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It comprises:

Guide to the Booklets
1. Environmental Indicators of Development
2. Political Indicators of Development
3. Economic Development and Security
4. Social Development
5. Equality of Opportunity and Treatment
6. Education and Training
7. International Development

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Introduction

A world in which poverty is commonplace will always be subject to political and ecological disasters.

Poverty pushes people and countries into a short-term, often desperate use of resources which puts pressure on ecosystems that poor governments cannot afford to put right. These environmental pressures of poverty usually show up on a local scale so it is the poor population which most directly suffers the consequences of degradation. Increasing degradation encourages even more exploitation of resources, so that environmental quality and poverty become even more locked together in a circle that becomes more and more difficult to break.

At the other end of the scale, wealthier people and countries consume more than their fair share of the national or world’s resources and produce more than their share of pollution. This is clearly unsustainable and creates another set of environment and development pressures as the poor aspire to the same, but unsustainable, levels of consumption as the wealthy, and the wealthy attempt to protect their privileges.

All states and all people should therefore cooperate in the essential task of putting an end to poverty in order to better meet the needs of the majority of the world’s population.

This booklet then looks at economic development of countries and of individuals. It points out the need for individuals to better earn a living through freely-chosen, good quality employment with appropriate payment. A safe job with good working conditions that allows a worker and his or her family to live in dignity as self-reliant individuals should be a condition and a result of environmentally sustainable development.

Part of the drive to end poverty will also concern social protection for those who cannot find work or who cannot work because of sickness, disability, old-age, maternity, caring for children or other members of the family, or for families that have lost a breadwinner.
It is hoped that the following pages will help you and your union to:

- Think about the relationship between poverty, employment, social protection and environmentally sustainable development;
- Define priorities in the area of economic development and security to include in a union policy on overall environmentally sustainable development.
ECONOMIC DEVELOPMENT
AND SECURITY

Poverty

Making development sustainable means putting an end to poverty so that at least the basic or essential needs of all — including those of future generations — can be met. In the first place these needs are clear and simple — clean water, clean air, healthy housing, adequate food. The satisfaction of these basic needs should go a long way towards creating an environment worth living in and promoting sustainable development. A world in which poverty is commonplace will always be subject to political and ecological disasters.

...poverty anywhere constitutes a danger to prosperity everywhere...

ILO: Declaration of Philadelphia

Poverty pushes people and countries into a short-term, often desperate use of resources which puts pressure on ecosystems that poor governments cannot afford to put right. These environmental pressures of poverty usually show up on a local scale so it is the poor population which most directly suffers the consequences of degradation. Increasing degradation encourages even more exploitation of resources, so that environmental quality and poverty become even more locked together in an increasingly vicious circle.

In terms of US$, the world has 157 billionaires, 2 million millionaires — and more than 1.1 billion people with an income of less than $1 per day.

Source: Centre for Our Common Future
At the other end of the scale, wealthier people and countries consume more than their fair share of the national or world’s resources and produce more than their share of pollution. This is clearly unsustainable and creates another set of environmental and developmental pressures as the poor aspire to the same, but unsustainable, levels of consumption as the wealthy, and the wealthy attempt to protect their privileges.

Never has the gap between rich and poor been so wide — whether it is between rich and poor countries, between people within a country, both developed and developing, or between different sectors of the workforce, the organized and the unprotected informal, casual activities.

In economic terms, developing countries have a GNP (Gross National Product) per head of only 6% that of industrialized countries. In developing countries almost a third of the population — 1.3 billion people — lives in poverty, and this figure is much higher for some countries. In Africa south of the Sahara, for instance, about 50% of the entire population lives in poverty.

The overall rate of poverty has declined over the past 20 years or so, but this has taken place mainly in Asia, while there has been a worsening of the situation in Latin America and even more so in Africa. In terms of numbers, however, poverty has actually increased because of population growth. About 40% of the world’s poor still live in Bangladesh, India and other South East Asian countries; another 20% in China; Sub-Saharan Africa and East Asia account for about 15% each; Latin America, North America and the Middle East account for about 3% each.

But while Asia may have most of the world’s poor, it is mainly African countries that have gone backwards at a time when poor countries elsewhere have gone ahead. Africans were actually poorer at the end of the 1980s than they were at the beginning.
Proportion of population living in absolute poverty*

Central America and the Caribbean

- Costa Rica
- Mexico
- Panama
- Colombia
- Brazil
- Guatemala
- Honduras
- Haiti

Asia

- Korea
- Thailand
- Malaysia
- Philippines
- Indonesia
- Pakistan
- India
- Bangladesh
- Nepal

Africa

- Botswana
- Mozambique
- Tunisia
- Egypt
- Morocco
- Ghana
- Madagascar
- Uganda

* Poverty is defined by the UN Human Development Report in monetary terms as the income or expenditure level below which a minimum, nutritionally adequate diet plus essential non-food requirements are not affordable.

Source: UNDP Human Development Report, 1995
Today, the total wealth of Africa south of the Sahara, with more than twice the population of the USA, is about the same as that of Switzerland.

The fact that many countries are actually declining, not just in economic terms, is also true if we look at another measure of development: the UN Human Development Index. The Human Development Index (HDI) was developed to take account of human well-being as well as economic advancement. Thus, neither individual income nor increased GNP for countries are the only options taken into account, as in conventional theories of economic development, although they remain an important part. Rather the HDI also takes account of literacy rates, average years of schooling and life expectancy. Based on this, levels of development have decreased over the two decades to 1990 for several African countries — Guinea, Nigeria, Sudan, Angola, Uganda, Zambia, Mozambique, for instance. Other countries that have also suffered a decline include Peru, Cuba, Nicaragua, Afghanistan, Papua New Guinea.

Different organizations have found that a relationship exists between national economic development and environmental degradation. The ILO’s employment programme, for instance, has shown that income per head (as an indicator of economic development) is linked with such indicators of environmental degradation as air pollution and deforestation. It found that below a certain level of income per head — around $800 for deforestation and around $3,000 for sulphur dioxide emissions — environmental degradation increases as economic development increases. However, there is significant improvement in the quality of the environment as economic development progresses beyond these levels.

At very low levels of development, the economy tends to “eat into” its natural stock. At higher levels of income per head (between $1,000 and $3,000) there is a change from rural to urban living, agricultural to industrial activities. At income levels around $10,000 there is a shift from energy-intensive industries to services and information, and an increased outlay on pollution control measures.
It is therefore not development in itself that is so critical to environmental degradation but the “how” of economic growth.

The gap between rich and poor within a nation

Not only is there a huge gap between developing and industrialized nations, but the past 50 years or so have seen the rise of an enormous and unequal distribution of wealth side by side with continuing poverty within nations. Poverty is still commonplace in rural areas, but urban poverty is growing fast. New forms of poverty are emerging in the countries in transition in Eastern and Central Europe, where the entire political and economic systems have collapsed. Even in industrialized countries, competition in the global economy has driven enterprises to reduce the numbers of secure and well-paid jobs. This, combined with the financial restraints on state welfare systems, has led to insecurity and social and economic exclusion of certain segments of society, while others are being rewarded.
The result is a shrinking core of relatively secure workers, and a growing “flexible” workforce in casual, precarious (insecure) work, and, beyond this, an increasing poor, unprotected underclass of marginalized people. In nearly all cases, it is those groups that are already at risk from underemployment and weakening of social protection that see their situation worsening — women workers, especially those who are heads of one-parent families, migrants, ethnic minorities, the old and young workers...
For example: The richest 20% of households in Brazil has 32.1 times the income of the poorest 20%

Source: UNDP Human Development Report, 1995
Reducing poverty

Poverty has so many causes, and is in turn affected by the same — hunger, illiteracy, inadequate health care, population pressures, lack of employment, etc. — that no one solution will solve all the problems in every country.

A wide range of actions will be needed to reduce poverty. These may include:

- redistribution of assets
- creation of employment for the poor
- restructuring production systems to use more labour
- intervention in favour of vulnerable groups, such as anti-discrimination measures, affirmative action, minimum wages, abolition of child labour, etc.
- changing income distribution through social security, public services, etc.
- organization of the poor.

Employment promotion

If the aim of any anti-poverty programme is to make people better able to earn a living in a sustainable way then promoting employment is a central strategy. This is usually built around the idea of making the development path more labour-intensive. But recent experience has shown that, more often than not, rapid increases in productivity have been labour-saving. According to the UN Human Development Report, employment has lagged behind economic growth in some regions in the past three decades, and today the world is facing a large shortage of jobs — with about 35 million unemployed in industrialized countries and a need for one billion new jobs in developing countries over the next decade.

The challenge then is to develop the types of jobs to which the poor can have access. In this case, it is not enough to look at just the number of jobs, but also the quality of jobs.

Creating and maintaining freely-chosen, appropriately paid employment is absolutely necessary for reducing poverty and attaining sustainable development. The goal is full and “good quality” employment. That is, a safe and secure job with good working conditions that allows a worker and his or her family to live in dignity as self-reliant individuals. Good quality employment should be both a condition and a result of sustainable development.
Many countries have seen the development of Export Processing Zones (EPZs) as a means of attracting foreign investment, and thus creating economic growth and employment and developing labour skills.

EPZs are clearly defined industrial zones that constitute “islands” in the customs and trade of a country. Foreign manufacturing companies in these zones benefit from a certain number of financial and tax and other incentives in return for the potential economic benefits they may bring to the host country.

There are now more than 200 EPZs in 60 countries around the world, nearly all in developing countries. These zones welcome transnational corporations from the electronics, textile, garment, leather and other “assembly line” industries, where they form a significant factor in local employment — about 1.5 million workers worldwide. Most of the EPZ workforce is made up of young women: about 65% in Mauritius, 74% in the Philippines, 79% in El Salvador, for instance.

The World Summit on Social Development which met in Copenhagen in March 1995 commits the nations of the world to:

- the goal of eradicating poverty in the world through decisive national actions and international cooperation as an ethical, social, political and economic imperative of mankind (Commitment 2). Under this commitment, governments undertake, inter alia, to formulate or strengthen, as a matter of urgency, and preferably by the year 1996, policies or strategies to reduce overall poverty in the shortest possible time, to reduce inequalities and to eradicate absolute poverty by a target date to be specified in each country in its national context;

- promoting the goal of full employment “as a basic priority of our economic and social policies”, and to enabling all men and women to attain secure and sustainable livelihoods through freely-chosen productive employment and work (Commitment 3);

- accelerating the economic, social and human resource development of Africa and the least developed countries (Commitment 7).
That development and the environment should benefit from the objectives of EPZs is not hard to see in theory. Such benefits could come from or include:

- increased investments in the host country;
- employment creation, especially of women;
- potentially better work and environmental practices;
- transfer of new technology;
- transfer of skills;
- investment in infrastructure;
- foreign exchange earnings from increased exports;
- economic diversification;
- linkages with the local, host, economy.

In reality, however, many of the practices in EPZs contradict the attainment of environmental goals, and may not even be effective in promoting economic development or good quality work opportunities because of various reasons, including:

- undermining of workers rights and trade union organization — some countries suppress freedom of association and the right to organize and bargain collectively for workers in EPZs;
- weakening of other labour standards, for instance, in occupational health and safety, and environmental standards;
- low-skill local employment on low wages, whilst managerial and higher-skilled employees tend to be imported;
- the direct costs of establishing EPZs — the costs of basic investments in land purchase, preparation of the site, roads, water supply, waste disposal facilities, electricity and telecommunications, buildings, etc. can be very high compared to the costs of creating jobs elsewhere in the country;
- incentives may attract companies that are not competitive and rely on subsidies for their survival;
- loss of revenue for the host government, both because of tax incentives and because of export of profits back to the companies’ home bases;
- very limited technical transfer to local firms.

EPZs can therefore be seen as somewhat weak strategies for effectively meeting the needs of employment creation and economic development as well as having direct negative impacts on the environment. Because they
are hostile to organized labour they also undermine the conditions for the national, and especially tripartite, decision-making that is essential for formulating and implementing environmentally sustainable development.

For these reasons trade unions have to address the issue of EPZs in their countries and/or region, whether because they want to change conditions in existing zones or to develop a policy in preparation for the possible implantation of an EPZ locally. Either way, unions will have to decide on whether they feel EPZs are part of a viable development strategy, what are alternative strategies, and what reforms are necessary to make EPZs more acceptable providers of good quality employment.

SATUCC REGIONAL PROGRAMME OF WORK ON ENVIRONMENTAL ISSUES IN EXPORT PROCESSING ZONES
in cooperation with the Training and Research support Centre, Harare

OBJECTIVES

This programme of work aims over a 24 month period to

◆ identify, analyse and discuss with unions in Southern Africa and with the Southern African Trade Union Co-ordinating Council (SATUCC) key policy, legal and institutional issues and options with respect to the implications in Southern Africa of the development of Export Processing Zones (EPZs) for environment and sustainable development

◆ examine the experiences of unions in Southern Africa with respect to EPZs and their response to the issues raised for workers and unions, discuss options for more effective monitoring and articulation of positive and negative features of EPZs and more effective advocacy by unions and SATUCC of policy positions on environment and sustainable development in EPZs

◆ build an information and advocacy programme with the involved unions and with SATUCC that will enhance negotiation of union policy on environment and sustainable development in EPZs

◆ link unions with professionals, researchers and research institutions in their respective countries to inform and support union work on EPZs.

◆ prepare materials to support union advocacy on environmental and sustainable development issues and EPZs for Southern Africa Development Community (SADC) and international dissemination and use.
Cooperatives

Many countries have looked to the formation and maintaining of cooperatives as a cornerstone of sustainable development. They see them as a crucial factor in improving the economic and social situation of people of limited resources and opportunities.

The ILO defines cooperatives as associations of persons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organization. The members make equal contributions to the capital required and accept a fair share of the risks and benefits of the undertaking in which they actively participate.

There are many different kinds of cooperatives, such as agricultural produce cooperatives, handicrafts, housing, transport, agricultural marketing cooperatives, land improvement, consumer, service, credit societies, insurance, health cooperatives, etc. But all of them have the potential to improve access to marketing of products, financing, sharing of expensive equipment, and collective production.

They can also contribute to the economy in an increased measure of democratic control of economic activity and equitable distribution of surplus. They can improve income and employment through a fuller use of resources — for example, in the implementation of agrarian reform and of land settlement which bring fresh areas into productive use, and in the development of modern industries that process local raw materials.
Agenda 21 states that Governments, business and industry should promote the active participation of workers and their trade unions in decisions in the design, implementation and evaluation of national and international policies and programmes on environment and development, including employment policies, industrial strategies, labour adjustment programmes and technology transfers.

- Do you and your union feel that your government’s policy and practices concerning EPZs fulfill the requirements of this statement? Give examples.
- If there is an EPZ in your country, has your union tried to organize the workers there? With what success? What are the reasons for the success or failure of these organizing efforts?
- What is your union’s policy on EPZs (for existing zones, or for potential implantation in your country or region)?
- Where does the role of cooperatives fit in with the above statement from Agenda 21? Give examples from practice in your country.
- What bargaining points and strategies could you and your union put forward to make sure that economic development is in harmony with environmentally sustainable development?
The informal sector — precarious employment

The call for the creation of well-paying and secure jobs as a means to ensure sustainable development is even more important when we look at the change in the structure of employment itself over recent years, a change that has produced a massive informal labour market.

The informal sector is characterized by low quality, often dangerous jobs, a lack of regular work and income, chronic unemployment, an absence of basic social and labour protection, and no formal organization or bargaining power, no trade unions, cooperatives or associations that enter into a relationship with employers. It covers such a wide-ranging workforce as the self-employed, contract labourers, casual workers, subsistence farmers, home-workers, and urban marginals such as street vendors, servants, etc. Women often resort to the informal sector in the face of employment discrimination in the formal sector, and where they end up in domestic services, small-scale trade and micro-enterprises that produce clothing and processed food.

The impact of the informal sector on social and economic change cannot be ignored. In Latin America more than 30% of all non-agricultural workers were in the informal sector at the end of the 1980s. In 1990, more than 60% of the urban workforce in Africa south of the Sa-
hara were occupied in the informal sector. While it is more often found in developing countries pursuing development and industrialization, the informal sector is assuming greater importance in industrialized countries also.

The informal sector has often been referred to as the “shock absorber” against economic crises, and in very few cases, such as self-employment, the work can become established and offer access to various forms of collective action. Sometimes, stable and permanent self-employment can thus be seen as an alternative when a worker is laid off from regular employment (usually in industrialized countries) or as a transition from the pool of casual labour upwards to regular wage work (usually in developing countries). In either case the goal is nearly always towards the more skilled, better paid work or employment. Transformation often comes about through informal and then formal organization in response to conditions generally or to protest against particular unacceptable conditions, often with support from outside.

Organizing the poor

A lack of organization is a characteristic of the poor and the informal sector. While those in stable employment in the modern sector may be protected by labour legislation, social security and trade unions, about 60% of the world labour force is estimated to be unprotected. This figure reaches 67% in Asia, and 84% in Africa, for those who are totally bypassed by protective legislation and access to social security and services.

Workers in the informal sector therefore have to be brought into the mainstream of the labour movement, either through organization by trade unions or by means in which they can organize themselves. Several examples exist of workers in the informal sector forming structured unions themselves. In India, for instance, the Self-Employed Women’s Association is a union of about 100,000 women working at a variety of tasks designated as self-employed. It includes home-based workers, vendors and hawkers, labourers, providers of various services, etc.

In Gabon, a National Union of the Informal Sector was recently created to encourage members to regularize their situation with the administration and to ensure training to those who want it. A similar example of this kind of union has existed in Senegal for several years.
Trade unions have a particularly important role to play in organizing the poor. They may generally be thought of as representing the interests of their existing members, the regular workers, but it is important that they also identify the sections of unorganized workers within the trades they deal with, understand their problems and lend support and know-how to them. The aim is to bring them into the fold of the union.

Although it may be difficult, there have been cases of effective trade union action in organizing casual workers or supporting development of cooperatives, for instance. Governments should cooperate with trade unions rather than hinder them in the task of organizing. If not effectively organized then a very significant proportion of workers will remain beyond the scope of the tripartite structures necessary to promote economic and environmentally sustainable development.

Some of these developments discussed above have brought increased insecurity to the lives of millions of working people and their families. Part of the drive to end poverty will therefore also concern social protection, or the means to ensure an income, for those who cannot find work or who cannot work because of sickness, disability, old age or maternity, caring for children, sick or older relatives, for families that have lost a breadwinner, or for those who have lost their livelihoods through natural disaster or civil violence, wars or forced displacement.

Such a system of social protection — or even a part of it — that would allow workers and their dependents to live in freedom from fear has never been a reality in most developing countries, and is now coming under strain in many industrialized countries.

Public spending on social security benefits varies from industrialized countries which commonly devote around 10 - 15%, or even 18%, of Gross Domestic Product (GDP) on them, right down to the often less than 1% spent on social benefits in some Asian and African countries.
Social security benefits as a percentage of GDP, 1985-90

Source: UNDP Human Development Report, 1995
Even within a country there are inequalities, with social security legislation being applied mainly to the organized formal sector of the workforce. The growth of part-time work, de-regulated export processing zones, homeworking, casual and other informal sector employment has reduced social protection coverage, especially for women workers.

However, as we have seen, if development is to be at all sustainable and environmental degradation halted, then the poor have to have access to resources to break the vicious circle of poverty and increasing environmental degradation. It becomes essential to safeguard the social safety net of those countries that already have one in place, and extend such a system to as many people and countries as possible.

**DISCUSSION POINTS**

Trade unions have done much for their members by promoting better employment and social welfare policies.

- What is your trade union’s approach to such policies locally, nationally and internationally?
- What would you like them to be?
- What do you feel should be done to help put an end to poverty in your country?
- How can your union help the poorest people living in extreme poverty organise for better conditions and create opportunities for income generation in your country?
FURTHER READING

- ILO Workers’ Education and the Environment Booklet 4: World Environment Issues
- A Public Sector Alternative Strategy. Public Services International. Ferney-Voltaire, 01210 France
- Power and Counterpower: The Union Response to Global Capital. ICEM, 109, Avenue Emile de Bœc, 1050 Brussels, Belgium.
- The World of Work. The magazine of the ILO. Published five times per year in English, French, Arabic, German and Spanish. Especially issues no. 7, March 1994 and no. 14, December 1995.
- Enterprise and Management Development: Production Management for Sustainable Development. Arturo L. Tornetino. Enterprise and Cooperative Department, ILO.
- Women and Land: Report on the Regional African Workshop on Women’s Access to Land as a Strategy for Employment Promotion,
- Poverty Alleviation and Household Food security. 1989. ILO.