

Sustainable Development VPs: Annual Workshop 26-27 June 2001

Introducing the debate:

The Social Dimensions of Sustainable Development

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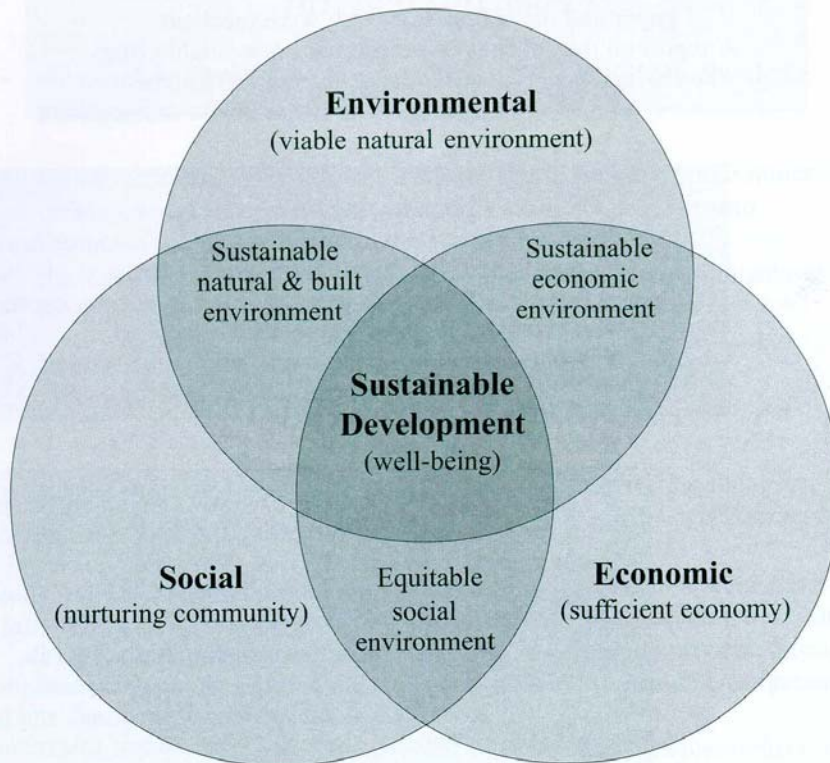


The Social Dimensions of Sustainable Development

- ◆ How the 'social dimension' is referred to - three examples, and illustrations
- ◆ Suggested questions for our debate

The Social Dimensions in the 'Venn Diagram' idea of balance:

The concept of sustainable development



How is the balance, now?

Economics: still in the driving seat - we take its trends as inevitable (even though it is the most man-invented of the three)

Environment: increasingly recognised - we are tempted to believe we can manipulate it without risk (even though it involves very complex natural ecosystems)

Society: 'Johnny come lately' - still squeezed out (because hardest to define?)



To improve the balance, how would we define - and measure: 'nurturing community'; 'equitable social environment'; 'well-being'?

Example: is this an 'equitable social environment'?

Big pay rises for Halifax chiefs

Jill Treanor

Lord Stevenson, chairman of the Halifax, is to receive a £200,000 pay rise to £450,000 this year when the bank plans to merge with the Bank of Scotland.

According to the 200-page document providing further details of their proposed merger, James Crosby, the Halifax chief executive, will also see his pay rise to £600,000 from £452,000.

The banks expect to make

2,000 people redundant as a result of their deal to make £620m of cost savings.

Halifax, though, said the pay rises would have taken place even without the merger and insisted that further rises would not be sanctioned once the deal was completed.

BoS and Halifax aim to complete their merger by September 10 after holding shareholder votes on July 24 and July 25 respectively.

This raises the possibility that shareholders in BoS,

which had been in talks in Abbey National about a potential merger, will know whether the government has given Lloyds TSB the go ahead to resume its bid for Abbey which is currently stalled.

Peter Burt, the BoS chief executive who is to become deputy chairman of the combined groups, saw his pay and bonus rise to £695,000 in the year to February 2001 from £486,000. Advisers, including investment bankers and lawyers, earned £76m.

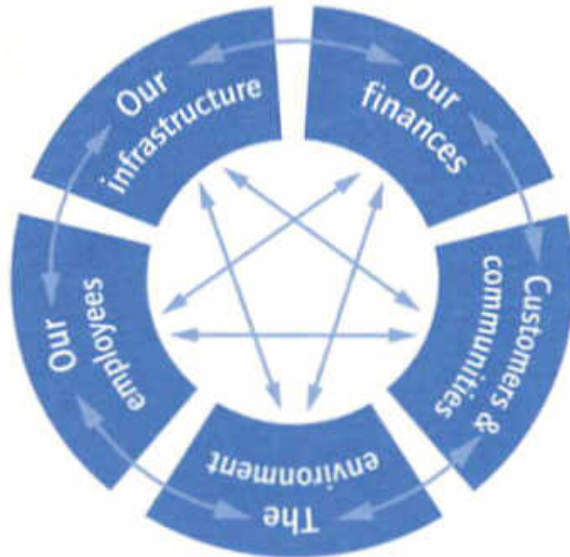
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The Social Dimensions in the 'Five Capitals' approach

- ◆ *Financial Capital* - money
 - ◆ *Human Capital* - our staff, internally - skills, health, values, morale
 - ◆ *Social Capital* - our communities, externally - security, culture, support
 - ◆ *Natural capital* - environment, landscape, species, diversity
 - ◆ *Man-made capital* - buildings, infrastructure
- *Human capital* - staff - issues are coming up the agenda, as we move into the 'Knowledge Economy'
 - '*Social Responsibility*' features in competing corporate reports

Example: Wessex Water's use of the 'Five Capitals'...

The five capitals model is a way of looking at the assets of an organisation or a society from a sustainability viewpoint. Each type of capital as set out below, will give a return, so long it is not eroded beyond the point of repair. Some, notably finances, are fully dependent in the long term on the other forms of capital being maintained. So, to be sustainable, an organisation should live off the interest provided by these assets, and not eat into the reserves. The table at the bottom illustrates some of the interactions between the capital types.



Customers and communities eg working cultures, links between people and organisations, sharing of ideas.

Environment eg biodiversity, regulation of climate, resources for society's use, absorption of waste.

Employees eg knowledge, skills, motivation, well-being.

Infrastructure eg buildings, equipment and other physical assets.

Finances eg profitability, value of assets - ideally reflecting the health of the other capital types.

The Social Dimension in the 'Natural Step' SD conditions.....

The Four System Conditions

In the sustainable society, nature is not subject to systematically increasing...

1. ...concentrations of substances extracted from the Earth's crust
2. ...concentrations of substances produced by society
3. ... degradation by physical means

and, in that society . . .

4. ...human needs are met world-wide.

The system conditions are used as objectives to create a vision of the activity in a sustainable society:

4. This means using all our resources efficiently, **fairly and responsibly** so that the needs of all our stakeholders – **customers, staff, neighbours, people in other parts of the world, and people who are not yet born** – stand the best chance of being met.



How would we define 'fair and responsible' - and can we really serve all those stakeholders?

Example: trial social indicators, CIRIA RP644 'club' project:

Key Theme

'Working with local communities'

Principal Issues

- Minimising local nuisance and disruption
- Building effective channels of communication
- Contributing to the local economy
- Delivering structures & building which enhance the local environment

*So far, its been hard to suggest indicators for the last two of these... the ones that refer to the actual 'development'*⁸

Suggested questions for our 'social dimensions' debate:

1. Does including 'social' components help deliver sustainable engineering solutions - and how?
2. What defines a socially sustainable product? (however sustainably it is produced?)
3. How do we train and support engineers to lead in changing their organisations?
4. What social objectives should infrastructure projects take account of, in choosing the sustainable option?

1. Does including 'social' components help deliver sustainable engineering solutions?

Illustrations:

- ◆ **Changing public behaviour:** at-source washing powder Phosphorus avoidance - simplifies rural sewage treatment solutions
- ◆ **Changing planning regulations:** small communities should be able to stay on septic tanks, rather than install sewers
- ◆ **Considering ownership:** local co-operative ownership seems to be the key to Denmark's success in avoiding 'NIMBY' for wind farms

2. What defines a socially sustainable product?

Sub-questions:

- ◆ Is being *manufactured sustainably (life cycle analysis)* enough, whatever the product's social impact?
- ◆ Or, should engineers push for socially sustainable features in the products....
 - affordability and accessibility for the 'excluded' - the poorest 10%?
 - helping cement, rather than fragment, communities?
 - increasing peoples' power over their own lives?

3. How do we train and support engineers to lead in changing their organisations?

Sub-questions:

- ◆ can many engineering organisations be expected to change to sustainability *from the top down?*
- ◆ if not, then will change will have to be initiated and led *from the bottom up?*

So:

- ◆ how can we train and support graduate engineers to be *bottom-up revolutionaries?*

4. What social objectives should engineering projects take account of, in choosing the sustainable option?

Should projects just stick to the easier 'side' issues, like:

- ◆ good local public relations
- ◆ school visits and education spin-off
- ◆ some improved community facilities...

Or should we take seriously the harder issues, such as:

- ◆ real local job generation
- ◆ using (and training?) local suppliers and contractors, so as to keep money in the local economy
- ◆ structuring projects to increase local community power, control and income

And - how do we consult properly with local people?

Final caution - why including the social dimensions is hard...

- ◆ It requires defining and measuring *'soft'* qualities that we have not defined and measured in the past (which perhaps is why we are losing them?)
- ◆ It will often demand *decentralisation* - challenging the (inevitable?) economic trends of globalisation - issues of inequality, power, ownership, scale - and even growth...
- ◆ It challenges our engineers' training and preference for *large, complex, interesting, new*, engineering... which is hard to change

Reminder - the four questions for group debate and feed back ➤

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- 2. What defines a socially sustainable product?
(however sustainably it is produced?)**
- 3. How do we train and support engineers to lead in changing their organisations?**
- 4. What social objectives should infrastructure projects take account of, in choosing the sustainable option?**