Social aspects of sustainable construction: an ILO perspective

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Summary
This article examines the social aspects of sustainable construction, particularly in the context of developing countries. A socially responsible construction industry is one that enhances the positive aspects of employment in construction while protecting the workforce from negative ones. This requires respect for labour standards, as set out in ILO Conventions and national legislation. Voluntary initiatives have made a positive contribution, but serious progress will require everyone to play by the same rules. Concerted action by all stakeholders is needed to bring this about. A new “Socially Responsible Construction Investment” initiative is being launched by the ILO. It will bring together representatives of government, employers, workers and other major construction sector stakeholders, with the aim of developing a strategy and action plan for improving implementation of key labour standards in construction projects, as well as promoting productive employment in the construction sector.

Résumé
L’article s’intéresse aux aspects sociaux du développement durable du secteur du bâtiment, en particulier dans le contexte des pays en développement. Un secteur du bâtiment socialement responsable se doit de renforcer les aspects positifs de l’emploi dans le bâtiment, tout en protégeant la main-d’œuvre contre ses aspects négatifs. Cela suppose le respect des normes de travail des Conventions de l’OIT et des lois nationales. Si les initiatives volontaires ont eu un effet positif, pour réaliser des progrès significatifs il faut que tout le monde respecte les mêmes règles du jeu. L’action concertée de tous les acteurs est nécessaire pour y parvenir. L’OIT est en train de lancer une nouvelle initiative d’Investissement socialement responsable dans le bâtiment. Elle réunira des représentants de gouvernement, des employeurs, des ouvriers et autres acteurs majeurs du secteur du bâtiment dans le but d’élaborer une stratégie et un plan d’action pour une meilleure mise en œuvre des principes normatifs de travail dans les projets de construction, mais aussi pour promouvoir un travail productif dans le bâtiment.

Resumen
El artículo examina los aspectos sociales de la construcción sostenible, particularmente en el contexto de los países en desarrollo. La industria de la construcción que se preocupa por el bienestar social realiza los aspectos positivos del empleo en la construcción y al mismo tiempo protege a los trabajadores de sus aspectos negativos. Para ello, hay que observar las normas de trabajo establecidas por las convenciones de la OIT y las leyes de cada país. Varias iniciativas voluntarias han aportado una contribución positiva, pero el verdadero progreso requiere que todos respeten las mismas reglas, y para que esto ocurra se necesita una acción coordinada de todas las partes interesadas. La OIT prepara el lanzamiento de una nueva iniciativa para invertir en la construcción de manera responsable para la sociedad. La iniciativa reunirá representantes del gobierno, patrones, trabajadores y otras partes interesadas del sector de la construcción para desarrollar una estrategia y un plan de acción que permitan mejorar la implementación de normas de trabajo clave en proyectos de construcción y promover el empleo productivo en el sector de la construcción.

It is generally agreed that sustainable development has three pillars: environmental, economic and social. Environmental sustainability is now broadly understood, and much attention has focused in recent years on economic sustainability. However, the concept of social sustainability is much more difficult to grasp. Responsibility seems to make more sense in this context than sustainability. Indeed, many companies are adopting the principles of Corporate Social Responsibility (CSR). Yet there is still little agreement as to what this actually means in practice.

As a starting point, it might be assumed that social responsibility is about minimizing the negative and maximizing the positive effects economic activity has on people and society. Broadly, economic activity impacts on society in three ways. First, there is the impact on those involved in the activity itself, notably the workforce. Second, there is the impact on the local community where the activity takes place. Third, there may also be social implications for the wider global community.

The relative importance of these impacts varies with the kind of activity. In the case of construction, it may be assumed that global social impacts are minimal (although not entirely absent, due to international migration of labour for work in this sector). The impact on local communities can be quite significant. However, the biggest share of this impact stems from the investment decisions taken up-stream of the industry itself. With few exceptions, the construction industry responds to demands placed on it by investors, as opposed to playing a major role in the investment decision-making process.

Of the decisions taken within the remit of the construction industry, the major social impact is undoubtedly on the workforce. Hence, a socially responsible construction industry might be defined as one that enhances the positive aspects of employment in the industry and protects its workforce from negative ones.

It is that feature of social responsibility with which this article is concerned. The focus of attention is the developing countries, where three-quarters of the world’s estimated 111 million construction workers are found (ILO, 2001a).

The reality of work in construction

On the positive side, the construction industry offers much needed employment for a large number of the world’s poorest people. In developing countries construction work provides a traditional point of entry to the labour market for migrant workers from the countryside. A job in construction is often the only alternative to farm labour for those who do not have much education or skill. It has special importance for the landless. Safeguarding such employment opportunities must be high on the social agenda of poor countries with surplus labour. Responsible employers will guard against premature mechanization of tasks that can be undertaken by labourers – as the example from India in the box on the next page demonstrates.

However, there are many negative aspects to work in construction. The industry is notorious as a dangerous place to work. Data from a number of developed countries show that between 20 and 40% of all occupational fatalities occur in the construction sector. This means construction workers are three to four times more likely to die from accidents at work than other workers (López-Valcárcel, 2001). Many more die from occupational diseases arising from past exposure to dangerous substances such as asbestos. In the developing world the risks associated with construction work are undoubtedly much higher (available data...
A voluntary agreement to preserve jobs

In India women undertake most of the tasks involved in mixing and laying concrete. The recent introduction of ready-mix concrete by a large construction company in Chennai has thrown many women out of work. It is also threatening the jobs and livelihoods of many more. After months of protests and demonstrations, the company has voluntarily agreed to restrict the use of ready-mix concrete to large structures.

Using contracts to enhance labour standards and the environment

Engineers India Ltd. is a large public sector consultancy operating chiefly in the oil and gas sector. As a consulting engineering company, it is responsible for inviting tenders and quotations from contractors, awarding contracts, and monitoring progress and compliance with contract conditions.

The general and specific conditions of contract are agreed with each client. Under the leadership of Anil Lyall, the company is carrying out systematic efforts to make these conditions much clearer and more visible in the area of labour standards and the environment. Detailed specifications have been developed for health and safety provisions. The contractor's obligations in this and other areas are spelled out in simple and unambiguous terms. Proper inspection must then take place to ensure that all obligations are met.

Two examples of social responsibility from India

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Anil Lyall believes that engineers are well placed to carry out these inspections during their regular visits to sites. The conclusion of this work is that considerable improvement is feasible in the employment of labour by contractors on major national projects.

Labour standards

Such practices contravene the "core" labour standards of the International Labour Organization (ILO) – the United Nations agency with global responsibility for work, employment and labour issues. The core standards of the ILO, embodied in its 1998 Declaration of Fundamental Principles and Rights at Work, are binding on all member states. They embrace four basic principles of employment:

- Employment should be freely chosen (no forced labour);
- There should be strict limitations on employment of children;
- There should be equality in the terms and conditions of employment;
- Workers and employers have the right to organize and bargain collectively.

These four principles are also included in the UN Global Compact and are widely regarded as fundamental human rights. Social responsibility requires that they be observed by the construction industry.

While the core standards apply to all sectors of economic activity, other standards are specific to construction. Most important are Convention 167 (1988), "Safety and Health in Construction", and Convention 94, the "Labour Clauses (Public Contracts) Convention". These Conventions, with the accompanying Recommendations and Codes of Practice, set out basic principles that...
Sustainable building and construction

Key principles of ILO Convention 167 concerning safety and health in construction

- There should be cooperation between employers and workers in order to promote safety and health at construction sites.
- The most representative organizations of employers and workers shall be consulted on the measures to be taken and all have a duty to comply.
- The principal contractor is responsible for coordinating the prescribed safety and health measures and for ensuring compliance with such measures.
- Personal protective equipment and clothing shall be provided and maintained by the employer without cost to the workers: employers must also provide first aid, drinking water and separate sanitary and washing facilities.
- Workers must be informed of potential safety and health hazards to which they may be exposed and trained in their prevention and control.
- Workers have the right to remove themselves from imminent danger and the duty to inform the supervisor.
- Those concerned with design and planning of a project also have a duty to consider the health and safety of construction workers.

The construction industry is a dangerous place to work need to be observed to ensure the health and safety of construction workers and to protect those working on public contracts.

While these Conventions are only binding on the countries that have ratified them, most countries (even developing ones) have national legislation in place that is broadly in conformity with the principles of these and other ILO Conventions and national legislation. Most important are the rights of workers to join organizations of their choice, to have a safe place of work, and to be paid their wages on time and in full.

The importance and limitations of voluntary action

The architecture, engineering and construction community can do much to promote these principles in the developing world. International contractors and consultants – predominantly firms from developed countries – implement a high proportion of construction projects in developing countries. When working in these countries, they should commit themselves to socially responsible business practices that protect and promote workers’ rights.

A number of international companies have already made such a commitment. Germany’s Hochtief, ranked as the world’s largest international contractor, has signed an agreement with the International Federation of Building and Woodworkers (IFBWW), a global trade union federation representing 11 million construction workers in 124 countries. The agreement commits Hochtief to promote fair pay and decent working conditions. Hochtief also requires compliance by all its subcontractors and joint venture partners. Similar agreements have been signed between IFBWW and other international contractors, notably Sweden’s Skanska and Ballast Nedam of the Netherlands. Although such agreements are entirely voluntary, some monitoring procedures are in place to ensure compliance and the results so far have been positive.

There is no doubt that the “best practices” of international companies operating in a developing country can have a powerful demonstration effect, but the large international contractors that sign such agreements (most of them European) handle only a small proportion of construction projects worldwide. The vast majority of large companies, and the long tail of small and micro enterprises that characterize the construction industry around the world, are very far from signing up to such principles and even further from implementing them. The result is a few small islands of good practice in a sea of bad.

It is also of concern that social responsibility is not costless. While it is possible that the additional costs incurred by employers through observing good labour practices may be recouped in the longer term through productivity gains, in the short term there is a cost involved. Hence, firms that abide by internationally recognized standards are penalized when others ignore them. Competition among international contractors for work in developing countries is cut-throat, with many new entrants to the field, and there is ample evidence that “good employers” are no longer winning contracts. If socially responsible behaviour is to survive and prosper, there has to be a “level playing field”.

Governments have a heavy responsibility for the creation of this level playing field through adopting and enforcing appropriate legislation. This is not an easy task. The difficulties inherent in inspecting a large number of small and scattered construction sites are well known. These difficulties are compounded in developing countries by lack of resources for labour inspection. Industrialized countries now rely heavily on “self-regulation” to ensure the safety and health of the workforce, which involves development of management systems and, in particular, the establishment of safety committees with representation from the workforce. However, this approach is also difficult to implement in developing countries, where workers are unorganized and unaware of their rights and employers are ignorant concerning their obligations.

Making progress towards social responsibility

Responsible employers share a common interest with workers’ organizations and with governments in promoting widespread respect for labour standards, so as to ensure a level playing field. They also recognize governments’ inability to bring this about through enforcement of labour legislation through inspection. In the negotiated
conclusions to a tripartite meeting convened by the ILO in December 2001, it was proposed that governments (as major clients of the construction industry) might use their procurement procedures to ensure that contractors and subcontractors comply with national legislation, including health and safety legislation (ILO, 2001b). It was also suggested that these obligations on the contractor could be written into contracts as “labour clauses”. For those not fulfilling their obligations, there would be an immediate sanction in the form of exclusion from tender lists.

The meeting went further, proposing that not only governments but also the international financing institutions that fund much public construction should “encourage socially responsible business practices that promote and protect workers’ rights in accordance with the ILO Declaration on Fundamental Principles and Rights at Work” (ILO, 2001b, p. 27). The ILO was asked to provide a platform for social dialogue and for discussions with financial institutions such as the World Bank to help bring this about. Joint pressure on the World Bank – from the ILO and the industry partners at global level (Confederation of International Contractors Associations (CICA) and the IFBWW) – to strengthen the labour clauses in contracts and upgrade them from “recommendations” to “mandatory” has so far had little success. The Bank is reluctant to commit itself for fear it will not be able to monitor the contractor’s compliance.

The UK Department for International Development (DFID) has recently made a significant breakthrough in this respect. Through careful research and action in a number of developing countries, the Social Aspects of Construction (SAC) project has not only shown the possibility of inserting labour clauses into a variety of different types of construction contract, but has also demonstrated how contract compliance can be monitored and enforced from within, by the whole project team, during the normal inspection process (Ladbury et al., 2003). A further innovation demonstrated by the project is the calculation of additional costs of compliance and their inclusion as preliminary cost items in the Bill of Quantities. In this way the cost of observing labour standards is taken out of competition.

Details of the DFID/SAC approach and how to apply it have been set out in a source book available on the Internet (www.lboro.ac.uk/wedc/projects/sac/index.htm). One great advantage of this approach is that it can be tested and applied on any scale, from a single contract to a whole country programme. In the case of commercial contracts, the initiative to do so may come from the donor, the client or the client’s representatives – the consultants of the construction industry (architects, engineers and quantity surveyors).

The support and involvement of consultants in this approach would seem to be particularly important, as they will have additional responsibilities in the pre-bidding and bidding processes as well as in monitoring contract compliance. Supervising architects and engineers make frequent visits to construction sites. They are well placed to observe working and living conditions at these sites. Many have already registered concern at the widespread abuse of labour rights. Some are already taking action on their own initiative. The potential that the DFID/SAC approach presents for greater involvement of the consulting industry in social responsibility issues is therefore generally to be welcomed.

The ILO is now launching a new initiative to promote “Socially Responsible Construction Investment”. The initiative will bring together representatives of government, employers and workers with other major stakeholders in the construction sector. The aim will be to agree a strategy and develop an action plan to improve implementation of key labour standards in construction projects, as well as to promote productive employment in the construction sector.

References
