tensions concerning water have reached such a pitch that arbitration is required between its various users. Intensive farming, or rather the concentration of farming activities, pollutes water and soil. Although it feeds people cheaply, it leaves future generations with a depleted environment.

Moreover, global warming will oblige farmers to rethink their methods (droughts have already decreased irrigation and maize growing).

Inputs (pesticides, herbicides and fertilisers) need to be reduced. There are ways of doing this, and they include changing farming practices more quickly.

D. Some action rules for food safety

- Prevention: a set of regulations which protect consumers against known and proven health risks and ensure compliance with these regulations.
- Precaution: to protect consumers/citizens against potential but as yet scientifically unproven risks while measuring the costs and benefits of measures taken.
- Traceability: to identify the origin and conditions of manufacture of a specific agricultural product²³.

²³ The product traceability required by the European Union must protect consumers. However, indirectly it constitutes a protectionist measure, as many countries are not able to develop a traceability system which complies with EU requirements. This measure is considered to be a barrier to the entrance of the LDCs on the European market.

3. Fair trade in foodstuffs

The main postulate underlying the global reorganisation of trade, which has been guided by the World Trade Organisation (WTO) since 1994, is that the creation of a global foodstuffs market will increase trade, which will in turn increase economic growth and, thus, prosperity. This process, which is sometimes outlined too sketchily, is being hotly debated, including among those who accept the realities of globalisation.

The right of peoples to feed themselves

We would stress the right of all peoples to feed themselves locally with foods that meet their requirements, whilst ensuring the security of their supply by means of balanced and regulated international trade. This is a basic requirement for any progress towards economic and political stability. In this respect, developing countries are entitled to defend their agriculture, a vital sector, via protective measures at their borders. That, indeed, is how agriculture is able to function in developed countries. Food aid must not be allowed to thwart efforts to develop food crops or achieve food self-sufficiency.

Since the Millennium Declaration, the Johannesburg Summit and the Doha development agenda, strong pressure has been applied for Europe's trade policies to include goals relating to global food safety and security. The Union's trade policies must reconcile the need to support sustainable agriculture in Europe and the responsibility to promote food safety and security in developing countries. The current system of agricultural subsidies used in Europe and the United States is increasingly perceived as an obstacle to the development of the local agricultural markets and production capacities of developing countries.

Special attention must be given to ensuring that food production is not threatened and that high-quality jobs are created in developing countries through a series of guarantees (including on salaries, social protection, working conditions and trade union rights). Although agricultural relocation creates jobs, it is being strategically used by large corporations for the purpose of social dumping, a practice that the ETUC explicitly opposes as it generates transnational competition between workers in the sectors concerned. This is an issue requiring international solidarity. International trade union cooperation and the development of responsible consumption and fair trade are valuable allies in this struggle. The demand for decent working conditions for agricultural and agrifood workers and the struggle against international social dumping are major preconditions for sustainable global development. It must be recognised that workers are indispensable actors in global food safety and security.

4. Resolving conflicting pressures: a tough task for sustainable development

These contrasting situations - with famine, shortages and suffering on the one hand and abundance and concerns on the other - are creating many forms of tension.

Hunger riots are currently multiplying. In many countries, demonstrations are taking place which are directly caused by rising staple prices. One sign of increasing concern is that while the WTO is attempting to conclude an agreement liberalising trade in agricultural produce, more and more countries are limiting cereal exports by setting up quotas or increasing taxes. Several factors are at work: increased demand, stagnating supply and the growing cost of maritime transport.

Soaring oil prices are having a twofold negative impact as they are increasing the cost of maritime transport, which now accounts for one third of cereal prices, but above all they are making biofuels more attractive. As a result, sugar, maize, cassava and oilseed crops are being diverted from their nutritional function.

On a global scale, the development of conurbations, industry and mobility will lead to a considerable increase in the demand for energy. This demand may be met by renewable energies and in particular biomass, i.e. oils and fuels from highly productive oil palms, alcohol from sugar cane or cereal starch, alcohol, gas, charcoal or hydrocarbons from wood. However, in today's yield scenarios, it cannot be guaranteed that global agriculture will be able to supply both foodstuffs and energy in the estimated proportions needed based on a rising demand.

Demographic pressure, economic growth and global warming are being compounded by a fourth, equally important factor, which is the erroneous policies applied to date, in ignoring the importance of agricultural development. This is acknowledged by the World Bank in its latest report on sustainable development: for 20 years, leaders have forgotten about agriculture. Although 75% of the world's poor live in rural areas, just 4% of public aid is channelled into agriculture²⁴.

These contradictions require a new approach to our ways of producing food, which is a highly specific commodity, and international determination to implement production models, measures, practices, standards and forms of cooperation that promote sustainable development, by making the eradication of poverty and hunger their top priority.

Further analysis is therefore required, particularly since a single food production model may cause world biodiversity to gradually disappear.

Sustainable development in all areas of food safety and security demands renewed trade union cooperation on a global scale. That will partly require exchanging information and experiences concerning these issues.

Closer relations are also needed between trade unions within European or global work councils so that concrete sustainable development initiatives are developed within companies with their employees' involvement. However, trade unions cannot do everything on their own: we need to talk and take joint action with NGOs.

²⁴ State development aid transfers from northern to southern countries is another basic requirement (it must quickly reach the agreed target of 0.7% of GNP, as promised by the EU at the Göteborg Summit).

Natural resource management

1. Challenges linked to natural resource management

A. A framework is needed for management of natural resources

This need was recognised in Europe after two facts had been acknowledged. The first was the value of the services supplied by natural resources and the need to guarantee that these services would be available to future generations. The second was the potential inconsistency in or approach, given our growing tendency to overdraw on these resources (population growth, technical progress, production and consumption patterns, etc.).

For this reason, the EU's new Sustainable Development Strategy (2006) includes the following objective: «*to improve management and avoid overexploitation of natural resources, recognising the value of ecosystem services*».

Achieving this objective involves applying some key principles:

- halting the loss of biodiversity;
- using renewable natural resources at a rate that does not exceed their regeneration capacity (notion of sustainable management);
- restoring the depleted marine ecosystems by 2015 in line with the Johannesburg Plan (2002) including achievement of the Maximum Yield in Fisheries by 2015;
- avoiding the generation of waste and enhancing efficient use of natural resources by applying the concept of life-cycle thinking and promoting reuse and recycling;
- using natural resources more efficiently, which may generate a competitive advantage: sustainable resource management is not inconsistent with economic development;
- contributing effectively to achieving the four United Nations global objectives on forests by 2015:
 - *Reverse the loss of forest cover worldwide through sustainable forest management (SFM), including protection, and increase efforts to prevent forest degradation;*
 - *Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people;*
 - *Increase significantly the area of sustainably managed forests, including protected forests, and increase the proportion of forest products derived from sustainably managed forests;*
 - *Reverse the decline in official development assistance for sustainable forest management and mobilise significantly increased new and additional financial resources from all sources for the implementation of SFM.*

These goals should be achieved by developing innovation (to improve the efficient use of resources), including marine areas in the Natura 2000 network, and intensifying recycling.

The main target date is 2015 (the objective of halting the loss of biodiversity is to be achieved by 2010).

B. Collecting information and developing indicators

The setting of such targets requires that the environmental situation of the EU Member States be known, so reliable information needs to be collected. This task has been assigned to the European Environment Agency.

The European Environment Agency (EEA)

The European Environment Agency is the main European public body specialised in the supply of reliable and independent information on the environment to political decision-makers and the public. The EEA, which has been operating in Copenhagen since 1994, is the hub of the European Environment Information and Observation Network (Eionet), a network of some 3000 organisations from all over Europe, which is in charge of collecting and disseminating information and data relating to the environment.

Once the European situation has been clarified and targets have been set, those targets still have to be pursued and it must be checked that the Member States are indeed on the way to reducing their overall use of non-renewable natural resources. That requires setting indicators and monitoring them.

The EEA has selected 7 indicators to cover 6 environmental themes (air pollution, ozone layer depletion, climate change, waste, biodiversity, and terrestrial environment) and 4 sectors (agriculture, energy, transport and fisheries).

EUROSTAT (the EU's statistical body) is the main source of information, and has defined a synthetic indicator which measures domestic material consumption (DMC). This indicator fell by an annual average of 0.8% between 2000 and 2004, reversing the trend of (slight) annual growth by + 0.1 % from 1990 to 2000²⁵.

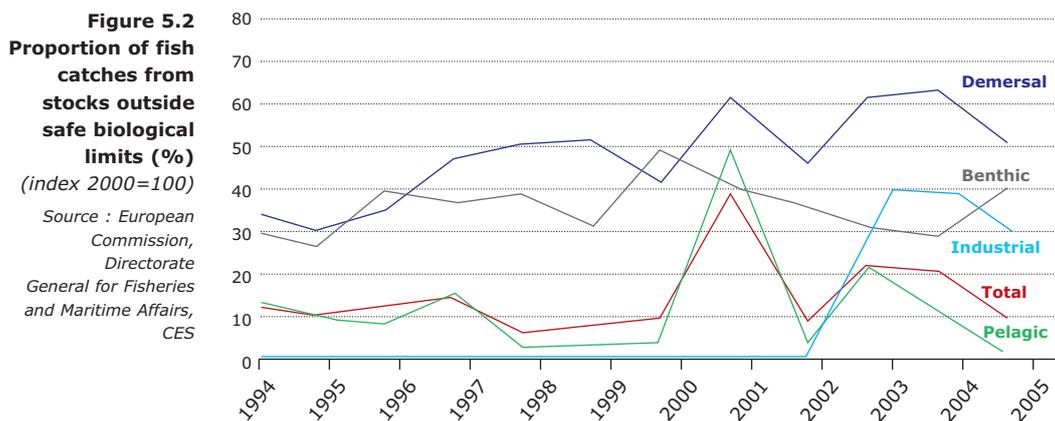
This synthetic indicator is itself divided into biodiversity sub-indicators, classified by level and related to the goals for the conservation and management of the EU's natural resources.

In 2005, some of these indices were giving cause for concern (see graphs and table below), in particular fishery resources (with increasing catch rates and stocks below reasonable biological thresholds). This is especially the case for white meat fish, commercially the most valuable.

²⁵ - EUROSTAT 2007 Monitoring Report

PART 3

Level 1	Level 2	Level 3	
1. Common bird index	Sub-theme : BIODIVERSITY		
	3. Sustainability of the sites designated under the EU Habitats Directive	4. Red List for endangered European species (not yet available)	
	Sub-theme: FRESHWATER LEVELS		
	5. Samples of surface water and underground water	6. Population connected to at least secondary urban sewage treatment	
		7. Biochemical demand for oxygen in rivers (not yet available)	
Sub-theme: MARINE ECOSYSTEMS			
2. Fish catches from stocks outside safe biological limits	8. Mercury concentration in fish and shellfish (not yet available)	9. Size of the fishing fleet	
	Sub-theme: SOIL USE		
	10. Land with construction	12. Trees in forests affected by defoliation	
	11. Forests: growth and felling	13. Exceeding of critical nitrogen levels (not yet available)	



2. The main concepts

A. The ecological footprint and regeneration capacity

The expression «ecological footprint» was coined recently and is now commonly used following the publication of a famous World Wildlife Fund (WWF) report, the *Living Planet Report* (2006).

«The Ecological Footprint measures humanity's demand on the biosphere in terms of the area of biologically productive land and sea required to provide the resources we use and to absorb our waste.» (WWF report).

Imagine you are Robinson Crusoe. How big must your island be for your sustainable survival – to meet all your needs in terms of food, energy, building materials, clean air, drinking water and waste disposal?

That area represents the ecological footprint of Robinson Crusoe. If his lifestyle places too much pressure on the area available (for example, by lighting large camp fires every night to help ease your loneliness), his longer-term survival could be threatened...

The ecological footprint is an estimate of the area required for one person's requirements in terms of natural resources.» (from WWF website).

The size of the ecological footprint therefore depends on the regeneration capacity (or biological capacity) of natural resources, i.e. the ability of consumed resources to regenerate themselves. What increases our ecological footprint is therefore human consumption of natural resources compared with nature's ability to renew these resources. This excess (gap between consumption and regeneration) has created environmental deficit, and, over time, environmental debt.

The findings of the recent World Wildlife Fund reports are alarming. *“Humanity is consuming too much and jeopardising the natural resources of future generations. At the current rate, the biological equivalent of two planets would be required in 2050 to fulfil human requirements unless we change our styles of consumption and development. The United States and Europe consume excessive quantities of resources they do not possess. Each of the planet's inhabitants should use no more than 1.8 «global» hectares (estimated average biologically productive area per inhabitant), given the regeneration capacity of natural resources. An American uses 9.6 ha, a French citizen 5.6. We are therefore in debt to those who exploit less than 1.8 ha, e.g. Indians, Vietnamese, Peruvians or Sudanese.”*

The ecological footprint is therefore also a tool for appreciating inequalities in the world and strongly challenges our Western model of development.

B. Life cycle assessments

The life cycle of a product includes the various phases of its existence from cradle to grave: design, extraction from raw materials, manufacturing and distribution process, use/consumption, and end-of-life processing (dumping, incineration, recycling, etc.).

The life cycle assessment (LCA) or “eco-audit” of a product or service is a full account of inputs and outputs which enables its environmental impact to be assessed (resource consumption, emissions into air or water, generation of end waste), in order to reduce the pressure exerted on natural resources (ecodesign being the ultimate purpose of this type of analysis).

LCA is fully consistent with sustainable development in so far as:

- a. its purpose is to improve natural resource management;
- b. by reducing a product’s resource and energy requirements, its value chain can be improved.

However, such analyses are not easy to perform and are based on a set of assumptions which may render comparisons between two products or manufacturing processes meaningless. Moreover, **a LCA must be credible and reproducible**. Both criteria are essential to this form of analysis.

The complexity of LCAs

For instance, take transport by electric cars and transport by petrol-powered cars. Which of the two is the more eco-friendly?

The environmental impacts of both forms of transport need to be compared during their manufacture, use and end of life.

A first analysis shows that:

- the atmospheric emissions of the petrol-powered car are mainly generated by the combustion of petrol in its engine during use;
- the atmospheric emissions of the electric car are mainly generated by the combustion of the fossil fuels used for power generation;

The best solution from an environmental point of view will mainly be determined by comparing the atmospheric emissions of the petrol-powered car during use and those of the power generation required for the electric car to travel (for instance) 1 km.

This is not an easy comparison and requires calculations, the use of databases and establishing hypotheses.

The response to this problem was to harmonise approaches by issuing a set of standards in the 1980s (ISO 14 000 standards defining the EMS, Environmental Management System).

The currently applicable standards are the ISO 14040 and 14044 standards, which describe work methods and present the various options for life cycle assessments:

- ISO 14 040 (2006): principles and framework for life cycle assessment
- ISO 14 044 (2006): requirements and guidelines for life cycle assessment

However, these standards leave various options available to users, which may affect the result (e.g. assessing the benefits associated with recycling, the distribution of impacts between co-products, etc.). As a result, these results need

to be validated further through subjection to a critical review by an expert if they are to be published.

Some factors are still not capable of being assessed through an LCA, such as the impact of activities on landscapes, noise, smells and the toxicity of emitted products.

C. Eco-efficiency indicators

The principle of eco-efficiency is to take into account both the costs, in accountancy terms, and the environmental impacts of a single economic project. Eco-efficiency indicators are therefore achieved by combining the economic indicators usually relevant to corporations (sales volumes and turnover, return on investment time, margin, etc.) with environmental indicators associated with the production of goods or services (consumption of energy, raw materials and water, GHG emissions, quantities of end waste generated, etc.).

Life cycle assessments are often one of the tools used for producing eco-efficiency indicators.

3. Biodiversity

Biodiversity is essential in that it forms the basis for natural processes which help control soil erosion, purify water and recycle carbon and nutrients. Besides the fact that human beings probably do not have a moral right to adversely affect the future of nature, biodiversity benefits present and future generations by supplying direct services to ecosystems, in terms of regulation of water cycles, air composition and the climate, and maintenance of soil fertility and nutrient cycles.

However, it would seem that two-thirds of the planet's ecosystems are in decline due to over-exploitation and reduction in the number of species, which are no longer able to ensure their own stability (Millennium Ecosystem Assessment launched by the Secretary-General of the United Nations).

The manifestations of this decline are: declining fishery resources, a general decline in soil fertility, a sharp decline in pollinating insects and a decreasing ability of watercourses to hold back flooding.

Biodiversity is therefore of vital concern to humanity. It is also vulnerable to «ratchet effect» so concern about imbalances is justified before the latter actually occur. Once a certain stage in decline has been passed, it is often very difficult, if not impossible, to restore the balance of an ecosystem. Extinction is, of course, irreversible.

The EU has made significant commitments in this respect to halt the decline in biodiversity by 2010. These were adopted at the Göteborg European Council in June 2001, and recently bolstered by a Commission Communication («Halting the loss of biodiversity by 2010 – and beyond», May 2006²⁶) as a follow-up to the 2004 Malahide Message.

²⁶ This Communication includes an «EU Action Plan to 2010 and beyond» for the EU and the Member States.

A. The facts

Human presence has caused particularly severe damage to ecosystems in Europe:

- Europe has lost over half its humid areas since the 1950s;
- many of Europe's marine ecosystems have been depleted;
- as far as European species are concerned, 40-50% of indigenous mammals, birds, butterflies, reptiles and freshwater fish are threatened with extinction, as well as 30% of amphibians;
- most major fish stocks are below the biological safety limits;
- 800 European plant species are threatened with total extinction.

A more general observation is that Europe is failing to play a decisive role in halting the loss of biodiversity in the world.

B. The main factors in biodiversity decline

The main driver of decline is the fragmentation, depletion and destruction of natural habitats, which is mainly due to reckless use of land, with intensified production systems, construction and catastrophes (fires), compounded by over-exploitation, the spreading of invasive non-native species and pollution.

Human population growth and increasing consumption per inhabitant appear to be the root causes of these phenomena, whilst climate change is further aggravating the negative effects on biodiversity.

C. The main European policy areas being implemented

The EU has been taking policy measures for quite a long time now, based on the «bird» (1979) and «habitats» (1992) Directives. In its policy approach, the EU acknowledges that the distribution of biodiversity is not uniform and that certain habitats and species are threatened more than others, hence the introduction of the abovementioned directives and the creation of a network of valuable natural sites to be protected (Natura 2000 network).

• *The «Bird» Directive (1979)*

European Directive 79/409/EEC of 6 April 1979 on the conservation of wild birds has been applicable in all Member States since 6 April 1981. Its purpose is to protect all bird species naturally living in the wild within the European territory of the Member States. The Member States must maintain their population at levels which correspond «in particular to ecological, scientific and cultural requirements, while taking account of economic and recreational requirements». They must also take «the requisite measures to preserve, maintain or re-establish a sufficient diversity and area of habitats».

• *The «Habitats» Directive (1992)*

The purpose of the Directive of 21 May 1992, known as the «Habitats» Directive, is to contribute to the preservation of biodiversity in the Member States by preserving natural habitats as well as wild fauna and flora on European territory.

This Directive sets up a European environmental network known as Natura 2000, comprising «special areas of conservation» designated by the Member States and consistent with EU specifications.

- **Natura 2000**

With the twofold objective of preserving biological diversity and improving land quality, Europe began to build an ambitious network of environmental sites, known as Natura 2000, in 1992. This network is spread all over Europe to ensure the consistency of this initiative for the conservation of species and natural habitats.

The Natura 2000 sites therefore represent a «sufficient» proportion of the 200 types of habitat in the EU. With its 25,000 sites, the network actively participates in the preservation of natural habitats and species throughout the European Union (25 countries).

Natura 2000 now covers almost 20% of the surface area of EU-15 (12% of French territory), and its extension to the 10 new Member States appears to be making good progress.

Until very recently, the Natura 2000 network did not cover marine areas. This has been corrected now that the EU Member States are obliged to set up a consistent and adequate network covering maritime areas by mid-2008.

Natura 2000 therefore plays a key role in the protection of biodiversity in the EU, in accordance with the Göteborg decision of 2001.

4. Waste management

Each year, 2 billion tons of waste is generated by the EU Member States, a constantly increasing quantity (approximately 10% more every 5 years). Of these, 1.3 billion tons are simply stored (including 40 million tons of hazardous waste). That represents 3.5 tons of solid waste per person according to the EEA.

Storing waste without jeopardising the environment is therefore a major issue.

Waste storage is not a viable long-term solution due to increasing space requirements and the release into water, soil and air of pollutants (chemicals and pesticides, CO₂, methane, etc.).

Incineration remains unsatisfactory due to the resulting emanations and residues which concentrate polluting components (in particular heavy metals).

The best environmental solution is to avoid waste generation, either by prevention or by recycling (reintroduction into a production cycle). Economic and environmental requirements need to be made compatible by means of recycling, while avoiding (by regulation if necessary) the input of particularly hazardous components into production cycles. This is the core strategy of EU policy in the area of waste management.

The EU is therefore endeavouring to reverse trends by means of three strategies:

- waste prevention as a key factor; this involves reducing waste production and

the hazardous nature of waste (by reducing the hazardous substances in products). This approach requires a switch by consumers to more environmentally friendly products (in particular with less packaging) and the changing of production methods;

- waste recycling and reuse are a preferred method. Here, a number of product types have been emphasised: packaging, vehicles, batteries, electrical and electronic waste;
- improving the management of end waste. Waste which cannot be recycled or reused must be incinerated in the best environmental conditions and storage may only be used as a last resort. Both methods require close EU-approved monitoring as they can severely damage the environment. Some types of end waste, e.g. tyres, are banned.

5. Atmospheric pollution

Historically, the first measures were taken to resolve local problems which were particularly serious and «visible» (dust, smells and smog). From the late 1960s, scientific investigation into the effects of regional (acid rain) and global (destruction of the stratospheric ozone layer and greenhouse effect) pollution began to proliferate. At the time, its main purpose was to study the impact of pollutants released in large quantities whose effects were measurable on a macroscopic scale (water acidity, thickness of the ozone layer, etc.). Ten or twenty years later, depending on the case, scientists' concerns resulted in the issuance of laws and regulations.

From the 1980s, scientists also became interested in pollutants released in much smaller quantities but with particularly harmful effects, especially on health (genetic mutation, cancer, infertility, etc.): heavy metals, polycyclic aromatic hydrocarbons (PAHs), persistent organic pollutants (POPs) such as DDT (dichlorodiphenyl trichloroethane) or dioxins. As in the previous case, laws and regulations were issued within some 15 years (Aarhus Protocols, 1998).

Today, concerns are extending to more specific phenomena such as pollution concentrations in urban environments or inside buildings.

A. The EU's atmospheric pollution strategy

Since September 2005, the European Commission has been devising a Thematic Strategy on Air Pollution, the purpose of which is to achieve «levels of air quality that do not give rise to significant negative impacts on, and risks to human health and the environment». This strategy complements previous legislation, sets atmospheric pollution targets and proposes measures for achieving them by 2020.

Atmospheric pollution: several key terms

Atmospheric pollution severely damages human health and the environment: respiratory problems, early death, eutrophication and degradation of ecosystems due to nitrogen and acid deposits are some of the consequences of a problem that may be local or transnational.

Eutrophication: eutrophication of an aquatic environment originally refers to its becoming richer in nutrients, with no negative connotation. Since the 1970s, it has designated a man-made imbalance in such environments due to the over-use of fertilisers (nitrogen and phosphates) and industrial and urban effluents (rich in nitrates, ammonium and untreated organic matter).

Tropospheric ozone: ozone created by chemical reactions between volatile organic compounds (VOCs) and nitrous oxides (NO_x) under the effect of solar radiation, and which accumulates at low altitudes.

Volatile organic compounds (VOCs): carbon-based chemical compounds released into the atmosphere by natural sources or due to human activity (use of solvents, paints, varnishes, vehicle exhaust gases, etc).

Particles: dust released by certain human activities or which forms in the atmosphere from various gases such as sulphur dioxide, nitrous oxides and ammonia. Particles are distinguished by size, with the smallest ones (PM_{2.5}) often being the most dangerous to human health.

Compared with the situation in 2000, the Strategy sets specific long-term objectives (for 2020):

- 47% reduction in loss of life expectancy as a result of exposure to particulate matter;
- 10 % reduction in acute mortalities from exposure to ozone;
- reduction in excess acid deposition (sources of eutrophication) of 74% and 39% in forest areas and surface freshwater areas, respectively;
- 43% reduction in areas or ecosystems exposed to eutrophication.

Achievement of these objectives requires cutting the emissions, compared to 2000 levels, of the five pollutants most harmful to human health and the environment by 2020, and increasing the contribution of sectors and policies that can affect air pollution (i.e. energy, transport and agriculture).

The pollutant reduction targets are:

- 82% for SO₂;
- 60% for nitrous oxide (NO_x);
- 51% for volatile organic compounds (VOCs);
- 27% for ammonia;
- 59% for primary fine particles (PM_{2.5}) (emitted directly into the air).

These ambitious goals should translate into estimated economic gains of around 42 billion euros per year, due to the eradication of health problems. No financial

estimate has been made regarding the benefits resulting from the non-degradation of ecosystems (no known calculation method).

B. The IPPC Directive

Although national legislation does exist and is aimed, generally, at controlling the emission flows of pollutants (by specifying overall flows and concentrations), considerable scope is left in terms of the technology to be used. The European Commission's approach is radically different, since it prescribes techniques – known as Best Available Techniques (BATs) – regarded as effective enough for combating various forms of pollution while keeping costs acceptable.

The chief instrument is the IPPC (*Integrated Pollution Prevention and Control*) Directive of 1996, the purpose of which is to reduce pollution from around 45,000 large facilities in the EU-15.

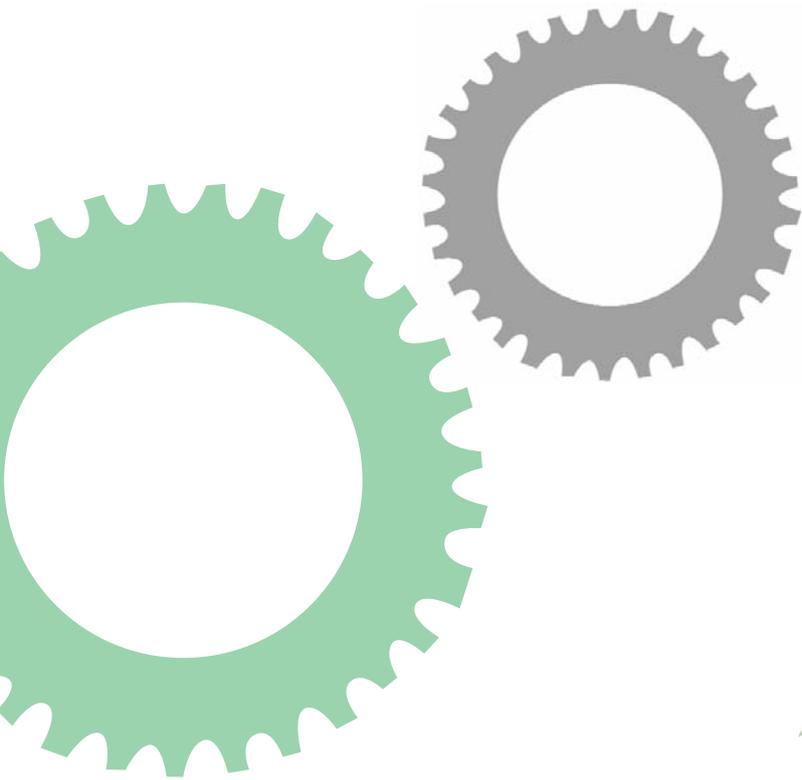
This Directive establishes a set of common rules for the Member States concerning the issuance of «integrated» permits to industrial facilities. «Integrated» means that the permit must take into account the environmental performance of the facility *as a whole*, i.e. emissions into the water, air and soil, waste generation, use of raw materials, energy efficiency, noise, accident prevention, risk management, etc.

All industrial facilities covered by Annex I to the Directive must obtain a permit from the authorities in the European Union countries. Without this permit, they cannot operate.

Permits must be based on Best Available Techniques (BATs). To determine which techniques meet the BAT criteria, the national public authorities base themselves on the criteria supplied in the Directive and on coordination between experts from the Member States, industry and the environmental organisations, performed by the European IPPC Bureau. In each sector, approximately two years are required to complete the work and produce a "BREF" (*BAT Reference Document*).

By the end of 2004, all Member States of EU-15 had ratified the Directive, although gaps remain in the legislation of some of them.

INFORMATION SHEETS



INFORMATION SHEET 1

Corporate social and environmental responsibility (CSR)

International standards

The ILO Declaration on Multinational Enterprises

The explicit purpose of the Declaration (governments, employers' organisations, workers' organisations) is «to encourage the positive contribution which multinational enterprises can make to economic and social progress» and «minimize and resolve the difficulties to which their various operations may give rise». The Declaration comprises 59 paragraphs in 4 main sections: general policies, employment, living and working conditions and industrial relations. It reflects the fact that although the ILO's conventions and recommendations are aimed at governments, many of their underlying principles can also be applied by corporations.

The OECD Guidelines for Multinational Enterprises

- The Guidelines (adopted for the first time in 1976) are recommendations concerning the conduct of corporations and are essentially intended for enterprises operating in the signatory countries (the 30 OECD members plus Argentina, Brazil, Chile, etc.).

The various chapters of the Guidelines cover the following points: preface, concepts and principles, general principles, disclosure, employment and industrial relations, environment, combating bribery, consumer interests, science and technology, competition and taxation. They form an integral part of the OECD Declaration on International Investment and Multinational Enterprises, which includes a wider range of provisions.

The latest version (2000) has a much larger focus on CSR: the quality of environmental management systems is mentioned and there are new chapters on forced labour, child exploitation and human rights.

- Although not legally binding, the Guidelines are not optional. The enterprises may not pick and choose among their provisions nor subject them to their own interpretations.
- Governments are responsible for, and should promote the application of the guidelines.
- National Contact Points (NCP) must be set up by governments for collecting and dealing with complaints concerning the behaviour of multinationals (NGOs, trade unions, citizens). The NCPs issue opinions of an "advisory" nature, however in practice they do enable helpful solutions to be found.

The Global Compact

Launched at the end of 1999, the Global Compact is based on 10 principles taken

from the Universal Declaration of Human Rights, the ILO Conventions and the Rio Declaration on the environment.

This is a voluntary, non-binding commitment. There are no inspection bodies or sanction mechanisms. As a result, it is hotly disputed by the NGOs and the trade union organisations. In order to bear witness to their action and with a view to transparency, corporations are requested to publish annual communications two years after joining. These communications are intended for their shareholders and concern the progress made towards the achievement of these 10 principles. The publication in June 2005 of the «active» and «inactive» members of the Global Compact showed that out of 2200 member corporations, 977 were communicating their progress and 550 were «active».

Management reference documents

Many companies which state that they are committed to CSR often have a very basic CSR system, with only a few people (close to the top management) taking real action in this area.

AA1000

AccountAbility 1000 is the result of a multipartite action initiated in 1999 (by enterprises, NGOs and academics) and coordinated by the British ISEA (Institute of Social and Ethical Accountability, often simply referred to as «Accountability»). The standards in the AA1000 series continue to be developed and improved by Internet contributions (open source). The AA1000 documents are free of charge and available to all.

This system is particularly geared to the development of constructive interaction with stakeholders. It does work, but requires a fairly large initial investment and specialised skills to enjoy its full benefits.

SD21000

Published in 2003, the SD21000 system ("*Guide for the taking into account sustainable development issues in enterprise management and strategies*"), which is simpler than AA1000, was developed in France and aimed at SMEs. So far it has not been used much.

The document is intended for assisting strategic thinking and thereby enabling «significant» goals to be identified and progress to be implemented, in particular through:

- handling relations with stakeholders;
- integration of management systems;
- information (assessment, indicators and reporting).

A document explaining implementation methods provides an interesting method for identifying and prioritising an enterprise's responsibilities in terms of sustainable development.

Reporting references

Regular reporting is an indispensable component in the implementation of a CSR policy. It provides a starting-point, at least, for each stakeholder to engage in dialogue with an enterprise.

CSR reporting has developed rapidly since the early 2000s. Many large corporations, owners of major brands which are susceptible to public opinion, or much of whose capital is quoted on the stock exchange, now publish a sustainable development report. However, the quality of such reporting remains very uneven.

The reporting references must enable users to interpret documents and compare the performances of enterprises in concrete terms (including time). In view of their importance the reporting references need to be applicable and valid internationally.

Global Reporting Initiative (GRI)

The GRI is a multipartite body which comprises company experts, trade unions, NGOs, investors, accounting firms, and auditors, and currently appears to be the most advanced and most visible for the national and international bodies concerned with CSR. The first version of its guidelines on RSE reporting was published in 2002.

This document lists 11 main principles which are the subject of international consensus, and which can be classified in 4 categories:

- principles concerning the report writing process (transparency, stakeholder inclusiveness, auditability);
- principles concerning the scope of the report (completeness, relevance, CSR context);
- principles concerning data reliability (accuracy, balance, comparability);
- principles concerning access to the report (clarity, compliance with regulations).

Each performance indicator category comprises two sub-categories:

- the «Disclosure of Management Approach», a narrative section which supplies the policy, responsibilities, management systems, rewards or fines and all contextual information which enables results supplied in the form of indicators to be interpreted;
- the actual indicators.

Recently, the GRI has been proposing supplements by activity sector.

Over the past few years, the GRI's notoriety has been increasing. Its CSR reporting reference (Version 3 of which has been available since October 2006) is now the most widely used.

This is a global system which seeks compatibility with the main CSR management systems in existence or being developed.

Many companies which publish sustainable development reports state that they

use it as a reference, even though they often follow only a small part of the GRI template.

The GRI proposes an easily transferable method for the compilation of CSR reports and a set of indicators which cover almost all areas of sustainable development applicable to enterprises.

To determine the degree of compliance with the Guidelines, the template now includes the definition of their levels of application. This enables a first distinction to be made among the countless reports which present themselves as «GRI compliant» or «drawn up with reference to GRI». These levels are:

- level A: the most complete. Companies must supply information concerning all core indicators, or explain why they do not supply information concerning a core indicator;
- level B: reporting of at least 20 indicators, with at least one piece of information per aspect (economic, environmental, etc.);
- level C: reporting of at least 10 indicators, with no qualitative details concerning policies required for the indicators supplied. There is no obligation to comply with certain principles (accuracy, balance, etc.).

The levels of application are stated by the companies themselves. However, they can increase their credibility through external certification. In this case, a certified report will have application level A+, B+ or C+.

It should be noted that based on the GRI reference an application level supplies no information as to the quality of a report, but only as to its degree of compliance with the Guidelines.

The ISO 26 000 project

In 2004, the ISO (International Standard Organisation) launched a wide-ranging international project for the issuance of the future ISO 26 000 standard, which is intended to supply guidelines on organisations' responsibility towards society, i.e. their "social responsibility" (SR).

The purpose of this work is to make a synthesis of what are generally agreed, by all stakeholders in civil society and the Member States, to be the best practices on CSR, and then to disseminate them worldwide.

One aim is to replace the various national standards issued since the mid-1990s, not all of which are compatible and are therefore difficult for the transnational players to adopt.

The purpose of this international standard can be summarised as follows:

- help organisations take charge of their societal responsibilities;
- supply guidelines on:
 - making SR operational;
 - identifying and engaging with stakeholders;

- improving the credibility of reports and statements concerning SR.
- emphasise results achieved and improvements;
- promote a common terminology for SR;
- Be consistent and not contradict existing documents, treaties and conventions and the other ISO standards.

To achieve international recognition, ISO has had to obtain formal approval by the UN (and guarantee compatibility with the Global Compact) and sign a protocol agreement with the ILO to guarantee the consistency of the future standard with the ILO conventions.

Version 3 of the project was published in July 2007. This is a document of some 100 pages containing detailed recommendations for the implementation of a CSR management system.

Publication of the final version is scheduled for 2010.

However, the basic structure of the standard has already been agreed :

- 1- Area of application;
- 2- Reference standards;
- 3- Terms and definitions;
- 4- SR context common to all organisations;
- 5- SR principles applicable to all organisations;
- 6- Guidelines on the subjects and issues central to SR;
- 7- Guidelines for the application of SR within organisations;
- 8- Appendices to guidelines and bibliography.

INFORMATION SHEET 2

International Framework Agreements (IFAs)

General definition and content

An IFA is negotiated between at least one Global Union Federation (GUF) and a transnational group. This is a new form of social dialogue at the international level to formalise the commitment of such groups to CSR or confirm it in agreements.

IFAs set up general frameworks and are not detailed collective agreements. Their purpose is not to compete with agreements achieved through collective bargaining at the national level.

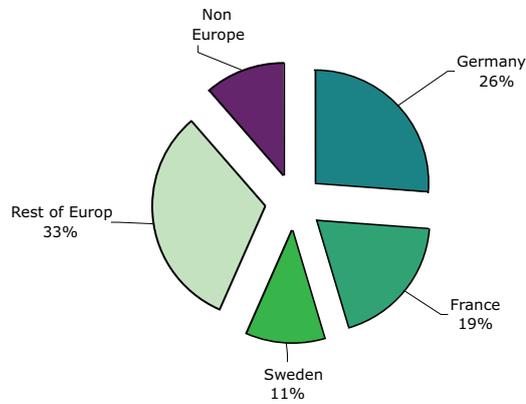
The point common to all IFAs is that they deal primarily with basic social rights (freedom of association, acknowledgement of the right to collective bargaining, forced labour, child labour, job discrimination).

Building on this joint basis, over time and as the concept of CSR emerged, the content of IFAs began to include other social issues (health and safety; wages/profit-sharing/social protection; training and mobility; working time; flexibility and restructuring). The addition of subjects hitherto ignored in collective bargaining (human rights, environment, business ethics, land development, etc.) has tended to change the nature of IFAs by making them part of an agreement-based approach to CSR.

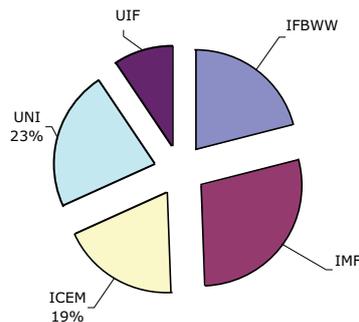
A recent development limited to the large European corporations

There are approximately 60 IFAs today, most of which have been in existence for less than three years. The over representation of European corporations (see chart) can be explained by a tradition and culture of social dialogue characteristic of the European social model. IFAs therefore present a European vision of globalisation (not letting competition have free rein, acknowledging the status of the community formed by the employees of a global corporation) and may therefore contribute to the dissemination of the European social model.

IFAs corporations' country of origin



IFAs by signatory GUFs



The reasons and significance of IFAs for their signatories

As far as the management (which usually initiates the processes leading to IFAs) are concerned, IFAs are a means of rendering their CSR policies credible by shifting from unilateral commitments (codes of conduct, etc.) to agreements. The benefits sought mainly concern:

- industrial harmony within the group;
- the development of a global group image;
- harmonisation of relations with trade unions within the group;
- improvement of image compared to competitors (company profile).

As far as the trade unions are concerned, IFAs are now one of the most interesting and potentially most effective tools, not only for ensuring the correct implementation of CSR commitments and securing decent work, but also for enabling recognised trade unions to be created in places where trade union rights are frequently violated, and at least consolidating international cooperation between existing trade unions.

Decent work

The ILO has made decent work one of its core strategies since 1999, when its Decent Work Agenda was formulated. According to the organisation, decent work summarises the aspirations of each individual in his/her working life, i.e.: prospects for the future, an income, rights, the ability to express oneself, recognition, ensuring the well-being of one's family, personal growth and equal opportunities.

To promote decent work, the ILO has adopted four strategic objectives:

- ensure compliance with fundamental principles and rights at work;
- increase employment and income opportunities for men and women;
- extend social protection;
- promote social dialogue.

These four objectives are closely interrelated.

Respect for fundamental principles and rights is an indispensable precondition for the creation of a socially acceptable labour market, and social dialogue is the means by which workers, employers and representatives discuss the means of achieving this end.

Jobs must be created in order to increase living standards and improve access to income, while social protection is the way to guarantee income and workplace security. Moreover, gender equality and development are points common to all four strategic objectives.

This approach transforms the notion of employment traditionally defended in developed countries with trade union traditions. It enables the expression of demands of an international nature whilst providing for a top-down harmonisation of social democracy.

Some future issues for IFAs

The «first generation» of IFAs has generated a number of heterogeneous texts, which apply to a greater or lesser extent to the employees of the relevant companies, and with few resources for ensuring their implementation. One objective is therefore to consolidate the means available to trade unions. The use of institutions such as European works councils is well worth exploring in view of their resources and the information and consultation rights that are available to them.

Some of these agreements have made it possible to create innovative tools for internal corporate governance on complex issues relating to sustainable development, which may be used as springboards for increased worker participation in a better regulated globalisation. One specific goal is the improvement and consolidation of the IFA monitoring mechanisms.

List of IFAs signed

year	company	sector	countr	signatory GUFs
1988	Danone	agrifood	France	UITA
1995	Accor	hotel/services	France	UITA
1998	Ikea	furniture	Sweden	FITBB
	Statoil	energy	Norway	ICEM
2000	Faber-castell	stationery	Germany	FITBB
	Freudenberg	spec. chemicals	Germany	ICEM
	Hochtief	construction	Germany	FITBB
	Telefonica	telephony	Spain	UNI
2001	Carrefour	retail	France	UNI
	Chiquita	banana farming	USA	UITA
	Merloni	domestic	Italy	FIOM
	OTE	telephony	Greece	UNI
	Skanska	construction	Sweden	FITBB
2002	Angloglod	gold mines	South Africa	ICEM
	Ballast-Nedam	construction	Netherland	FITBB
	Daimler-Chrisler	automobile	Germany	FIOM
	Endesa	energy	Spain	ICEM
	ENI	energy	Italy	ICEM
	Fonterra	dairy products	New Zealand	UITA
	Norske Skog	press	Norway	ICEM
	Volkswagen	automobile	Germany	FIOM
2003	GEA	imechanical engineering	Germany	FIOM
	ISS	cleaning and services	Denmark	UNI
	Leoni	auto electricals	Germany	FIOM
	Rheinmetal	automobile/electronics	Germany	FIOM
	SKF	bearings and seals	Sweden	FIOM
2004	Bosch	automobile/engineering	Germany	FIOM
	Club med	tourism	France	UITA
	H&M	clothing	Sweden	UNI/FITTHC
	Impregilo	construction	Italy	FITBB
	Lukoil	energy	Russia	ICEM
	Prym	haberdashery/electricity		
		automobile	Germany	FIOM
	Röchling	auto plastics processing	Germany	FIOM
	SCA	stationery	Sweden	ICEM
	Renault	automobile	France	FIOM
2005	Arcelor	iron and	Luxemburg	FIOM
	BMW	automobile	Germany	FIOM
	EADS	aerospace	Netherland	FIOM
	EDF	energy	France	
	ICEM/ISP/OIEM/FMTI			
	Falk	services	Denmark	UNI
	Lafarge	construction materials	France	
	FITBB/ICEM/FMCB			
	Rhodia	chemical	France	ICEM
	Schwan stabilo stationery	Germany	FITBB	
	Veidekke	construction	Norway	FITBB
2006	Nampak	packaging	South Africa	UNI
	Portugal	telecom telephony	Portugal	UNI
	PSA	automobile	France	FIOM
	Royal Bam	construction/cleaning	Netherland	FITBB
	Securitas	security services	Sweden	UNI
	Euradius	packaging	Netherland	UNI
	Staedler	office supplies	Germany	FITBB
	Banque nationale Australia	banking	Australia	UNI

INFORMATION SHEET 3

Non-Governmental Organisations (NGOs)

Definition and types

The variety of the causes they support, their modes of action and their membership make NGOs difficult to classify. However, their unusual communication methods, their ability to arouse citizens, and often the legitimacy of their cause have pushed them to the forefront of media attention, to negotiating tables for international agreements, and to meetings with the leaders of the largest groups.

In general, an NGO is any organisation in the public interest which does not depend on the state or an international institution. International law does not provide an official definition of an NGO.

The UN Information Department's definition of an NGO is:

«a not-for-profit, voluntary citizens' group, which is organized on a local, national or international level to address issues in support of the public good. Task-oriented and made up of people with common interests, NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to governments, monitor policy and programme implementation, and encourage participation of civil society stakeholders at the community level.

They provide analysis and expertise, serve as early warning mechanisms, and help monitor and implement international agreements. Some are organized around specific issues, such as human rights, the environment or health.»

Sociological definitions provide clearer definitions of what NGOs are. The main criteria concern:

- the notion of the public interest;
- a non-profit character;
- the private nature of its foundation, usually in the form of an association.

Although NGOs usually assert their political and financial independence, each case is different. Such information needs to be verified, since some so-called NGOs are in reality defending private or partisan interests.

The various types of NGO

Since the early 1970s, the number of NGOs has been increasing exponentially. From 5000 in 1974, their number may now be as high as 50,000. Over 2000 have consultative status at the UN. NGOs are, therefore, very difficult to classify. Such classification may be based on their main purpose or on their action methods.

Classification based on areas of action

- Environmental organisations
 - preservation of natural environments and resources;

- risk prevention.
- Organisations providing international solidarity
 - development of local communities;
 - protection of human rights;
 - humanitarian action and emergency aid.
- Organisations for economic development and integration
 - micro-credit;
 - fair trade;
 - social inclusion/reintegration for disabled persons;
 - social inclusion/reintegration for the unemployed and other excluded persons.
- Organisations for the protection and development of culture and heritage
- Consumer protection organisations

Classification based on action methods

- Advocacy: lobbying, campaigns, boycotts, awareness-raising.
- Support: research, certification, expertise, training.
- Intervention in the field: services.

The financing of NGOs

This is a vital component for understanding the nature of the actions, operating methods and programmes of NGOs. NGOs may receive financial support from various sources:

- Private resources
 - donations;
 - legacies;
 - skills sponsoring, with companies making skills available to NGOs;
 - fund-raising through sales and events;
 - supply of services.
- Public resources for the implementation of specific projects (financed projects)
 - the European Union is the main supplier of funds for emergency humanitarian aid;
 - international government agencies: 50% of the World Bank's programmes involve cooperation with NGOs.
- Own resources/sources of funding (membership fees).

The changing profile of NGOs

Internationalisation and increasing professionalism

Like companies, NGOs are going increasingly global.

As a result, their human resources are also growing. NGOs are recruiting increasingly well-qualified staff, benefiting from improved internal diversity, and this often improves the effectiveness of their advocacy activities.

The relative autonomy of the local branches of NGOs is often one of their strong

points. Even when they belong to the same international network and share the same notoriety, each uses specific methods related to the culture of its location.

The international influence of NGOs is growing. The most powerful have now gained the recognition of the general public, governments and enterprises, and have also become indispensable contacts for the media.

Relations between NGOs and enterprises: from criticism to partnership

During the 1990s, relations between NGOs and enterprises took on a new dimension, at a time when wide-ranging public opinion campaigns were fingering the latter as responsible for environmental degradation or working conditions in developing countries. Some transnational companies, perceiving NGO action as dangerous, moved closer to NGOs and engaged in dialogue with them (CSR processes).

Faced with the effectiveness of major campaigns spearheaded by NGOs, some companies endeavoured to adapt to an international environment in which they attract considerable attention. They sought to form «partnerships» with the less radical NGOs, both to limit the virulence of their criticism and to benefit from the professional expertise accumulated by some NGOs and increase their own staff's awareness of such issues. For NGOs, such partnerships may be a means of increasing the effectiveness of their action and collecting additional funds.

The changing relations of NGOs with enterprises have increased NGO professionalism. More and more NGOs now employ staff in charge of such relations.

Towards NGO intervention in social bargaining

For a long time, bargaining within enterprises was limited to talks between management and employees' representatives. However, more and more NGOs are now beginning to negotiate and sign contracts with enterprises, often at the international level, thereby interfering, generally indirectly, in the collective bargaining process. This new threesome creates both risks and opportunities for the trade union movement.

Areas of tension between NGOs and trade unions are multiplying.

Interventions by NGOs, in particular through partnerships with enterprises, may seriously change the jobs and working conditions of employees. For instance, the WWF has entered a global partnership with cement manufacturer Lafarge, which is intended to radically transform the management of all quarries operated by the group. But there has been no reference at any stage to the social impact of the measures that have been launched or indeed to workers' representatives or trade union organisations.

Another example: in the face of criticism of their social behaviour in the Southern countries, some companies have tried to compensate by proclaiming unilateral codes of conduct (rather than negotiating with trade unions) and by letting NGOs carry out social audits at some of their supplier firms.

The trade unions therefore need to react if they are to preserve their legitimate role within their traditional fields of action (see Information Sheet 2 on IFAs). They must also get used to no longer being the only legitimate partners for management, and start reaching agreements with NGOs, at least on specific areas of mutual interest, whilst exploring new fields like the environment. A number of initiatives have been taken to that end at both the national and European levels.

The ETUC welcomes partnerships with NGOs as long as they are independent, legitimate and representative bodies, which are independent from companies and share our values. They can then play a vital, complementary role in the formulation of companies' internal and external corporate social responsibilities in their areas of expertise.

INFORMATION SHEET 4

The REACH Regulation

REACH: a long process punctuated by lobbying

- **February 2001**

White Paper entitled «Strategy for a Future Chemicals Policy», as a follow-up to the 1998 study, which largely confirmed the limitations of the existing regulatory instruments.

- **May 2003**

First draft Regulation.

- **October 2003**

New draft Regulation (REACH) published, in a substantially altered and diluted form further to an Internet consultation (over 6000 contributions) and over 30 impact studies commissioned by the various stakeholders. Several Member States (including the UK, France and Germany) are concerned about the economic consequences of REACH (cost and competitiveness).

- **November 2005**

Approval of the REACH Regulation by the European Parliament.

- **December 2005**

The European Council adopts the draft and begins a dialogue with the Parliament to prepare a final version (co-decision procedure).

- **December 2006**

Final adoption of REACH by the Parliament and Council.

In the end the regulatory requirements were reduced in terms of both the number of substances concerned and the quantity of information required (in particular for substances between 1 and 10 tons).

- **June 2007**

REACH comes into force and the European Chemicals Agency (ECHA) starts its work (it will become fully operational in June 2008, but in the meantime its functions are being discharged by the European Commission).

REACH: the main changes introduced by this EU Regulation

Unification of regulations

Previously there were many directives and regulations covering this area. It should be noted that REACH was adopted in the form of a Regulation, which means that once approved it came into force immediately, unlike a directive, which needs to be transposed into national legislation.

Removal of the distinction that had hitherto been made between «existing» chemicals (prior to 1981) and «new» chemicals (after 1981)

- In the case of the former, which are more numerous (100,106), the public authorities were responsible for identifying hazardous substances and launching risk assessment studies. This system did not work, since out of the 131 substances submitted for assessment in 1993 just 71 risk assessment reports had been returned by December 2005.
- In the case of the latter (less than 4000), the notification dossier was to be managed by companies and all substances produced in quantities of over 10 kg/year had to be tested based on their application.

Reversal of the burden of proof, which now rests with enterprises**Creation of an independent European agency based in Helsinki****The three procedures set up:**

- **Registration** of substances produced or imported in volumes of over 1 ton per year (per producer or importer): approximately 24,000 substances.
 - With the European Agency, on the basis of relevant information concerning their properties, uses and safety procedures.
 - This information must be supplied to users and end-users of chemicals.
 - Registration dossier:
 - a full dossier is required for all substances produced in quantities of over 1 ton per year (including in end products);
 - a simplified dossier is required for isolated intermediate products either used on-site or transferred to another facility for internal use.
 - waivers are possible in the following cases:
 - substances which are already appropriately regulated (e.g. drugs);
 - R&D (see below);
 - polymers (while awaiting selection according to valid technical and scientific criteria).
 - Unregistered substances may not be produced or imported.
- **Evaluation** of these substances by the Agency and the public authorities: approximately 4500 substances
 - assessment of dossier compliance;
 - assessment of proposed tests for all dossiers concerning substances over 100 tons/year for which the applicant proposes testing on a vertebrate;
 - assessment of substances by the authorities if the latter have reason to suspect a risk to human health or the environment:
 - enables additional testing to be requested if necessary;
 - together with the Member States, the Agency determines the order of priority in which substances are to be evaluated.

- **Authorisation** of substances of very high concern: approximately 1500 substances
 - Eligible categories (included in a list in Appendix 4 to the Regulation):
 - substances which are carcinogenic, mutagenic or toxic for reproduction category 1 or 2 (CMR);
 - substances which are persistent, bioaccumulable and toxic (PBT) or very persistent and very bio-accumulable (vPvB);
 - substances having endocrine disrupting properties for which there is evidence of probable serious effects to human health or the environment.
 - When a substance is included in Annex XIV, all use is subject to authorisation.
 - Two cases may occur:
 - there is a known alternative to the chemical; in this case, a substitution plan must be proposed together with an estimate of the time needed for its implementation;
 - there are no known substitutes: an R&D programme must be set up, but the approval process will not be impeded.

NB: this increase in tolerance was negotiated by the Member States towards the end of the process (in the initial text substitution was systematic).

Deadlines for the registration of substances

REACH is implemented immediately for new substances and stipulates that existing substances must enter the registration system progressively over a period of 11 years. The process starts for those substances with the highest degree of exposure and of high concern. The registration deadlines for other substances are longer:

- 3.5 years (as of the entry into force in June 2007):
 - substances over 1000 tons per year (produced or imported);
 - CMR 1&2 and R52/R53 over 1T/year.
- 6 years: substances between 100 and 1000 T/year.
- 11 years: substances between 1 and 100 T/year.

These staggered deadlines should enable the problems of SMEs to be managed.

Estimation of direct costs

Cost of testing: between 4500 € (substance > 1 ton) and 235,000 € (substance over 1000 tons).

Cost of registration: between 3500 € (substance > 1 ton) and 18,000 € (substance over 1000 tons).

Consortia may be created for sharing of costs.

INFORMATION SHEET 5

EMAS (Eco-Management and Audit Scheme)

The European Eco-Management and Audit Scheme (EMAS) was established in 1995 and is a voluntary scheme designed to identify and reward proactive organisations which go beyond compliance with environmental regulations and continually improve their impact on the environment. Initially limited to enterprises in the industrial sector, the EMAS was extended in 2001 to include public and private service suppliers and organisations in the public sector. The EMAS has also included ISO 14 000 as a reference environmental management system.

The EMAS is based on a European Regulation, which sets the requirements for setting up an Environmental Management System (EMS) based on the procedure described in the Annex to the Regulation. It helps organisations devise an environmental policy and set targets for improving their performance. The EMAS covers matters relating to purchases, subcontractor and supplier practices, transport activities, products and their impact on biodiversity.

The main difference from ISO 14 000 is that the EMAS obliges signatory organisations to supply the interested parties with an environmental statement. This comprises improvement programmes and a description of the EMS. This information must be accessible to the general public, so it is not highly technical.

To receive EMAS accreditation, an organisation must complete four steps:

- carry out an environmental diagnosis;
- devise an EMS based on the diagnosis and the objectives set by the company's top management. These must include responsibilities, targets, means of achieving those targets, operating procedures, training requirements and information systems;
- perform an environmental audit, focusing in particular on the establishment of the EMS, the latter's consistency with the organisation's goals and its compliance with the relevant environmental legislation;
- issue a statement concerning the organisation's environmental performance which enables the results to be compared with the targets and the next stages in performance improvement to be defined.

These four steps must be validated by a certification body approved by the European Commission.

EMAS registration is valid for three years. Two audits are performed during the first two years. Registration may be renewed further to an end-of-cycle audit. The EMAS logo may be used as a marketing tool.

The EMAS has been used widely in Germany (approximately 2000 enterprises) and to a lesser extent in Italy (approximately 800 enterprises). However, very few British and almost no French companies have used this European certification system.

The ETUC and many national trade union affiliates have brought pressure to bear so that workers and trade unions have a say in its implementation, with mixed success. At the national and European levels, trade unions have campaigned actively via their branch organisations for the EMAS to be implemented in enterprises and for workers to be involved in this initiative. National trade unions have been very active in Austria, Germany, Finland, Italy and the Netherlands. At the European level, the ETUC and EMCEF have also actively supported this demand.

INFORMATION SHEET 6

ETUC-Syndex-ISTAS-Wuppertal Institute Study "Climate Change and Employment"

A study entitled «Impact on employment of climate change and CO₂ emission reduction measures in the EU-25 to 2030» was performed in 2007 by a consortium (the ETUC, SDA, Syndex, ISTAS, Wuppertal Institute) and financed by the European Commission and six governments (Belgium, UK, Spain, Finland, Italy and France).

In Part I, «Impact of climate change in Europe», six sectors are reviewed: agriculture, forestry and fisheries, energy, infrastructure, tourism, finance-insurance and health.

In Part II, «Overall impact of CO₂ emission reduction measures», four sectors are reviewed: energy production, transport, heavy industry (iron and steel, cement) and the building sector.

A prospective European-level sectoral model is proposed, based on alternative scenarios for CO₂ emissions to a reference «business as usual» (BAU) scenario.

In Part I, the study shows that even moderate and gradual climate change by approximately 2° C will have both positive and negative impacts on economic activity and employment in Europe, with considerable disparities between the regions and sectors.

The sectors that will mostly be affected are agriculture, forestry, fisheries, tourism and, to a lesser extent, energy, insurance, health and infrastructures. The regional impacts range considerably. Overall, the impact is negative for Central and Southern Europe, positive for Scandinavia and more neutral for Germany.

In regions affected by climate-based damage (droughts, floods, hurricanes, changes in snow conditions, etc.), it will become increasingly necessary to devise appropriate methods for handling the social and employment impact. Also, it is noted that the cost of the changes and the population movements required to secure some positive opportunities have so far been underestimated.

The second part of the study deals with measures which would enable the EU to cut its CO₂ emissions by around 40 % in 2030: although the global effect would be slightly positive (+1.5%), these measures would generate substantial changes in employment and supply and demand of skills within and between sectors.

This job redistribution is not really governed by «loser» and «winner» sectors, management, the actors within the various sectors or the opportunities and risks generated by policies and measures. Job movements will occur in all sectors. However, the social transition will need to be anticipated and organised within each sector, which could make things less difficult.

In terms of quality, climate-related policies and measures should help boost the demand for increasingly well-qualified workers due to product and process innovation.

This means setting up and implementing appropriate training systems and involving the social partners. Potential «winner» sectors need to improve their social “performance” so as to attract well-qualified job seekers.

As far as the energy sector is concerned, the net impact on employment is positive. Reduction of power consumption by 16% compared with the BAU scenario would cause a maximum of 20% direct job losses, with contrasting employment trends in areas such as renewable energies, which would increase by half, nuclear power and gas, which depending on the alternative scenarios would increase or remain stable, and coal, which would decline; however, CO₂ capture and storage technologies have not been taken into account. This erosion of direct employment would be more than compensated for by increased employment in the capital goods sector; the impact on energy services, which is difficult to estimate, has not been calculated.

In the industrial sector, the EU’s climate related policy for the coming decade will have negative consequences in CO₂ emission-intensive sectors such as iron and steel and cement manufacturing, which are the two most carbon-intensive industrial sectors due to imports from third countries which are not subject to equivalent CO₂ regulations.

The risk to employment is largely related to inadequate development of R&D by industry. 50,000 jobs out of 350,000 are under threat in iron and steel, and 8000 out of 45,000 in Europe’s cement factories.

This risk would be significantly decreased by setting up a number of measures alongside binding measures on cutting CO₂ emissions:

- an industrial policy combining public aid with more ambitious and better coordinated national and European R&D programmes (joint research initiatives);
- a mechanism for rewarding the R&D efforts of enterprises to reduce their emissions in the medium and long term, using the ETS system;
- appropriate training programmes;
- border adjustment mechanisms on the Community’s borders covering imports not subject to CO₂ emission regulations.

In the transport sector, the study concludes that the number of jobs connected directly and indirectly with rail and public transport will be four times higher than in the BAU scenario. However, road freight jobs would be cut by approximately 50% compared with the BAU scenario, and jobs in the automotive sector would stabilise between 2000 and 2030, provided clean technologies and the technological edge of the European car industry were used and widely exported.

In the **building sector**, the thermal renovation of older buildings would create many direct, local jobs. The gain in employment compared with the BAU scenario is over one million jobs a year for work on guaranteeing high energy quality, i.e.

50 kWh per m², which represents 10% of European jobs in this sector. However, the building sector needs to overcome its lack of innovation in terms of R&D and inadequate training and skilling of its workers.

The third part of the study presents recommendations for securing a win-win outcome in terms of successfully combating climate change whilst creating jobs.

As regards **economic and environmental policies:** substantial and adequate means must be found for making the whole range of public and private investment that is vital for the prevention (adaptation and mitigation) of climate change.

Economic instruments (CO₂ quota trading systems, CO₂ taxes and energy taxes) must be used and supported by supporting measures for energy-intensive sectors exposed to globalisation (public funds for R&D, training programmes, border adjustment mechanisms, etc.), to convert CO₂ restrictions into competitive assets for European companies and enable jobs to be created and/or preserved.

As regards **social policies and measures:** adequately financed «employment transition programmes» negotiated with the social partners must be set up to anticipate, control and manage the social changes related to the adaptation and mitigation of climate change, to ensure both the adaptation and employment security of workers.

A national and European tripartite dialogue (between the state, employers and trade unions) on the implementation of adaptation and mitigation policies and measures is needed, based on the Spanish model, as is the creation of a European observatory on the economic and social changes related to these policies and measures.

It will be necessary to devise and implement forward-looking employment and skills programmes and social dialogue systems at the national and regional levels, so as to optimise coverage of the social transition associated with the new skills and qualifications required by low-carbon products and processes, and the re-training needs of workers in affected sectors.

INFORMATION SHEET 7

The European trading system for CO₂ emission quotas

1. The European Union Emission Trading Scheme (EU ETS)

To minimise the fallout from the commitments made under the Kyoto Protocol against climate change, the EU decided to create an internal market for the trading of CO₂ emission quotas between enterprises, which is one of the 3 flexibility mechanisms specified by the Kyoto Protocol.

Main characteristics of the system:

A cap-and-trade system: a cap is placed on emissions from facilities by the allocation of a number of emission rights, which is determined *ex ante* for a specific period. Excess rights may be sold and deficits covered by the purchase of additional rights.

The emissions of each enterprise are capped in a national quota allocation plan (NQAP) presented by the Member States and approved by the European Commission. Companies which exceed their maximum authorised emission ceiling may purchase unused credits from more environmentally efficient facilities.

Enterprises which exceed their individual cap must pay a fine of 40 euros per ton of CO₂ emitted. This fine will be raised to 100 euros in 2008. By way of comparison, the Commission has stated that the price of an emission credit was approximately 8-30 euros per ton of CO₂ in 2005-6 (1 ton = 1 permit). By making the purchase of emission credits far less expensive than the payment of fines, the Commission hopes that the ETS system will encourage innovation and incite companies to spontaneously reduce their carbon emissions.

Schedule: the first phase will take place in 2005-2007 and be followed by a second phase which coincides with the first commitment period of the Kyoto Protocol (2008-2012).

Coverage of activities and market size: within the scope of the European Union Emission Trading Scheme, almost 12,000 facilities in Europe with high carbon emissions may purchase and sell emission credits which account for approximately 40% of the total volume of emissions at the European level. The sectors concerned by this system include energy production (the main fossil-fuel generators with a capacity in excess of 20MW and oil refineries), as well as the glass, cement, ceramics, paper pulp and paper production sectors. The system will be extended to new sectors, in particular aviation, petrochemicals, ammonia and aluminium.

Coverage of greenhouse gases: during Phase 1, only CO₂ emissions will be covered. Other gases will be included during Phase 2, in particular nitrous oxide and perfluorocarbons.

Under the current system, the EU states benefit from a number of waivers:

- **Whole sectors** have been left out for the moment, in particular transport and construction, although they produce the most CO₂ emissions after electricity and the energy-intensive industries.
- The Member States may request that the Commission **exclude certain specific industrial facilities from the area of application of the ETS.**
- In cases of **force majeure, e.g. exceptionally cold winters, additional emission credits may be issued by the national authorities.**

In March 2007, EU leaders agreed that, by 2020, they would cut overall greenhouse gas emissions by 20% compared to 1990 levels. The Commission says this will require a «much steeper reduction path» for industrial emissions, which is the aim of its ETS reform proposal for the post-2012 period, presented on 23 January 2008.

2. The main elements of the new system proposed by the Commission in January 2008, which would enter into force in 2013, are the following:

Capping of total EU industrial emissions at 21% below 2005 levels by 2020 – i.e. a maximum of 1720 million allowances – with total emission allowances cut by 1.74% annually as of 2013. The EU-wide target replaces the current 27 national targets.

- **Enlarging the scope** of the scheme to cover **new sectors**, including aviation, petrochemicals, ammonia and the aluminium sector, as well to two **new gases** (nitrous oxide and perfluorocarbons), so that around **50% of all EU emissions would be covered**. Road transport and shipping remain excluded, although the latter is likely to be included at a later stage. Agriculture and forestry are also left out due to the difficulties related to measuring emissions from these sectors accurately.
- **Smaller installations**, emitting under 10,000 tonnes of CO₂ per year, will be allowed to opt out from the ETS, provided that alternative reduction measures are put in place. Industrial GHGs prevented from entering the atmosphere through the use of so-called **carbon capture and storage (CCS)** technology are to be credited as not emitted under the EU Emissions Trading Scheme.
- **Auctioning**: The proposal foresees a huge increase in auctioning as early as 2013. While today, 90% of pollution allowances are handed out to industrial installations for free, the text states that «**around 60% of the total number of allowances will be auctioned in 2013**». It adds that «full auctioning should be the rule from 2013 onwards for the power sector». This is expected to lead to a 10-15% **rise in electricity prices**. In other sectors, free allocation will gradually be completely phased out on an annual basis between 2013 and 2020. Nevertheless, **certain energy-intensive sectors could continue to**

get all their allowances free in the long term if the Commission determines that they are «at significant risk of carbon leakage», i.e. relocation to third countries with less stringent climate protection laws. The sectors concerned by this measure are still to be determined.

- The **distribution method for free allowances** will be developed at a later stage by expert panels within the Commission (through the so-called «comitology procedure»). The Commission nevertheless says that «the rules may for instance specify that allocations are to be based on so-called benchmarks, e.g. a number of allowances per quantity of historical output». It says: «Such rules would reward operators that have taken early action to reduce greenhouse gases, would better reflect the «polluter pays» principle and would give stronger incentives to reduce emissions, as allocations would no longer depend on historical emissions».
- **Competitiveness:** The Directive stresses that the risk of «carbon leakage» – and subsequently, the need for compensatory measures for European companies – is dependent on whether or not an international agreement subjecting all countries to similar climate change mitigation measures is reached. It therefore delays any decision on potential compensation measures until 2011, when the Commission will have to present a review of the situation. If no global pact is reached by then, some sort of «**carbon equalisation system**» will be introduced – whether in the form of additional free allocations or through the inclusion of carbon-heavy imports from third countries in the ETS.
- **Flexibility and third countries:** Assuming a global climate change deal is reached, Member States will continue to be entitled to meet part of their target by financing emission reduction projects in countries outside the EU, although the use of such credits will be limited to 3% of Member States' total emissions in 2005, or, in other words, to approximately one-quarter of their total reduction efforts.

INFORMATION SHEET 8

Declaration on Guiding Principles for Sustainable Development

In June 2005, the heads of state and government of the European Union adopted a declaration on the "Guiding Principles for Sustainable Development", which provides a basis for the EU's new strategy on sustainable development, adopted in June 2006. The declaration defines the following objectives and principles:

1. KEY OBJECTIVES

ENVIRONMENTAL PROTECTION

Safeguard the earth's capacity to support life in all its diversity, respect the limits of the planet's natural resources and ensure a high level of protection and improvement of the quality of the environment. Prevent and reduce environmental pollution and promote sustainable production and consumption to break the link between economic growth and environmental degradation.

SOCIAL EQUITY AND COHESION

Promote a democratic, socially inclusive, cohesive, healthy, safe and just society with respect for fundamental rights and cultural diversity that creates equal opportunities and combats discrimination in all its forms.

ECONOMIC PROSPERITY

Promote a prosperous, innovative, knowledge-rich, competitive and eco-efficient economy which provides high living standards, and full and high-quality employment throughout the European Union.

MEETING OUR INTERNATIONAL RESPONSIBILITIES

Encourage the establishment and defend the stability of democratic institutions across the world, based on peace, security and freedom. Actively promote sustainable development worldwide and ensure that the European Union's internal and external policies are consistent with global sustainable development and its international commitments.

2. POLICY GUIDING PRINCIPLES

PROMOTION AND PROTECTION OF FUNDAMENTAL RIGHTS

Place human beings at the centre of the European Union's policies, by promoting fundamental rights, by combating all forms of discrimination and contributing to the reduction of poverty worldwide.

INTRA-AND INTERGENERATIONAL EQUITY

Address the needs of current generations without compromising the ability of future generations to meet their needs in the EU and elsewhere.

OPEN AND DEMOCRATIC SOCIETY

Guarantee citizens' rights of access to information and ensure access to justice. Develop adequate consultation and participatory channels for all interested parties and associations.

INVOLVEMENT OF CITIZENS

Enhance the participation of citizens in decision-making. Promote education and public awareness of sustainable development. Inform citizens about their impact on the environment and their options for making more sustainable choices.

INVOLVEMENT OF BUSINESSES AND SOCIAL PARTNERS

Enhance the social dialogue, corporate social responsibility and private-public partnerships to foster cooperation and common responsibilities to achieve sustainable production and consumption.

POLICY COHERENCE AND GOVERNANCE

Promote coherence between all European Union policies and coherence between local, regional, national and global actions in order to increase their contribution to sustainable development.

POLICY INTEGRATION

Promote integration of economic, social and environmental considerations so that they are coherent and mutually reinforce each other by making full use of instruments for better regulation, such as balanced impact assessment and stakeholder consultations.

USE BEST AVAILABLE KNOWLEDGE

Ensure that policies are developed, assessed and implemented on the basis of the best available knowledge and that they are economically sound and cost-effective.

PRECAUTIONARY PRINCIPLE

Take a precautionary approach where there is objective scientific uncertainty in order to avoid potential damage to people's health or to the environment and take preventive action.

MAKE POLLUTERS PAY

Ensure that prices reflect the real costs to society of production and consumption activities and that polluters pay for the damage they cause to human health and the environment.

Other sources of information

1. Trade union organisations and sustainable development

- European Trade Union Confederation (ETUC), Environment and sustainable development policy unit: www.etuc.org/r/27
- European Trade Union Institute, Health and Safety Department (HESA) – publications on sustainable development:
http://hesa.etui-rehs.org/fr/dossiers/rdossier.asp?rd_pk=127&dos_pk=9
- International Trade Union Confederation: www.ituc-csi.org
- Sustainlabour (International Labour Foundation for Sustainable Development): www.sustainlabour.org

2. Non-governmental organisations working on environmental issues

- Friends of the Earth: <http://www.foe.org/>
- WWF: <http://www.wwf.org/>
- Greenpeace: <http://www.greenpeace.org/international/>
- Climate Action Network – Europe: <http://www.climnet.org/>
- European Federation for Transport and Environment:
<http://www.transportenvironment.org/>

3. Sustainable Development

- European Commission website on the European Sustainable Development Strategy: http://ec.europa.eu/sustainable/sds2006/index_en.htm
- Text of the EU Sustainable Development Strategy:
http://ec.europa.eu/sustainable/docs/renewed_eu_sds_en.pdf
- Studies on links between the environment, the economy and employment:
http://ec.europa.eu/environment/enveco/industry_employment/index.htm#ec_oindustry2006
- French-language website on sustainable development:
<http://www.agora21.org/>
- UN Division for Sustainable Development:
<http://www.un.org/esa/desa/aboutus/dsd.html>
- Agenda 21 on the United Nations website:
<http://www.un.org/esa/sustdev/documents/agenda21/english/agenda21toc.htm>

4. Corporate Social Responsibility (CSR)

- EU Commission website on corporate social responsibility:
http://ec.europa.eu/enterprise/csr/index_en.htm

5. Chemical substances

- European Commission website on chemical substances and REACH:
<http://ec.europa.eu/environment/chemicals/index.htm>

6. Climate change and energy

- European Commission website on climate change:
http://ec.europa.eu/environment/climat/home_en.htm
- UN framework convention on climate change (information, texts of agreements and the Kyoto Protocol):
http://unfccc.int/kyoto_protocol/items/2830.php
<http://unfccc.int/resource/docs/convkp/conveng.pdf>

7. Food safety

- European Commission website on food safety:
http://ec.europa.eu/food/index_en.htm
- Website of the Food and Agriculture Organisation of the United Nations (FAO): http://www.fao.org/index_en.htm

8. Sustainable use of natural resources

- European Commission website on sustainable use of natural resources:
<http://ec.europa.eu/environment/natres/index.htm>



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