

;Committee: International Labor Organization (ILO)

Issue: Eliminating Illegal Multi-Party Employment

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Position: Deputy President

PERSONAL INTRODUCTION

Dear Delegates,

My name is Elena Ioannou, and it is my greatest honor to welcome you to the 5th ACGMUN and specifically to my beloved committee, the International Labor Organization. I am an IB1 Student at Pierce - the American College of Greece and I will be serving as your Deputy President. I am a very active member in the MUN community, and this will be my 6th time chairing, outside my school's MUN Club, where I am a head of the club. In addition, I take pleasure in debating, and I am interested in forensics as well, such as Oratories. Therefore, as you can understand, I really enjoy public speaking and engaging in political issues.

Primarily, I would like to congratulate you on participating in an MUN Conference like ours. The ILO Committee is here to help you delve into issues that concern the international labor sector and rights of workers. In this year's Conference ILO comes closely to the general theme of Decent Work and Economic Growth. I am excited to work with you and experience your excitement on the topics!

Furthermore, this study guide is for you to initiate your own research for Topic 2. Topic 2 addresses the illegality of multi-party employment. This is a very important issue going on in our world right now and for many years in the past -and probably in the future too- that has not been resolved. You will find more about the topic further on in the Study Guide!

Concluding, I suggest that all of you pay attention to this study guide, read it thoroughly and take notes. There has been a lot of work put into this study-guide and I hope that you make good use of it! If you have any questions concerning ROP (Rules of Procedure) or the study guide itself, feel free to send me an email at eleni_ioannou@acg.edu or elena.ioannoou@gmail.com (I will be replying at all times). I am very much looking forward to meeting and working with all of you!

Kind Regards,

Elena Ioannou

TOPIC INTRODUCTION

Illegal Multi-Party employment has been a raging issue in the economy for a while now. For instance, currently there are 52 million workers in India that are employed under illegal multi-party schemes. What this means is that instead of being hired normally by the head of a company which would ensure workers' benefits they are employed under another employee who has enough authority to hire people illegally. These people, meaning the employees, do not have the luxury of healthcare or a stable wage, as the hire is being encrypted and cannot be accessed by the government.

Except for India, there are many countries that are also fighting this issue right now and that is why we need international cooperation to resolve it. These are countries such as Mexico, Colombia, and Pakistan. A common characteristic of all these countries is that they have acquired the title of Less Economically Developed Country (LEDC). The economies of these countries differ from the economies of More Economically Developed Countries (MEDC), such as the U.S.A and the countries of the EU. Thus, the quality of life is also very low in these areas and the illegality of this kind of employment does not in any way ameliorate the situation, in fact it actually worsens it.

There are two main stakeholders in this crucial issue. The first one is evidently, the workers or employees. The people who are hired through this type of agreement do not have proper working conditions, which goes against many international frameworks. The second stakeholder is the structure of the general economy. With this type of working agreement existing, the state does not acquire the necessary profits for it to prosper. To illustrate this, imagine if an LEDC X was not able to raise the funds from taxing because all the illegally employed workers could not provide the real statement of income. The country would lose income and the GDP, decreasing possibilities of ameliorating the quality of life.

DEFINITION OF KEY TERMS

Employment

The state of having a wage for services you provide to an economic unit, such as a firm. Unemployment is the state of not having these benefits and searching for employment, while Indolence is the state of an unemployed person who does not want to find employment.

Illicit Market

A virtual or physical way of transaction that goes against provisional legislations of a country on trade. For example, it could be considered illegal if the way of production of the good is not adequate, e.g., using child labor or the transaction being illegal, e.g., not paying less/more money than normal.

Multi-Party Employment

A Multi-Party employment agreement is a work contract that includes three parties. The worker signing, an economic unit (firm, enterprise, government) which ultimately increases its human capital from it and a third party (e.g., subcontractors), who usually is a superior worker of the unit, who can easily hire personnel.

Subcontractor

Subcontractors are usually individuals or groups hired for projects where a lot of workers are involved. They are there to supervise parts of the project, such as construction, and provide feedback to their superiors. In the case of this type of employment, subcontractors play a key role as they are able to actually hire people to help with said construction project without informing their supervisors.

Temporary Agency Work

Temporary Agency Work refers to a type of work agreement where workers provide their services to an economic unit for a prescribed short period of time. Employers can exploit this type of agreement and turn it into Unreported Employment which links to Multi – Party Employment, as the period of work may not be announced to the main offices of the firm and disregard it when doing the logistics for that year, as the wage received will be insignificant.

Unreported Employment

Unreported employment is a key characteristic of illegal multi-party employment. It occurs when the employer or the third party hiring the worker violates the governmental provisions for employment. For example, if one is not a permanent citizen in England they cannot be employed for some positions; if they do employ

them though, the employment falls under Unreported Employment. When caught, it is usually punished with an economic burden for the economic unit of the worker.

BACKGROUND INFORMATION

General Information

Beginning with further analysis of the topic some facts need to be established. As mentioned in the Topic Introduction, multi-party employment can be found in many countries in the world, especially the ones where the economy is still developing, and corruption exists in high levels. Based on an ILO research from 2020 on non-standard forms of employment, which is an umbrella for different types of working agreements (multi-Party employment falls under it), the main areas of prosperity for multi-Party employment include South America, Sub-Saharan Africa, and South Asia. Because all the countries that exist in those regions are mostly considered LEDCs, it is believed that multi-party employment only exists in LEDCs, which is false.

Historically speaking, these are the regions that have survived long-periods of conflict and of civil/political unrest. For example, sub-Saharan Africa underwent colonization in the 19th century and when it was decolonized the countries did not have enough resources to sustain themselves. Thus, it is only natural that countries like that would have corrupted economic policies implemented inside the state economy.

Other regions, such as South Asia, and for example India, Pakistan, the Philippines, have a problem with overpopulation and many of them are affected by a crisis, e.g., farmer's crisis in India right now. Farmers in India are usually commanded by a greater international company, which in the past years for example would have been their colonizers; 13 million of them are employed through illegal multi-party agreements and by their protests in the past few months, they are trying to bring light to the situation.

Lastly, the last region of increased illegal Multi-Party Employment is Latin America. Looking back in time, colonialism was soon dissolved in Latin America but there were still influences and as of now this area is deemed to have one of the largest illegal markets in the world that revolves around drugs. Of course, to produce illegal drugs illegal workers are required which brings us to the conclusion that illegal multi-party employment is widely used in areas like this for the facility that it provides. If the service/good sold is illegal, it inevitably requires illegal multi-party employment to generate profit for the firm.

Causes of the Issue

The causes that result in this problem can be branched into three sectors: political factors, economic factors, and social factors. All together they contribute to the illegality of Multi-Party Employment.

Political Causes

As mentioned before, corruption widely exists in countries where this type of agreement prevails. For example, one of the countries with large percentages of corruption is Colombia, a South American country where an economic crisis has escalated. The cause for this economic crisis is evident, which is why the illegal market got out of hand. They had huge waves of migrants from Venezuela and now they cannot regulate the issue. More than 2 million immigrant workers engage in illegal multi-party employment in Colombia with the hopes of returning to their home country.¹

Other political causes include the ineffectiveness of the justice system and of the frameworks created to protect workers. All these countries facing increased corruption, oftentimes have a corrupted justice system; meaning that the decisions of the three pillars are not based on objective laws, rather on the discretion and the personal interests of the person of authority handling cases. Usually, there are annual inspections happening in many countries, such as Switzerland, to ensure that procedures run smoothly in governmental agencies and in the agricultural sector. In addition, the taxation agency of each country is obliged to research cases that may seem weird logistically, for example cases of illegal multi-party employment. Due to corruption, these inspections do not happen or even if they happen, it is very easy to get away with it if you pay a designated amount of cash to the invigilator. This has happened many times before, such as in illegal-multi party employment fields in Mexico back in the 80s where they harvested Cannabis to make it into marijuana.

¹ BBC. "Venezuela Crisis: How the Political Situation Escalated." *BBC News*, 24 Jan. 2019, www.bbc.com/news/world-latin-america-36319877.



Figure 1²: Farmers in Mexican marijuana farms

Economic Factors

The economic factors play a huge role in this issue. During the last 15 years the economies of countries, even of the MEDCs, have faced major difficulties. The economic crisis of 2008/9 had a tremendous impact on the situation of illegal multi-party employment right now. Due to all these crises, countries have stopped providing as many privileges and benefits as before to firms. Taxation has become harsher, and employers are struggling to make ends meet.

A solution to their problem can be illegal multi-party employment. Employers are constantly in search of ways to cut down the budget of their company, to generate more revenue and hence have higher profit margins, helping them to make ends meet. Thereby, illegally hiring people who are not registered in the system or do not care about the wage they receive, is a suitable solution for them. For example, in countries such as the U.S.A, multinational companies have factories or run operations in their host country. Inside the factories, the subcontractor can hire whomever he wants to further decrease costs of production. Therefore, the actual board members of the company may not be aware of these hires. By implementing this, not only do the wages paid become less, but the subcontractor, with the influence of corruption, can acquire the money of the lost wages.

² Linthicum, Kate. "Mexico Is Poised to Become the Biggest Legal Marijuana Market in the World. Who Will Most Benefit?" *San Diego Union-Tribune*, 12 Oct. 2020, www.latimes.com/world-nation/story/2020-10-12/mexico-is-poised-to-become-the-biggest-legal-marijuana-market-in-the-world-the-big-question-who-will-benefit. Accessed 27 Oct. 2020.



Figure 2³: Illegal Mexican workers in Californian strawberry fields

Social Causes

As it is evident in many parts of the world, modern slavery has not ended and there is a direct connection, between it and illegal multi-party employment. Before explaining the correlation, it is crucial to clarify that modern slavery exists in many forms and differs from country to country. Nonetheless, the type that concerns the topic is hereditary labor slavery. This translates to slaves whose title as a slave gets passed down to their children and so on, thus, they all have to become slave-workers for someone. In many LEDCs where this phenomenon is prevailing, the person who acquires the slaves makes them work for larger companies to increase his money supply.

Consequences

From all the above it can be concluded that there are four different harmful consequences for society all together: violation of the law, violation of the minimum wage, workers deprived of their rights and the continuation of modern-day slavery.

Legal Violations

There are many frameworks which prohibit illegal multi-party employment, the most important of which being the Universal Declaration of human rights, which states that all people should be equal in the face of the law. If these

³ Jordan, Miriam. "Farmworkers, Mostly Undocumented, Become 'Essential' during Pandemic." *The New York Times*, 2 Apr. 2020, www.nytimes.com/2020/04/02/us/coronavirus-undocumented-immigrant-farmworkers-agriculture.html.

people are restricted of their legal rights as workers, rights under the umbrella of work ethics and safety, then this is a clear violation of international law.

Violation of Minimum Wage

The minimum wage is a certain least amount of money that a worker of any employment must be supplied with. For example, in Greece the minimum wage right now is 663 euros per month⁴. The workers in this type of contract are paid less than the Minimum of wage of their respected country, which is a violation of their rights based on international trade law. If multi-party employment is allowed to continue to exist, the wage that these workers get will keep decreasing, as the employers will keep exploiting it.

Deprivation of worker privileges

According to the 23rd Article of the Universal Declaration of Human Rights, workers are entitled to basic rights that should be followed by all places of hiring. For example, these are rights such as free healthcare and life insurance in case of a fatal accident. None of these are provided to workers under illegal multi-party employment agreements. If the UK is to be taken into consideration as an example, when one hires another person they have to register them to the NHS for workers' insurance. However, to do so the employers must pay a certain amount of money, but if they don't (under the condition they don't get caught), they will not have to pay any money, thus, decreasing the budget of external costs for wages.

Continuation of modern slavery

It is self-explanatory that if illegal multi-party employment continues, the already existing labor-slaves will keep being forced to work under these large international companies, without getting paid and having their rights taken away from them. One type of slavery that specifically profits a lot from this is hereditary modern slavery. There are communities full of illegal workers hired by a third party. Therefore, it is facile for children to be born into this vicious circle and also very difficult for them to break it. Therefore, it is not only an economic issue, but it becomes an arising social issue as well.

⁴ ANA-MPA. "Greek Gov't Raises Minimum Wage by 2%." *Www.amna.gr*, 26 Aug. 2021, www.amna.gr/en/article/572976/Greek-govt-raises-minimum-wage-by-2.

MAJOR COUNTRIES AND ORGANIZATIONS INVOLVED

Czech Republic

The Czech Republic never had a solidified economy due to its political instability in the past. The country has been exploited for its resources by many other major European countries, such as Russia. The Czech Republic remains one of Europe's LEDCs. With a growing economy that is mostly based on agricultural production, the country has eligible conditions for the development of illegal multi-party agreement as the country's resources are getting exploited by different economic giants. The government does not acknowledge this problem and thus, does not aim at resolving it in the near future.

France

France is considered one of the superpowers of the West. In the past, France was a mainly rural country, which means that agricultural workers were easily exploited by third-party agreements as such. Even though it is an MEDC now, it is found to have one of the highest percentages of illegal working agreements in all Europe, including illegal multi-party agreements that are used by large French companies in the countryside mostly. The situation now is being improved by EU laws passed and the political party in government is very keen on eliminating this issue at hand, to strengthen France's economy.

Greece

Greece's economy has been experiencing plain recession for the past 14 years (since 2008). The conditions of workers have not enhanced but instead they worsen, as the working positions decrease from year to year. Greece still is economically dependent on the production of certain agricultural products and since there is a huge crisis happening due to mass immigration, the positions that are rejected by the Greeks are getting illegally filled with immigrants through multi-party agreements. The government has finally acknowledged the issue; however, we have not seen any measures implemented, other than the general measures proposed by the EU.

The Philippines

The Philippines is a south-east Asian country that has been exploited by major western companies, in both the fashion and food industries, since they seek more affordable labour and areas to build factories with the minimum cost. As an LEDC, the people of the Philippines struggle to make a living and as a result, illegal multi-party agreements seem like the perfect solution for them to be able to make ends meet. The government of the country was facing problems with corruption at the time and due to the increase in natural disasters, they have not actually given the needed attention to the issue.

European Union

Even though illegal multi-party agreements are not prevalent in Europe, the European Union is constantly trying to implement measures to ensure that they do not take place. They have implemented their own set of laws on workers and are currently supervising countries to make sure they are implemented. For example, they have implemented the “Temporary agency work in Europe framework” which states the characteristics of work in cases such as multi-party agreements.

International Labor Organization

The International Labor Organization strives to eliminate any faults in the working sector, one of which being this type of illegal agreement. It is the ILO’s duty to protect workers and that is what they have been doing since 1919. One of the most crucial attempts to this was the “Declaration on Fundamental Principles and Rights at Work” in 1998. The ILO has recognized this existing problem from the late 90s. Nevertheless, as more problems in the working sector arose, it has not yet fully addressed the issue with new statistics and new frameworks towards its elimination.

TIMELINE OF EVENTS

Date	Description of event
December 10, 1948	Universal Declaration of Human Rights, Article 7. The article that enabled all workers’ rights to exist.
June 18, 1998	Declaration on Fundamental Principles and Rights at Work. Published by the ILO helped establish even more workers’ rights.
January 27, 1999	Temporary agency work in Europe framework. Ensures safety of workers in the European Union.
January, 2004	The illegal employment of foreign workers: An overview. German study on how immigrant workers are involved in illegal working agreements to ensure survival.
December, 2007	The major economic crisis forced many employers to start distributing illegal multi-party agreements to eradicate the costs of their production.

September, 2014	Multi-partner model Framework Partnership Agreement, implemented by the EU to reenforce its previous policy on the topic of workers.
August, 2021	Escalation of the Venezuelan crisis that resulted in the creation of thousands of workers under illegal third-party employment contracts in Colombia, as mentioned before.

RELEVANT UN RESOLUTIONS, TREATIES AND EVENTS

[C001 - Hours of Work \(Industry\) Convention, 1919 \(No. 1\)](#)

It was the first ever conference of the ILO in 1919 and it established fixed working hours for workers so that they could eliminate extreme overtime hours and ensure better working conditions.

[International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families](#)

As mentioned before, a vast majority of workers under illegal multi-party agreements are migrants. Thus, this is a very relevant convention to our topic, as it discusses the importance of integrating migrants smoothly into a country.

[European Convention on the Legal Status of Migrant Workers \(ETS No. 093\), Strasbourg 24/11/1977](#)

The European Union during that convention discussed the importance of ensuring workers' benefits for migrant workers, such as life insurance and healthcare.

[European Convention on the Legal Status of Migrant Workers \(ETS No. 093\)](#)

Again, another convention by the Council of Europe that tried to tackle the issue of migrant workers and their protection when facing illegal working agreements.

[GA/12175, 16 SEPTEMBER 2019](#)

These were 6 resolutions adopted by the GA in 2019 to combat illicit trade which is the umbrella term that multi-party employment falls under.

POSSIBLE SOLUTIONS

The creation of an International Framework on the elimination of illegal M-P Agreement

This is a clear and safe solution. All the aforementioned information needs to be considered and used for the creation of a framework that addresses the situation. The key points of the problem ought to be briefly described and they need to be specifically tackled and analyzed on how it will all play out in the end.

Update Worker Rights Legislations

Even though there are already existing legislations on workers' rights, the standards for society change rapidly. The conditions that were deemed suitable and ideal in the 90s, are not the same conditions or the same terms that a modern worker should perform under. Thus, by updating the legislation one can further promote change without stepping too far out of a country's legislative power.

Campaign on Workers' rights

Campaigns are a huge part of society in this modern age we live in. Sensibilization campaigns take over the media when they are published, however there is no such campaign addressing problems in the working sector. Therefore, it is highly suggested that new campaigns are formed and these need to explain how the campaigns' means are used and their main features. One should keep in mind that the UN budget is unlimited.

ILO Supervising on the working sector

Seeing as this issue has significantly escalated these past years, it is important that major organizations assist in its elimination as well, especially the ILO as it is its respected field. It could be suggested as a solution that the ILO initiates supervising and monitoring missions over countries with the highest recording percentages of illegal multi-party party agreements with the hope that they could help eradicate it and bring it to light even more. These groups would include lawyers specialized in the fields of trade, employment and human rights law, economists, and financiers; essentially, experts on the field that could provide insightful information and propose solutions.

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