

Environmental Footprints and Eco-design of Products and Processes

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The Social Footprints of Global Trade

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ISSN 2345-7651 ISSN 2345-766X (electronic)
Environmental Footprints and Eco-design of Products and Processes
ISBN 978-981-10-4135-8 ISBN 978-981-10-4137-2 (eBook)
DOI 10.1007/978-981-10-4137-2

Library of Congress Control Number: 2017935552

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Printed on acid-free paper

This Springer imprint is published by Springer Nature
The registered company is Springer Nature Singapore Pte Ltd.
The registered company address is: 152 Beach Road, #21-01/04 Gateway East, Singapore 189721, Singapore

Acknowledgements

We would like to acknowledge the support and assistance provided to us by our colleagues from the Integrated Sustainability Analysis Group, School of Physics, University of Sydney.

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Summary

Globalization and growth in emerging economies in the past decades have driven an increase in the volume of international trade. This means that the number of workers in a country working to supply the consumption of other countries has increased. Concerns about the conditions of the workers in emerging economies increased after, for instance, the discovery of child labour and human trafficking in the Thai fishing sector and the collapse of the Rana Plaza building in Bangladesh. Most of the workers killed in that collapse were working to produce textiles consumed in European countries. There is a growing interest in the past years by decision-makers and international organizations in issues around the social impact of supply chains. For instance, in early 2016 the International Labour Organization published a series of papers about recent work in global supply chains and organized an international meeting to discuss the issue.

This book investigates a number of social issues that have been linked to a Multi-Regional Input-Output tables (MRIO) to measure what are called *Social Footprints of Nations*. Chapter 1 provides a brief introduction to this work. Chapter 2 presents some principles of input-output analysis. Chapter 3 presents an introduction to social footprints. Chapter 4 contrasts the MRIO approach with other popular methods of social supply chain analysis. Chapter 5 provides a review of social metrics and social footprints with some examples of social indicators. In Chap. 6, we investigate eight social indicators and develop a method to measure the social footprint of nations by compiling those indicators for more than 135 countries. Indicators include employment, income and days lost due to accidents. We compare these data for the average worker across developed and developing nations. Chapter 7 presents a new term—*Poverty Footprint*—which includes all workers working in global supply chains and earning less than \$1.25 a day. This chapter shows that the OECD countries would only need to spend about 0.36% more on final demand to ensure all workers' earnings are at least as high as the international poverty line. Chapter 8 presents a case study of the *Inequality Footprint*. An inequality footprint shows the link that each country's domestic economic activity has to income distribution elsewhere in the world. In this chapter, we use economic input-output analysis to calculate the inequality footprint

of nations. We use employment and household income accounts for 187 countries and a historical time series dating back to 1990. Chapter 9 presents a case study on assessing the social impact of Thailand's seafood industry.

This book presents a new term: *Social Footprints*. Social footprints can play an important role in illustrating the impact of international trade on social indicators within countries. Thus, the results presented in this study are crucial to policy formulation that targets labour rights and working conditions in the local, regional and global context.