

Ensuring universal labour rights in the growing proliferation of the concept of the gig-economy, and combatting the abuse of contractors by MNCs



ECOSOC I

Franklin D. Roosevelt

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Letter from the chairpersons

Honourable delegates,

We are enthusiastic to welcome you to Franklin D. Roosevelt Model United Nations 24! Participating in such an academically challenging conference is truly admirable and we would like to congratulate you all for the dedication you have shown during the application and registration process.

It is our greatest honour to welcome you to this diplomatic journey. We are excited to be chairing you in this tough Economic and Social Council I; Labour committee throughout these five days. We are looking forward to meeting you all and seeing your involvement through enticing debates.

This year, within the ECOSOC Committee, we will be entertaining two intriguing topics, with this background guide focusing on the following; “Ensuring universal labour rights in the growing proliferation of the concept of the gig-economy, and combating the abuse of contractors by MNCs,” aiming therefore to provide a sturdy, yet simplified, base for your research on this amazing topic. For this reason, we deem it crucial for the flow of the debate that you research beyond the content of the guide.

Throughout the conference, we will be by your side, so do not hesitate to ask for help. We will ensure that the debate goes smoothly, that all delegates represent their countries’ policies, that every single one of you will receive feedback, and that you will all have a great time.

As for you, the delegate, we expect that you come prepared, fearless, and well-rested. Make sure you use all the tools at your disposal to reach a consensus. Don't be afraid to propel your country's ideas!

See you soon,

Alexandru Șomoiaș and Grigore Lăzărescu

Presidents of the ECOSOC I – Labour Committee at Franklin D. Roosevelt Model United Nations 2024

A large, stylized, handwritten signature in grey ink, which appears to be "Franklin D. Roosevelt". The signature is written in a cursive, flowing style with long, sweeping lines.

Introduction to the committee

The Economic and Social Council, hereinafter ECOSOC is a committee that works under the United Nations General Assembly (UNGA) jurisdiction, coordinating the economical and social affairs of all the committees under the United Nations umbrella. This body seeks to foster international cooperation for development alongside multiple actors such as NGOs, hence linking the UN and the civil society, given that it discusses major economic, social and humanitarian issues, following-up the 2030 agenda, consisting of 17 Sustainable Development Goals, hereinafter SDGs.

The Council has 54 members, which are chosen by the UNGA for three-year mandates. It has multiple meetings throughout the year, with the most relevant one being held in July, during which a high-level meeting of Ministers discusses the issues that fall under this committee's jurisdiction, which were previously mentioned.

It is very important to note that this specific committee focuses on labour, aiming to debate upon topics regarding the working conditions of citizens all around the world, while providing feasible solutions to these important issues, hence trying to improve working conditions, which shall overall contribute to a better life quality for all people.

Franklin D. Roosevelt

Overview of the topic

After the world was struck by the Covid-19 pandemic, multiple corporations tried to find solutions in order to maintain profit and to survive this crisis; this is how the concept of gig-economy has started to gain prevalence in our society. The term 'gig-economy' refers to a free market system in which temporary positions are common and organisations hire independent workers for short-term commitments. There are a number of common traits that define work in the gig economy, including: the division of work into specific tasks and the requirement of workers for them, citizens undertaking this type of work, companies facilitating labour transactions; and workers being classified as independent contractors.

The Multinational Corporations, hereinafter MNCs, tend to focus on the profitability of the services provided, rather than the working conditions of the people that work for them. Their employees face multiple issues, such as the lack of medical insurance, poor working conditions, working under stress and having to do so for multiple hours, in order to gain the necessary funds to support their families, and nor having the required stability. Those funds come proportionally with the work done, and not under the form of a stable salary, yet being lower than the stable form of payment. It is important to keep in mind that enterprises such as Amazon Flex, Airbnb, Uber and Etsy are based on the above explained concept, while being one of the most profitable businesses worldwide.

The economical actors are in desperate need of regulations at a legal level in order to solve this issue, fact which was highlighted by the actions undertaken in states such as the United Kingdom, where the workers of businesses such as Uber and Deliveroo, companies that operate in the transportation and delivery industry, has recently been the main actant of different legal proceedings.

Franklin G. March

Key terms

Free Market System: an economic system where the government doesn't intervene or regulate anything

Gig economy: the economic system by which a workforce of people (known as gig workers) engage in freelance and side-hustle work

Profit: a financial gain, especially the difference between the amount earned and the amount spent in buying, operating, or producing something.

Multinational corporation (MNC) (also known as Multinational Enterprise (MNE), Transnational Enterprise (TNE), Transnational Corporation (TNC), international corporation, or stateless corporation with subtle but contrasting senses): is a corporate organisation that owns and controls the production of goods or services in at least one country other than its home country.

Ride-hailing: an act when a customer orders a customised ride online usually via a smartphone application

Directive: an official or authoritative instruction

Past actions

The concept that gig-economies use is one that has existed before in history; people have worked multiple jobs to piece together a sufficient income even before the 20th century. The actual novel career type is the one-career one. However, under the form that we now know, this concept has not suffered many regulations, and is relatively new, hence the urgent need for this issue to be discussed at an international level.

The first major “gig provider,” Craigslist, where people could create informal or formal job postings, among many other things, was founded in 1995, and the pattern was followed by multiple other enterprises such as Elance (1998) and oDesk (2004). The facilitation of access to the Internet and to mobile technology was a huge turning point for this industry, and significantly accelerated the use of gig work and still continues to do so, given the enormous aid they give for someone willing to work in a more flexible way in order to connect to other workers or clients for purposes such as promotion and providing services.

In 2008 and 2009, the industry suffered another turning point, when Airbnb, which is a company promoting individual temporary living facilities, and Uber, a ride-hailing app were founded, their success determining other entrepreneurs to follow this path.

The national governments acted upon this issue at a superficial level, and have taken multiple approaches. For instance, in October 2016, the United Kingdom employment tribunal ruled that Uber cannot classify their workers as self-employed, and must extend them the same rights as full-time employees, being one of the first measures in regards to the stability of the workers in the gig-economy. By this ruling, it is highlighted that the stability of the workers is a concept that shall be taken into consideration and worked upon, and the MNC employer needs to take responsibility for its workers. In the United States, the State of California introduced in 2020 the Assembly Bill 5 at a federative level, changing the way that contract workers such as Uber drivers are classified, and allowing them to request the amount of money they desire for the ride, and to select their clients.

It is visible from the above explained examples that every local authority chooses to tackle this issue differently, focusing on the direct effects rather than the overall concept. Regulations prove themselves to be effective only on some small consequences of the issue, and there is an urgent need for this topic to be tackled differently, as a whole.

Legal Frameworks

EU rules on platform work

The majority of the EU's platform workers, including taxi drivers, domestic workers and food delivery drivers, were formally self-employed. Therefore, the European Union decided that all Member states shall have different approaches to platform work.

After the enforcement of an European Commission, a directive urges the workers to be recognize as full-on employees if they met two of the following criterias: upper limits on the amount of money workers can receive, supervision of their performance, including by electronic means, control over the distribution or allocation of tasks, control over working conditions and restrictions on choosing working hours, restrictions on their freedom to organise their work and rules on their appearance or conduct.

Also, digital labour platforms will not be allowed to process certain kinds of personal data, such as: personal data on the emotional or psychological status of platform workers, data related to telephonic conversations or instant messages, data to predict actual or potential trade union activity, data used to infer a worker's identities, biometric data, other than data used for authentication on the designated platform they work with.

Uber BV and other (Appellants) v Aslam and other (Respondants)

This decision undertaken by the Supreme Court of the United Kingdom is that Uber must pay its drivers the national living wage, and at least 28 days paid holidays, from the time that drivers log onto the Uber app, and are willing and able to work. The decision was unanimous, and upheld the Court of Appeal, Employment Appeal Tribunal, and Employment Tribunal. By this decision it is understood that the minimal conditions of workers in the gig-economy sector are not fulfilled, and that there is a need for regulations at a larger scale.

Gig Economy Employment Status

This document presents the legal background of numerous European states in regards to gig-economy work and the status of the workers in those states. Through answering some commonly-asked questions, this document aims to highlight the regulations of gig-economy in the state, and the criterias a worker is classified upon.

Current situation

Gig economy is, as previously mentioned, a market system where workers engage in short-term projects or freelance work instead of taking permanent jobs. In 2021, 59 million Americans, or 36% of the U.S. workforce, engaged in gig work. providing a wide range of services, from ride-hailing for MNCs such as Uber and Lyft to food delivery enterprises such as DoorDash and GrubHub to the web development industry, represented by enterprises such as Upwork and Fiverr. According to a report by Mastercard, global transactions associated with the gig economy will grow by 17% per year to about \$455 billion by 2023.

At an international level, there are multiple points of view. The concept of gig economies showcases a scenario where workers are able to get rid of the traditional jobs, with a well-established schedule, hence being more appealing for individuals who want to use specific developed skills such as coding, driving, translating, creating art, in order to gain the required funds for living. Such jobs are also favourable for individuals who value a flexible schedule, given that they have the freedom to choose when and how much they would like to work based on their preferences; this autonomy can lead to balance and satisfaction between the personal and professional life.

The issue arises when the workers face the reality of the lack of regulations on this matter, since there is no enforced legal framework at an international level that focuses on this specific issue. If the worker of a specific domain where this type of work is conducted does not acquire multiple skills and does not bring up innovation and creativity in order to promote their services, they usually end up losing their job, or receiving insufficient funds in accordance with the work done. As well as that, the MNCs do not cover health insurance, which is vital for most of the citizens in multiple regions of the globe, where access to healthcare is not facile, due to factors such as the cost or the availability of the requested services. In addition, there is no pension that a retired individual who engaged in such work can benefit from, which is a crucial factor in the long run, forcing the worker to save money or to use private, specific funds for this specific matter.

Within the gig economy, certain sectors exhibit more stability and growth compared to others, sectors such as technology, creative services, and healthcare have shown consistent growth in gig opportunities. As previously stated, online freelancing plays a significant role, especially in professions such as software engineering, digital marketing, design, image editing, writing and translating, and as of lately blue collar workers. For instance, when speaking about work done in the IT sector, digital labour markets offer new opportunities to tackle the increasing need, the chronic skills shortage, high turnover rates and the growing talent gap.

Overall, it is crucial to keep in mind that this industry is not regulated at all at an international level, and the impact on the long term of gig-economy employees is negative, given the lack of resources they have access to. This type of work is very unstable and shall be subject to multiple legal regulations in order to ensure a better life quality for individuals that can potentially benefit from valuing their services in this way.

Main actors

United States of America

The gig-economy of the United States of America is very developed, being estimated that around 36% of the American workforce is engaging in gig-work, given the popularity this type of jobs has. Most of the workers in this industry based in the USA are working in delivery, ride-hailing and technology. Technology has facilitated the creation of digital platforms and marketplaces, such as Uber, Airbnb, and UpWork, acquiring, hence, more popularity among citizens. Funnelling more consumer activity into the economy, these mobile apps provide a tremendous amount of gig work, especially for individuals willing to be more flexible.

Regulations on this sector are undertaken at federal levels, states such as California attempting to regulate the status of gig-workers, especially Uber drivers, who deemed more stability. However, workers still face multiple issues, one of them being the gender-based payment gap, being, on average, 32%, and up to 45% in median average per month. Women freelancers usually earn their living by working in less paid sectors such as health & beauty, media and writing, while men hold a monopoly against the IT sector.

Republic of India

In India, there are currently around 7 million gig workers, and this number is subject to progressive raises, being predicted to surpass 25 million by 2030, with an annual growth rate of almost 12%, with almost 25% of the workers in this sector being from there. Blue and white collar jobs will be dominated by the freelancing policy in the state soon, and the state is recognizing this fact. They are willing to adopt multiple policies in order for costs to be cut by employers, and for the overall economical system to be improved, and for the state to be recognized by its willingness to follow the economical trend. Some states in the country, such as Uttar Pradesh, Madhya Pradesh and Gujarat have tackled minimum wages, worker safety and other important legalities regarding the status of the workers and their well-being. This proves to be a potential opportunity for everyone to be able to work, especially women, despite the discriminatory challenges they face. Unfortunately, only 16% of the women in India are Internet users, which does not facilitate their access to freelancing their multiple skills.

Federative Republic of Brazil

The gig economy in Brazil is subject to an progressive proliferation, and the need for regulations is highlighted at a national and international level. It is important to note that São Paulo was once named the city with the most Uber Rides in the world, and Brazil accounts for approximately 50% of all food delivery through online platforms in Latin America.

Their President is advocating for labour rights in regards to people engaging in the gig-economy sector. A few months after he was installed in the office, President Lula has brought together labour groups, representatives for gig work platforms, and government officials in order to create a diverse group aiming to craft new rules for the industry. Yet barely a year after winning the presidency, the dream of gig work regulation in Brazil may be slipping away.

Later on, during his speech to open the United Nations General Assembly in 2023, Brazil's President, Luiz Inácio Lula da Silva dedicated some time to bringing into discussion the gig economy, and complained that digital platforms and apps cannot "abolish the labor laws we worked so hard to obtain". In the following days of the diplomatic forum, the Brazilian president and the president of the United States of America have discussed about a potential collaboration, namely the U.S.-Brazil Partnership for Workers' Rights, a bilateral initiative that will address the gig economy, child labour, workplace discrimination, and the impact of energy and digital transitions on workers, both officials seeing eye to eye on this major issue.

It is also important to note that in the recent years, there have been numerous initiatives undertaken by civils in order to mitigate the abuses of MNCs by suing corporations such as Uber, without success, as well as civils who were reluctant to the regulations proposed.

People's Republic of China

China's gig economy encompasses a wide spectrum of industries, including ride-sharing, food delivery, e-commerce, online tutoring, and more. Notably, platforms like DidiChuxing, the ride-hailing app dominating its market, Meituan Dianping, the biggest actor in the food-delivery sector, and Alibaba's Taobao have played pivotal roles in facilitating these work arrangements. The lethargic recovery of the state deeply-affected by the Covid-19 pandemic is sensed throughout multiple points of view, including economically, hence the lack of request for services such as food delivery.

According to data based on recent studies, over 200 million people in the PRC are engaged in gig work, in different industries. The gig economy has been subject to remarkable year-on-year growth, with a notable increase in the number of gig workers especially over the past decade. This growth is driven by factors such as digitalization, rising requests for on-demand services, and the appeal generated by the benefits of this type of work, such as flexibility. These statistics underline the transformative nature of the gig economy, making it a prominent feature of China's evolving labour landscape.

It is important to note that in China, workers may be recognised as formal employees, freelancers and platform-based workers, depending on the employer.

United Kingdom

In accordance to a study conducted by the University of Bristol, gig economy workers whose jobs included food delivery, private-hire driving and data entry were asked to report their earnings and working conditions: 52% of the subjects reported earning less than the minimum wage, with the median respondent earning £8.97 an hour, which is 53p less than the minimum wage in the United Kingdom, which was £9.50 at the time of the research. In addition, more than 75% of the respondents also reported experiencing work-related insecurity and anxiety.

In the United Kingdom, From Uber drivers and Deliveroo riders to digital freelancers and beyond, the gig economy is vast and growing substantially each year, due to technological development, to the point where gig workers contribute £20 billion to the British economy. According to the Office for National Statistics, by 2026, the number of gig workers will almost double, which will have multiple impacts to the employment landscape. Despite the adoption of the gig economy, some concerns remain about its introduction into the global workforce. Gig-workers desire legal recognition and payment stability, and have made efforts in order to achieve that, an example being the Uber BV and others v Aslam and others case, abovementioned in the Legal Framework subsection.

Points to be Researched

- The legal framework behind the delegate's state in regards of working conditions, especially regarding gig-economy
- The development of the discussed concept in their respective state
- The issues associated with this topic that workers face at a national and international level and the overall current situation of their state in regards to this issue
- The past actions undertaken in regards of gig-economy in their respective state
- What was done in order to diminish the effects of this issue, and what can be further done
- The full concept of gig-economy to the extent of fully understanding how it works all around the world
- The needs of the workers in this industry, and the issues they face.

Points to be Addressed

- To which category of workers is the gig-economy sector suitable?
- What is to be done for the gig-economy workers to receive a pension after they retire?
- What is to be done so the gig-economy workers can benefit from healthcare insurance?
- How can workers in the gig-economy sector be recognized as employed by an economical entity?
- How can we ensure payment stability for gig-workers?
- What is to be done in order to prevent a negative impact of the schedule flexibility, such as overworking?
- To what extent may the MNCs be held accountable for the well-being of the workers?
- What should a set of international legally-binding regulations regarding the condition of gig-economy workers include?
- How can we adapt the international regulations to a national level, given the differences between each state's economy?

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