



# The Hague International Model United Nations

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**Forum:** Economic and Financial Committee (GA2)

**Issue:** The question of working conditions and standards of safety in factories

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## Introduction

Since the industrial revolution took over the world in the 19th century, factories have become one of the most prominent work environments. In the 21st century, factories continue to be an indispensable part of the supply chain. With over 23% of total employment globally (Trading Economics) being in industry, factories have an important role in our world. It is recognized that factories need proper regulation in order to protect their employees (Said et al. 67).

Factories can very easily harm their employees without proper regulation. For instance, since factories need to produce a lot of goods, heavy machinery and quickly moving mechanical parts are needed. These machines are designed to process huge amounts of materials in very short times, and therefore they have huge power. If factory workers are not properly trained to utilize these machines, it is possible that they misuse them, resulting in bodily harm and failure of the machines. Thus, it is important to establish standards and regulations for factories to ensure that workers are safe.

Additionally, factories are (in most non-centralised economies) designed to yield a profit. As a result, factory owners and managers try to minimize costs, so that they can yield the maximum profit. Unfortunately, safety regulations have a cost associated with them. For example, training workers on how to use certain heavy machinery is both time-consuming and expensive. Additionally, sometimes, safety can be time consuming. Some of the measures that have to be taken for workers' safety require additional precautions in order to minimise the chances of harm. However, factory owners many times do not take these precautions because of the additional time that they take.

## Definition of Key Terms

### Industry

Industry is a term that covers a large sector of the economy. Industry generally covers the manufacturing sectors, and oftentimes these terms are used synonymously. Industry is the sector that contains factories, since factories manufacture goods. Industry frequently makes use of heavy equipment, like laser cutters, compressors, or grinders. In addition, industry is typically used for mass production of goods. For example, a car factory mass produces cars; it produces a large number of cars.

### Working Conditions

Working conditions are the set of all variables in a worker's environment. For example, insurance, health and safety, working time, and paid time off are all parts of a worker's working conditions. Pay is also an important factor under the term "working conditions." Working conditions have been connected closely with worker's wellbeing. (Eurofound)

## Background Information

### History of Factories and Work

Factories first started to become prominent in England and Scotland in the late 18th century, following the industrial revolution. Factories started out as mills where some industrial elements were used to enhance productivity. Slowly, the factories grew in size and production became increasingly industrialized. During the early era of industry, children were primarily employed, with two thirds of workers in 1788 being children (Lumen Learning). This large figure slowly declined to 43% by 1835. Generally, factories have had a large impact on the development of the concept of work.

Before the establishment of factories, the agricultural revolution had first created the idea of work. Work started existing as the organized manipulation of nature, mostly in farming societies (Wright). The concept of work remained unaltered until the industrial revolution caused factories to transition the way that work was done. Before the industrial revolution, almost all work included manual labour and human energy. However, the industrial revolution allowed artificially created energy to become more prominent. For instance, this shift is evident in the mining sector. Before industrial reforms, mining was done through the exertion of physical effort. However, today, mining has transitioned to the usage of electricity. Therefore, physical power is not as necessary as it was previously, because artificial energy—electricity, in this case—was used in its place.

The results of the industrial revolution on the working culture and conditions were various. First, factories caused people to increasingly accumulate around cities in a phenomenon called urbanization (The Investopedia Team). Factories were located in cities, so workers concentrated in the cities. This led to the creation of large cities like London in the United Kingdom.

The working conditions in these factories were harsh (Library of Congress). For instance, workers would have 10-12 hour workdays. Additionally, the conditions in which factories functioned were unsafe and caused many accidents. The work that the workers did was monotonous and could be very tiring.

From the late 19th century, workers started to show resistance to these extremely harsh conditions. Eventually, this led to the establishment of the 40-hour workweek. Labour reforms were present in many areas of the world, particularly the USA and Great Britain (Hill). Labour movements fought for livable working conditions and also for factory safety, making huge contributions to the state of workers' rights.

This situation has led to the present, where factories are fairly well regulated in areas such as the USA and the European Union. However, conditions continue to be harsh in many areas of the world like Southeast Asia. For instance, in Bangladesh, there are significant

issues with the wellbeing of factory workers, especially in textile industries (Tanbin Haque and Kar 30).

### **Causes of Working Condition and Safety Issues in Factories**

Today, factories and the industrial sector are in need of regulation to ensure safety for their workers. In order to develop effective regulation, it is important to analyze the causes that lead to the development of these problems. These causes can be separated into two categories: short term causes and long term causes. The short term causes are the immediate reasons that cause the problem. Combating such causes is likely to improve the situation temporarily, but it does not address the root cause. On the other hand, long term causes are the root cause of the disregard for safety and working conditions. Combating these causes can be much more effective, but it is likely to need substantial policy reforms. In the following analysis, both short term and long term causes will be analyzed. For instance, the involvement of management is a relatively short term cause. In contrast, corruption is a more long-term cause.

### **Managerial Involvement**

In many factories, management does not involve itself with working conditions and safety of the workers. In essence, the managers of the factory may avoid working on the conditions of their workers, and this leads to less measures actually taken. For instance, if management does not take action to improve safety, this could lead to the required infrastructure and rules to never get implemented or enforced. It has been shown experimentally that there is a positive relationship between management commitment and worker safety (Said et al. 67).

Management has a very important role in ensuring safety in industrial environments. Management is the department that is immediately responsible for taking any action, and without managerial involvement, it is impossible to make any positive change. Therefore, it is very problematic for management at a factory to not be committed to ensuring safety and wellbeing because that means that the factory workers will be forced to lobby for

every change that they want to implement. Additionally, workers tend to not have the expertise that management might have on *how* to ensure safety. Thus, management not being involved is a huge problem because it is not fulfilling its obligations toward workers.

### *Worker Education*

A crucial part of ensuring safety for workers is workers having appropriate knowledge. For instance, workers should have knowledge about dangers that they may face in the workplace and they should be able to understand safety signage. However, 10% of workers are not aware of the existence of hazards related to their own work, and more than 30% of workers did not have good knowledge about different safety signs (Tanbin Haque and Tar 30). Knowledge is an indispensable factor that contributes to workplace safety. If a worker does not have appropriate knowledge, they will not be able to correctly identify dangers and act accordingly. As a result, it is more likely that they will get injured or face some other problem.

In addition, education level is a significant factor in workplace safety ability (Chan et al.). It is important to not disregard factory workers in the process of education. However, in the present, factory workers tend to have a significantly lower education level than the general population (Hardati et al. 176).

### *Lack of Policy*

Policy is an indispensable tool for governments to use in order to effectively manage the conditions in factories. Policy can force factory management to comply with regulations by establishing consequences, like fines or closure. For example, a policy can dictate that appropriate safety measures must be in place, otherwise a fine will be placed. This ensures that the proper safety measures are enforced. However, policy is not properly used sometimes. If the amount of policy is small, then it is possible that not all cases are covered, meaning that loopholes might exist.

The causes of this lack of policy can be varied, but they can be organized around two many axes. First, governments sometimes are ineffective at producing regulations. Essentially, some governments might have a flawed political system (like an authoritarian one),

and be unable to create laws that solve problems like working safety. The second axis of this issue is lobbying. Lobbying is a way that corporations intervene in the democratic regulation process in order to prevent (or promote) a certain policy from passing. In the context of workers' rights, lobbying is oftentimes done by factory owners in order to avoid the burden of safety regulations.

### *Corruption with Enforcing Officials*

Corruption can occur at many stages in the process of enforcing policy. For instance, policies are typically enforced by government inspectors. However, it is possible that these inspectors get bribed and that the policy that was supposed to get enforced never gets correctly enforced. This phenomenon nullifies any power that policy could have on factories. Therefore, it is imperative that additional regulations like whistleblowing programmes or oversight committees are created that prevent this type of corruption, thus enforcing factory regulations more effectively.

### **Broader Economic Challenges for Regulation of Factories**

Factories are an indispensable backbone of the global economy of the 21st century. It is crucial that factories stay as effective as possible, and that they produce goods at the minimal possible price. Some believe that adding safety regulations will decrease economic output. Safety and working condition regulations are disadvantageous to the economic output of factories. This is because regulations add additional steps in the production process in order to ensure that there are no mishaps. However, these additional steps can be time-consuming. Since the time for which a factory is operating and its output are—intuitively—proportional, these time-consuming regulations would decrease the productivity of the factory, since workers' time will be wasted with safety regulations. Similarly, more worker-friendly working conditions in factories can be considered to create less “hardworking” workers. (SafetyLine)

However, many studies have shown the contrary. Workers that have better working conditions tend to be more productive than workers that do not, even if they work less time. With regards to safety, additional regulations can prevent accidents that delay the

production process more than it would be delayed if safety regulations were in place. Pertaining to working conditions, it has been shown that when workers have personal life issues, 60% of communication with counsellors occurs from the workplace. This communication during working hours significantly affects workplace efficiency. Therefore, adding regulations that increase workers' conditions can increase overall productivity in factories. (Yassin Sheikh Ali et al. 70)

The main way to make the transition into more strict safety policies and more worker-friendly policies is by a gradual change. Gradual change gives factories time to plan and transition their internal policies. As a result, factories will not undergo the negative effects that a sudden change would induce.

## Major Countries and Organizations Involved

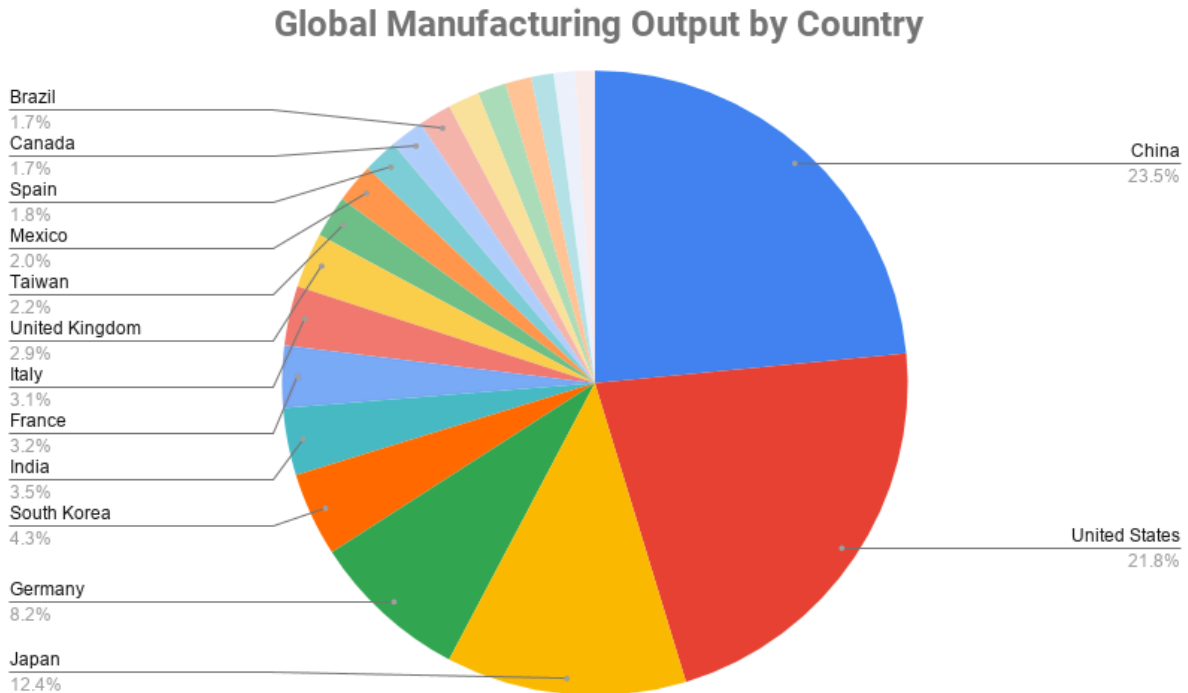
### International Labour Organization (ILO)

The ILO is a UN Agency that is responsible for setting decent work standards, developing policies, and working for labour conditions. Nearly all Member States of the UN are Members of the ILO, with the only exception—other than microstates and small pacific island states—is the DPRK (North Korea) and Bhutan. Therefore, the ILO has a strong position and is considered the main international organ responsible for the enforcement of policies relating to labour conditions. (International Labour Organization)

The ILO has a robust system for maintaining effectiveness in its operations. For instance, it conducts analyses for all its operations which it uses as feedback. This ensures that the ILO creates policies that are actually enforced and have results. Overall, the performance of ILO operations was positive, with variations based on the category. Standardization by the ILO has been an especially effective sector. (International Labour Organization 7)



## People's Republic of China



**Figure 1: Proportion of Global Manufacturing Output by Country (BizVibe)**

The PRC (Mainland China) has had significant industrial development in the 21st century. It is also the largest manufacturer globally, meaning that there is large employment in Chinese factories. This means that it is important to consider the PRC as a major stakeholder in labour standardization. Additionally, as the PRC has been becoming more developed, it has done substantial work toward effective safety standards.

## The United States of America (USA)

The US is the second largest manufacturer after the PRC globally, previously being the largest. Therefore, the US has significant experience in industrial development and factories. Accordingly, the work safety administration of the US, OSHA, has pioneered in many fields regarding occupational safety, with many countries using OSHA's work as a guideline.

Because of this, it can be said that OSHA has been the largest contributor to worker's safety and health globally. Additionally, the US is a global financial centre, positioning it in a powerful place with the power to dictate global policy on working conditions. Thus, the role of the US in the issue of working conditions is very important. (Rosner and Markowitz 622)

## Bangladesh

Bangladesh is a densely populated country in South Asia. It is a global capital of manufacturing, and especially of the textile and the ready-made garment industries. However, Bangladesh has notoriously bad working conditions. Labourers are paid "poverty wages," a term that refers to wages that are not sufficient for livable conditions. (Haider and Schweitzer) Additionally, safety is completely ignored, as seen by the historic Rana Plaza factory collapse. This collapse refers to the failure of the infrastructure of the Rana Plaza because of the failure to meet safety standards. Bangladesh is a notable example of the failure of our current regime for workers' safety and working conditions. (Salahuddin)

## Timeline of Events

<b>Date</b>	<b>Description of Event</b>
1919	The Treaty of Versailles established the ILO. This early development signifies the fact that labourers' rights have been a historic issue.
1970	OSHA established in the USA. This is an important step, especially considering that it was established early, in comparison to other standardization efforts.
1996	EAHSW established in the EU. This shows how the need and acknowledgment of safety propagates through the world. Starting with OSHA in the USA, the global attention to factory safety started being recognized in Europe.
2010	Rana plaza factory collapse in Bangladesh. This was an event that highlighted the importance of proper safety standards, since it showed that there can be numerous casualties if no appropriate action is taken.

## Previous Attempts to Solve the Issue

### Occupational Safety and Health Administration (OSHA) Standards

OSHA is a part of the United States Department of Labor. OSHA functions by providing standards, along with methods of enforcement, and whistleblower programmes. More specifically, OSHA develops scientifically based standards in order to minimize accidents in industrial environments. Additionally, OSHA carries out inspections in industrial environments on a periodic basis. However, they also provide unplanned inspections after incidents or a whistleblowing event. The whistleblower system that is enforced at OSHA provides protection for whistleblowers, in order to avoid whistleblowers being discouraged due to fear of being penalized by their employers. Overall, OSHA is a generally effective system, and since the US is one of the largest manufacturers globally, this is an important fact. (Occupational Safety and Health Administration)

### European Agency for Health and Safety at Work (EAHSW) Standardization Attempts

The EAHSW is an agency of the European Union which is responsible for ensuring sustainable labour. For instance, the EAHSW maintains transeuropean standards for safety in factories, for environmental impact management, and for sanitary measures. This agency has made large strides for the standardization of labour measures in Europe. The agency develops its standards through collaboration with experts in factory safety. It appears that this approach of universal, expert-based standardization is effective. The rate of non-fatal work accidents, for instance, has been constantly decreasing. (European Agency for Health and Safety at Work)

## Possible Solutions

### Setting Robust Regulation for Factory Management

Seeing as managerial involvement is a significant cause of safety issues and disregard for working conditions, it is possible to add regulation in order to ensure committed management. This regulation would make sure that it is only possible to have a managerial position in factories if certain qualifications are met. For instance, regulation can be used to ensure that factory managers have knowledge like the value of safety or how to educate workers. This can ensure that managers are fit to complete their duties. In other words, if regulation is placed for managers, more policies will be enacted, since the managers will be more aware of them and more knowledgeable of how to implement them.

### Oversight Committees and Whistleblowing to Minimize Corruption in Enforcement

Corruption can be a significant issue in the process of labour regulation enforcement. Typically, this regulation is enforced by specific officials who check the factories and then give out fines in cases where the regulation is not followed. Unfortunately, this enforcement mechanism is not always as effective, because enforcing officials may be bribed, which essentially nullifies any policy's impact.

The effect of corruption can be battled in multiple ways. For instance, oversight committees can be established in order to add multiple layers of enforcement. If enforcement officials are replaced with committees, it will be harder to bribe them because an oversight committee consists of multiple people, in contrast to the case of a single enforcing officer. As a result, more money is needed in order to bribe all the members of the committee. This additional cost further dissuades factory owners from avoiding their safety and working condition burdens through bribery.

## Workers' Education Initiatives

Seeing as workers' education is a significant factor that contributes to issues in factories, it is important to find ways to improve it. Workers' education is significantly important in factory contexts, since factories are, on average, less educated than the general population (Hardati et al. 176), it is important to focus even more on educating this part of the employed population. Also, in comparison to an office, for instance, factories are much more dangerous, because obviously they have more innate dangers because of the industrial processes. This underscores how crucial workers' education initiatives are.

Education initiatives are useful for increasing workers' education because they promote independent educational programmes. Educational initiatives on behalf of the government are programmes that in one way or another promote workers' education. These initiatives can procure initiatives from third parties because certain education initiatives can use monetary rewards or tax cuts in order to incentivize such action from third parties.

## Policy Baselines

Policy baselines are standards for policy that exists in a Member State. It is important to ensure that policy is at a certain level regardless of country. This measure can guarantee that some fundamental safety in factories and working conditions are met. Also, having a policy baseline on its own is not sufficient, in many cases. Factory work evolves significantly, and quickly. It is important to provide a mechanism for accounting for this technological change in policy baselines.

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