

HISAR SCHOOL

JUNIOR MODEL UNITED NATIONS 2019

“Protecting Freedom in the Global Age”

**Economic and Social Council (ECOSOC)**

*The Question of Corporate Exploitation of Labor*



**RESEARCH  
REPORT**

Recommended by:



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# RESEARCH REPORT

## Forum: Economic and Social Council (ECOSOC)

### Issue: The question of corporate exploitation of labor

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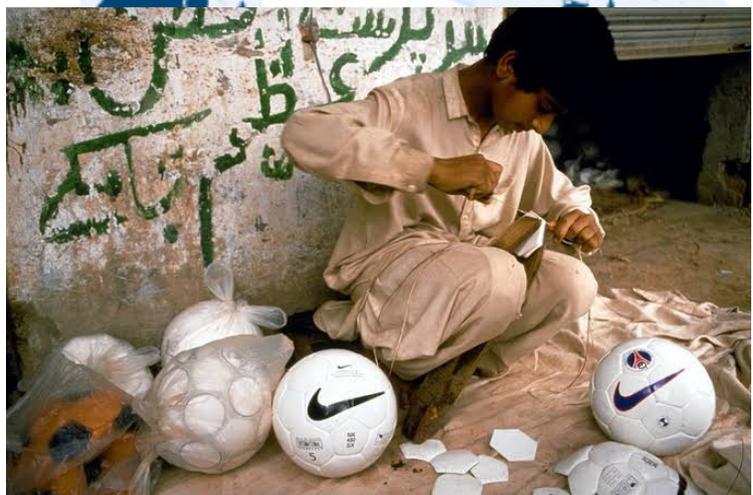
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#### Introduction

As traditional and primitive human trafficking and colonialism comes to an end in the 21<sup>st</sup> century, other ways of exploitation listed behind the modern world starts coming up. Forced labor under chain corporations exist for the profit made by the company on top, while completely sidelining the basic rights and minimum salary rates decided by the government, by paying inhumanly low amounts of money to the worker proceeding their labor in unacceptable and risky conditions.

Consumers and others defending the rights of the laborers are not enough to pull the accused supply-chains under the light, not being able to tackle the main issue in hand: lack of transparency. Even though there are several non-governmental organizations such as the ILO (International Labor Organization), these rooted corporations are there to stay and are fully prepared to eliminate anything that comes to their way.

There have been several scandals surrounding major multinational companies such as the 1996 Nike scandal regarding cases of child and forced labor. Even though the company has put tremendous effort in displaying an act of regret and rebuilding by public announcements and safety documents for related laborers, other scandals continued to happen, like the 2006 scandal. In the end, it is certain that the companies are not necessarily in favor of solid changes in their manufacturing chain if the cost is from the profit they make. With industrialization having a seriously rapid increase and the number of factories race with the number of trees, it is even more challenging to observe and supervise every functioning factory. With that, it is almost proven that these corporations will not show any needed changes if another hand comes into the play; a bigger and more influential hand. The issue shall be taken to national level and shall be debated in the biggest scene of international politics: The United Nations. Even though the shoes and other products are top quality, it is the duty of every human being, every organization, and every nation to ensure the same comfort to their citizens, and to continuously assure that every worker gets the rights and salaries they deserve.



The issue is present in this year's ECOSOC committee because it wasn't solved in civil basis, and now it will be held in diplomatic level. Keep in mind that as most of the corporations in hand are

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multinational, it is not wise nor logical to isolate a single nation to solve the issue by themselves. Whether it is the nation the labor is located, or the headquarters sit, every nation shall work cooperatively to solve the issue.

## Definition of Key Terms

**Trade Union:** An organization that represents the people who work in a particular industry, protects their rights, and discusses their pay and working conditions with employers (Cambridge Dictionary).

**Workers' rights:** Any right workers obtain related to the labor in and out of the work environment. They are often defined by governmental departments, international laws or conventions.

**Corporate:** Relating to a large company (Cambridge Dictionary).

**Exploitation:** According to the Cambridge Dictionary, exploitation is “the use of something in order to get an advantage from it”. To fit the definition to the agenda in hand, it is to violate and not value the rights of the employees for the sake of the employer's profit.

## General Overview

### Rights of workers

In order to efficiently tackle the issue, it is vital to understand the right the workers hold in and out of their workspace. To begin with workplace conditions, the first action was taken in the mid-19<sup>th</sup> Century, when several accidents within workplaces like mines were reported. This triggered an early start for the path of enhancing the conditions of the work environments across the globe. Workers obtain the right to work only if the environment is safe to continue, or to say only if the standards set upon workplace safety are met. The UN (United Nations) agency ILO (International Labor Organization) had several signings such as the Hours of Work (Industry) Convention of 1919, the 1944 Declaration of Philadelphia, and the 1998 Declaration on Fundamental Principles and Rights at Work. To sum up, workers obtain rights from the point they enter the employment process (in events of observed discrimination based on race, gender, or belief) to the hours of work they are assigned. Laborers hold the right of medical and mandatory vacation time, and it is a must for employers to pay their employees a fair salary, parallel to what the government has set.

### Cases of exploitation of labor

The exploitation of labor and workers in factories start from the violations of standards set by the company associated, or set by other parties. These parties include the countries the factories are located in and non-governmental organizations like ILO, who worked co-operatively with ISO (International Organization for Standardization) in the creation of ISO26000, which is a set of standards set for employers regarding their employees and the work environment. Secondly, exploitation of labor often occurs by violating the basic rights of the worker. This includes inhumane working times, no lunch or personal breaks etc. In one way, a worker with their basic rights absent is not far from slaves seen decades ago, while this established system that does not value safety but profit can be connected to modern slavery. As these workers are far from having a voice and reaching out for help for the situation, it is rare that civilization is exposed to it. This is why both scandals Nike has been in were actually the outcomes of a newspaper exposing the pictures, not because of the workers in hand.

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## The reason why transparency is not established

Workers in hand are usually in such bad economic situation that they need every penny. They know that there are thousands of unemployed citizens which would work very hard even for very little money, and that the factory can easily fire them if the worker tries to ask for his/her right. This situation eliminates the idea of asking for their rights from the mind of the workers. Additionally, corporations (often multinational) have a strong influence over every portion of the system, including the media. That is why they have the power to stop any leaks from coming up to the surface. There were several occasions where journalists were able to expose the situation, and every one of those incidents are now written on books as scandals. Even when their far reach and power were not enough, companies simply state that they have told their manufacturers the standards, and that what that company does or violates are out of their authority, like what was seen in 2006 Nike Scandal.

## Major Parties Involved and Their Views

### International Labor Organization (ILO)

ILO is an UN-agency that stands as an advocate for workers' rights while setting standards deemed applicable internationally. ILO functions co-operatively with other bodies like WTO or ISO to increase efficiency by extending the reach of the steps they take. ILO is a major contributor to the past attempts to solve the issues while almost majority of international signings upon the issue are written by ILO. Its working principles were set by the Declaration of Philadelphia in 1944.

### International Centre for Trade Union Rights (ICTUR)

This international NGO aims to gather experts to collect expertise upon international law all around the world. Experts mentioned are comfortable specifically with human rights, workers' rights, and trade union rights; and are present to give legal assistance to laborers under oppressed conditions. ICTUR is given credit by UN ECOSOC and is listed under ILO's Special List of INGO's. ICTUR not only tackles the main issue directly, but also has collection of information and the spread of awareness as an agenda item. ICTUR is a strong contributor to establish transparency when it comes to trade union rights.

## Timeline of Events

<b>1780</b>	The industrial Revolution began in Britain, as thought by historian Eric Hobsbawm.
<b>1842</b>	The British Parliament has agreed to pass the Mines and Collieries Act of 1842.
<b>1860</b>	The Coal Mines Regulation Act was signed by the UK Parliament.
<b>1872</b>	The Coal Mines Regulation Act of 1872 was signed by the UK Parliament.
<b>1919</b>	International Labor Organization was established in Paris Peace Conference.
<b>28 November 1919</b>	ILO held its very first conference session, in which, have signed the Hours of Work (Industry) Convention.

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<b>1996</b>	Nike Scandal took place, in which, a picture of a child stitching a Nike football was shared in Life magazine. This caused serious attraction to the issue, and have directed amounts of anger coming from company's customers and workers' rights advocates.
<b>1998</b>	Phil Knight, CEO of time and current Chairman of Nike Inc., admitted "the Nike product has become synonymous with slave wages, forced overtime and arbitrary abuse".
<b>2006</b>	Nike Inc. had a second scandal surrounding footballs, at that time with the World Cup coming up. Similarly, another scene from a violating factory was leaked out to the media, with a kid continued to work in his home and took work out of the workspace, causing the manufacturer to go bankrupt.

### Treaties and Events

**Mines and Collieries Act of 1842** This act has made it illegal to have boys and girls under 10 years old present in coal mines. As stated, it is possible to state that the mining industry, more specifically coal, was the one sector that saw the most process when it comes to ensuring a hazard-free working place.

**The Coal Mines Regulation Act of 1860** - Following the 1842 Act, this regulation act has set the age limit from 10 up to 12.

**The Coal Mines Regulation Act of 1872** - This act set having supervisors and safeguards constantly present in workplaces as a must.

**The Hours of Work (Industry) Convention, 1919** - 8 hour working hours per day and 48 hours in total of working hours per week was came to the agreement.

**Declaration on Fundamental Principles and Rights at Work, 1998** - As it is stated in preambles of this declaration, the main aim of this declaration was "seeking to maintain the link between social progress and economic growth, the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned to claim freely and on the basis of equality of opportunity their fair share of the wealth which they have helped to generate, and to achieve fully their human potential (ilo.org)".

### Evaluation of Previous Attempts to Resolve the Issue

Currently, besides treaties provided above, there are not a lot of significant action taken, as this enhancement of situation is a process rather than being a sudden change. Most important part of the solution are NGOs



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(which you can find in ILO's "Special List of INGO's"). To tie the place of NGO's to how far this problem has come, public awareness should be handled. On such civil cases, one of the most important and influential steps to ever take is to make sure everybody is aware of the unfairness happening to other humans. Keeping people aware resulted in protests against ones exploiting workers, having an impact on their business, and eventually ending in limiting companies from exploiting their laborers. People and NGO's have gathered funds that ended up in child workers to send them to school. That is why it is possible to say that humanity has taken several steps against the issue, and they should be appreciated, but shall not be seen as the issue is permanently solved.

### Possible Solutions

As stated in introduction, it should be understood that civil organizations and advocacy groups do not stand a chance gigantic corporation that do not recognize borders and continents. Therefore, the issue should be handled in the diplomatic level, with the presence and interference of governments. 2006 Nike Scandal ended with the violating manufacturer Saga Sports going bankrupt, teaching other Pakistani factories to be more careful. This won't always be the case, as these leaks will be less and less, ensuring the factories that the violations will not be known by the others. In this case, governments should be the ones that acts, that repeatedly makes unannounced checks, and dismisses violating factories immediately. As an advise, your chairs want to readdress that the factories are located in LEDC's, which cannot be fully trusted to have transparent checks due to severe cases of bribery. In this case, more developed nations or non-governmental organizations can come to scene for advice and supervision in the process. FLO (Fair Labor Organization) can have education centers present for government officials, as they already do that service to factory owners etc.

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