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Committee: General Assembly 2nd Committee (Economic and Legal Issues)
Issue: The exploitation of African countries by industrialized and industrializing countries
Student Officer: Tee Yoon Siang

Overview

Incredulous cynics have sometimes gone as far as to say that the wealth of the west was leveraged on the exploitation of Africa's countries, resources and people. The abundance of natural resources, oil and minerals in Africa present an enticing prospect for foreign investment.

Unfortunately, from the time that Africans were pushed into slavery to sustain economies of the west to contemporary times when vital resources crucial for development are relentlessly extracted out of Africa, the emphasis is always on profit and making use of the every piece of jewel that Africa offers; it was never to develop the African people and alleviate the plight of its communities.

Definition of Key Terms

Exploitation

It is the act of making some area of land or water more profitable or productive or useful, mostly done through the victimization or unfair treatment of a party.

Industrialized Countries

The term 'industrialized countries' can often be used interchangeably with the term 'developed country', is used to categorize countries with developed economies in which the tertiary and quaternary sectors of industry dominate.

This level of economic development usually translates into a high income per capita and a high Human Development Index (HDI). Countries with high gross domestic product (GDP) per capita often fit the above description of a developed economy

Industrializing Countries

Industrializing countries have a lower GDP per capita and lower Human Development Index than industrialized countries. These countries are often in the phase of rapid industrialization and advancement towards becoming a developed or industrialized country.

Background to the Topic

In the advent of globalization today, economic development has often been a key yardstick in determining a country's prowess. In search of rapid industrialization, countries have often been blinded by economic interests. As raw materials are often essential ingredients in the cauldron of economic development, a continent such as Africa-- which boasts 99 percent of the world's chrome resources, 85 percent of its platinum, 70 percent of its tantalite, 68 percent of its cobalt, and 54 percent of its gold—is often the answer for many countries' industrial needs.

The riches in resources of Africa have brought about a slew of Multi-national Companies (MNCs) and Transnational companies (TNCs) entering into Africa in droves. At face value, this might seem a bright economic prospect for impoverished Africa, a window of opportunity for economic progress at last. Unfortunately, while most multi-national companies reel off with astounding profits, they leave African communities utterly degraded, with unscrupulous exploitation of child labour, ridiculously low payrolls for local workers and exploitation of African environments.

A case in point would be the exploitation of land in Liberia. Since 1926, Firestone has been engaged in taking rubber from Liberia. However, Firestone has reportedly been accused of using child labor, avoiding payment of government taxes and signed treaties and contracts with the governments that are detrimental to the Liberian population. For instance, they established an agreement to pay only six cents for an acre of rubber land. By monopolizing the pricing structure of these key commodities, neither the African government nor the local population are getting any benefits. These rubber lands could have been tapped by local rubber-tappers for profits, profits that would certainly be greater than the meagre sum of six cents that Firestone is paying to the African authorities.

Iron ore, which is used in the production of steel-- a basic raw material that is used in the construction of skyscrapers, buildings and infrastructure-- is found in relative abundance in Africa. In similar cases of gross exploitation, foreign investors have struck a deal with African authorities for the acquirement of vast extracts of iron ore for a negligible sum of five cents per ton of steel.

The abundance of raw materials and minerals in the African continent were supposedly advantageous to African countries, allowing them to engage in profitable trade with other countries around the world. Most countries across the continent are also heavily reliant on the export of one or two of these commodities to support an already crumbling economy. Vulnerability to world market prices of these commodities has already weakened African economies to a large extent, thus if industrialized countries continue to deprive them of these precious resources, we are sinking their economies to deeper turmoil and aggravating their poverty situation.

Environmental degradation is also another issue that has not evaded Africa. As investment from MNCs pour in, factories have sprung up in several pockets of Africa, harnessing and processing raw materials for factory products. However, gas emissions from factory operations are often detrimental to the ecology of African countries. Gas flaring from oil production, where unusable waste gas is burned off, pumps large amounts of carbon dioxide into the atmosphere. It is estimated that flaring in the Niger delta emits 70 million tonnes of CO₂ a year. Sweden alone emitted 69.9 million tonnes of CO₂ in 2004. The clearing of forests for timber- basic raw material used in the production of paper and furniture- also increases vulnerability to erosion, river silting, landslides, flooding, and loss of habitat for plant and animal species. The local populace are often the greatest victims of these environmental implications which are so often neglected by MNCs and TNCs.

Major Countries/Organizations Involved

Countries that have suffered from exploitation by industrialized countries include Liberia, Botswana, Namibia, Tanzania. These nations usually have government agencies or offices that are primarily related to geological resources.

Botswana

The government of Botswana is hoping that legislation related to mines, mineral resources, environmental protection, and water resources can be developed to counter the effects of exploitation.

Tanzania

The Tanzania Geological Society did submit prepared resolutions to the government, but their response did not expand on what topics were covered.

Namibia

Namibia is endowed with abundant wealth, including uranium, gems, diamonds and platinum, to name a few. However, the territory's human and natural resources are controlled by an illegal South African regime and other foreign interests which only aim to plunder Namibia's resources for personal interests. The role of foreign interests has resulted in the expropriating of Namibia's resources to the further detriment of the Namibian people. In the past, Namibia's fishing resources were predominant, since the late 1970s however, unchecked exploitation of its resources have resulted in the relentless depletion of Namibia's marine resources.

Togo

Child trafficking in Togo is a pertinent issue that plagues the nation. It was documented that children as young as three years old have been exploited as domestic and agricultural workers in several countries. These children are lured from their homes with promises of high-quality schooling and vocational training abroad.

These children are often orphans who have been forced to take on the burden of supporting their families following the death of a parent from AIDS or other causes.

Ghana and Cote D' Ivoire

Ghana and Côte d'Ivoire collectively produce about 75% of the world's cocoa. However, these cocoa factories often make use of child labour for their daily operations with an estimated 200,000 children being employed as child workers. Out of these, up to 12,000 children have been illegally trafficked across African borders to work on Ivorian cocoa farms. Many of these children are forced to work in dangerous conditions, on slave-labour wages or for nothing in order to put chocolate into the mouths of consumers.

USA

In 2002, when it was reported that nearly half the chocolate produced in the United States was linked to cocoa beans harvested by child laborers in Côte d'Ivoire. Many of these children had been trafficked from neighboring countries such as Mali and Burkina Faso.

Gerber

The baby-food manufacturer was accused of doing exactly what Nestle did 20 years ago in Africa, exploiting naïve African women and families by marketing a breast-milk substitute to Third World countries.

Existing Solutions

The Palermo Protocol

The Palermo Protocol has attempted to address the issue of child trafficking and child slavery advocating the abolition of all forms of slavery. This attempt will encompass three main efforts: first, making trafficking a crime; second, protecting victims of trafficking; and third, ensuring greater solidarity amongst nations in the battle against sex trafficking. One of the key highlights of the Palermo Protocol is to encourage that states, in cooperation with Non- Governmental Organizations (NGOs), make provisions for housing, counseling, medical assistance, and financial assistance for victims of trafficking.

However, being non-legally binding, the Palermo Protocol may be rendered by critics as being overly idealistic and ambitious. Although its clauses and principles are good-natured and applicable in resolving the situation of child slavery and trafficking, countries have no obligation to adhere to the Protocol since there is no legal penalty against non-compliance.

The International Labour Organization

International Programme for the Elimination of Child Labour

In a bid to abolish child labour, the International Labour Organization (ILO), has stipulated that the minimum age for employment should not be less than the age of completing compulsory education. This would equate to around the age of 15 years old for countries such as Ghana, Liberia, Gambia, and Nigeria. In 1992, according to the ILO website it was created in 1992, the ILO launched the International Programme for The Elimination of Child Labour (IPECL). The programme offers technical advisory services to children who have suffered the worst abuses.

Special Action Programmes

The ILO has also launched the Special Action Programme to Combat Forced Labour in Niger (SAP FL) in conjunction with the Association of Traditional Chiefs of Niger (ACTN), the ILO and the United Nations Children's Fund (UNICEF), to conduct an in-depth study of forced labour was carried out. ILO's plans to carry out initial awareness-raising efforts with the ACTN and its members are currently being finalized.

InFocus Programme on Child Labour

One of ILO's main strategies to combat child labour is the inception of the InFocus Programme on Child Labour (IPEC) in 1992, which has thus far organized a spectrum of regional and sub-regional programmes to address lingering issues of child labour and trafficking. In recent times, IPEC has increased its human and financial resources and one of IPEC's major projects include the subregional project on building the foundations for eliminating the worst forms of child labour in Anglophone Africa, which is aimed at national-level interventions

In Ghana, Kenya, Nigeria, Uganda and Zambia. IPEC has launched a major subregional programme entitled Prevention and Reintegration of Children Involved in Armed Conflicts in Central Africa, where special attention will be paid to girls who have been kidnapped and rendered immense physical and psychological torment.

IPEC's programmes have been actively supported by countries all over Africa, including Burundi, the Democratic Republic of the Congo, Rwanda, Ghana, Kenya, Nigeria, Uganda and Zambia to name a few. The active support of African countries towards their own regional projects would only strengthen the movement and provide optimism and hope towards attaining a brighter future for Africa.

West Africa Cocoa Programme to Combat Child Labour

Acknowledging that cocoa exploitation is rife in countries such as Ghana and Côte d'Ivoire, the ILO has embarked on a project entitled the West Africa Cocoa/Commercial Agriculture Programme to Combat

Hazardous and Exploitative Child Labour. Measures that will be implemented include: employing the participation of various social partners; organizing intensive awareness-raising campaigns; applying various social protection measures including counseling, education, and training; and establishing an efficient and viable child labour monitoring system.

UNICEF

The United Nations Children's Fund (UNICEF) has been an active partner of ILOs in addressing the issues of exploitation of labour in Africa. It stipulates that children should have access to reasonable standards of education, nutrition and healthcare over sustained periods of time before they are employed. Moreover, UNICEF has attempted to offer assistance to children suffering from child labour by organizing programmes that help provide education, counseling and care and above all relocation for victims.

Recognizing that water pollution is a problem that may be inadvertently caused when liquid waste and oil is being discharged to seas by foreign factories of industrializing countries, UNICEF and the Coca-Cola Africa Foundation have launched a partnership to provide Egyptians in rural and urban areas with wider access to improved water services. Working with the Ministry of Water Resources and Irrigation (MWRI), the United States Agency for International Development (USAID) and International Resources Group (IRG) under the newly-formed the Global Development Alliance, the partnership will focus on two of Egypt's governorates to improve the quality of water resources, thus reducing water health hazards and increasing water productivity.

Recommended Websites for Research

- ❖ A Comprehensive view of ILO Activities in Africa- http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_071452.pdf
- ❖ Geoinformation and natural resources exploitation in Africa- www.uneca.org/codi/codi4/Plenary/Day1-April25/FrancisA_ADESINA.ppt
- ❖ Offers some suggested solutions and overview of the problem- <http://ezinearticles.com/?Exploitation-Of-Poorer-People-In-Developing-Countries&id=1077234>
- ❖ Reports of Public Policy in all continents, including Africa- http://www.agiweb.org/gap/iugs/iugs_survey_report0700.html

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Past Resolutions

- ❖ **A/RES/317 (IV)**- Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others
- ❖ **E/CN.4/1998/L.36/REV.1**- Recognition of slavery and the slave trade as a crime against humanity
- ❖ **A/RES/62/221**- Subregional Centre for Human Rights and Democracy in Central Africa
- ❖ **A/RES/62/193**- Implementation of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa
- ❖ **A/RES/53/1 N** -Assistance to Central and East African countries of asylum (refugees, returnees, displaced persons)
- ❖ **A/RES/43/27** - Mid-term review and appraisal of the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990
- ❖ **A/RES/33/162** - MIGRATORY LABOUR IN SOUTHERN AFRICA

Committee: General Assembly 2nd Committee (Economic and Legal Issues)
Issue: Rendering assistance to poor mountain countries in overcoming obstacles in socio-economic and ecological areas
Student Officer: Tee Yoon Siang

Overview

Poor mountain countries often face obstacles and challenges due to geographical barriers and spatial limitations. Unfavouring topographical conditions have situated them in trying mountainous sites where dangers and hazards abound. Due to hostile climate conditions in mountainous regions, residents in these countries face potential dangers such as landslides and avalanches as well as poor harvest due to sloping conditions and unfavourable weather.

Some of the challenges faced by mountain countries include: achieving sustainable development, eradicating poverty and protecting mountain ecosystems, Populations thriving in mountain countries are often amongst the most impoverished in the nation. The increase in the number of natural disasters in mountainous regions has also become an area of growing concern for the United Nations.

As such, one of the key hurdles that the UN needs to overcome to achieve its Millennium Development Goals is to alleviate the socio-economic and ecological plight of mountain countries.

Definition of Key Terms

Poor Mountain Countries

Poor mountain countries generally refer to impoverished countries which lie along mountainous regions, which may include low-lying countries situated between valleys or slopes or on mountain ranges. Examples include Southern and Eastern African countries, Cuba, Ecuador, Lebanon, Syria, and Turkey.

Socio-Economical Areas

Socio-economical areas refer to aspects or area of concerns that involve both social and economical areas

Ecological Areas

In this context, ecological areas would refer to factors that examine the detrimental effects of modern civilization on the environment, with a view toward prevention or reversal through conservation.

Background to the Topic

A source of water for half of the world's population, mountain regions are vital to the sustainability of our planet. Hence, the crucial pertinence and relevance of mountain issues cannot be undermined. Mountainous regions have been recognized by the international community as one of the world's most vulnerable biogeographical areas. Due to their unique location, these areas often boast heterogeneous climates with unique species of flora and fauna. However, these regions are also equally susceptible to land degradation and the wrath of harsh climate conditions.

Mountainous areas are frequently considered as 'water towers' for fresh water resources and areas suffering from loss of indigenous culture and traditions. In the recent International Conference on Sustainable Agriculture and Rural Development in Mountain Regions, the United Nations Food and Agriculture Organization reported that many of the 770 million people in the world live in mountainous regions and many of these people suffer from poverty and lack access to education, housing, and social services. These problems are caused by isolation and harsh environmental conditions that make industrial growth difficult.

A recent United Nations study has shown that while several of the world's mountain areas are in good shape, many face accelerating environmental and cultural decline. The European Alps and the Himalayan chain are two of the most endangered mountain ranges.

Other mountain ecosystems under considerable stress include the Rockies, the Tatra Mountains in Poland, the Snowy Mountains of Australia, the Great Smoky Mountains, the Pamir Mountains and the Amber Mountains in Madagascar.

Some of the threats that mountain countries face are pollution, deforestation, rapid population growth and armed conflict. It was estimated that approximately 23 out of the 27 conflicts in the world are fought in mountainous regions, probably in part due to the threatening conditions that would be ominous for opponents. Due to the steep slopes of mountain areas, it is truly an uphill task to grow crops on barren slopes that have probably lost their fertile topsoil over long periods of environmental degradation and soil erosion. Additionally, the surface runoff water along steep gradients also means that crops growing on these slopes do not receive enough moisture to thrive. As such, agriculture, one of the most basic economic activity to sustain a family, is almost an extinct option. Due to geographical barriers, many villagers living on mountainous areas are unemployed, unemployed and jobless are the same thing... resulting in cases of extreme poverty. As such, one of the needs in mountain areas, as Professor Ives of Canada's Carlton University states, is the "promotion of alternative livelihood opportunities for mountain people in developing countries, to alleviate poverty at the root of so many of their health and environmental problems."

Eco-tourism- defined as a form of tourism that appeals to both socially and ecologically conscious individuals in mountain areas also seems to have an undermining effect on its eco-systems. For example, tourism in the

European Alps and the Rocky Mountains has surged over the years, severely compromising traditional alpine culture and beauty. Once pristine mountain valleys are now a litter of cable cars, ski lifts, tourist facilities and infrastructure, thus causing mountain areas to lose its picturesque environment. These technological infrastructure has not only defaced the mountain, but has also caused substantial environmental degradation.

In lieu of the high levels of extreme poverty and hardship in mountainous regions, regional and international cooperation has become all the more important for the sustainable development of mountains

Relevant Organizations/Mountainous Regions Involved

United Nations University

United Nations University (UNU) is an active organization involved in mountain-related issues over the past two decades. Its 1978 project, entitled "The Mountain Ecology and Sustainable Development" programme brought together scientists, practitioners, and policy-makers to deal with the pressing development and environmental problems facing mountains, mainly in developing countries. Since 1981, UNU has maintained its leadership role in the journal of Mountain Research and Development. This journal has become the most important medium for the publication of the proceedings of mountain-related seminars and conferences, and many high-quality research papers.

Mountain Partnership

The Mountain Partnership is a voluntary organization established to improve the lives of people living in mountainous regions and to conserve mountain environments around the world. Launched at the World Summit for Sustainable Development in 2002, the Mountain Partnership taps the wealth and diversity of the resources and expertise of its members to support positive change in mountain areas. One of its rationales is to advocate sustainable mountain development by facilitating contact between mountain countries. To date, Mountain Partnership's sphere of influence expands across 48 countries, 16 intergovernmental organizations and 88 major groups (e.g. civil society, NGOs and the private sector).

Rocky Mountains and Alps

Records show that in the last two decades, the number of visitors to Rocky Mountain National Park in Colorado has grown 50 percent. At peak season, 20,000 cars day drive through Canada's national parks in Banff everyday. Although this can be construed as a viable source of income, authorities are afraid that the increasing tourism rates are turning once ecologically diverse mountains into tourism economies. In Europe, tourism in the Alps has grown exponentially ever since the 1950s. Despite warmer-than-usual weather and shorter ski seasons at lower elevations, millions of tourists and their vehicles continue coming in droves. As vehicle traffic increases, air pollution levels in many alpine valleys have rose to precarious levels

Mountain Forum

Mountain Forum is a global network of individuals and organizations concerned with the well being of mountain people, their environments, and their culture. In order to fulfill its mission, Mountain Forum uses modern and traditional communications, supports networking and capacity building, and encourages members to be proactive in advocating sustainable development of mountain areas.

Existing Solutions

International Mountain Day

At its fifty-seventh session, the General Assembly decided that with effect from 11 December 2003, 11 December would be designated as International Mountain Day. The United Nations hopes that this will increase awareness about the importance of mountains to our planet as well as the various issues faced by impoverished mountain countries. The UN also encourages the international community to organize a multitude of events on International Mountain Day to highlight the importance of sustainable mountain development (resolution 57/245)

Sustainable Development of the mountain regions of Caucasus - Local Agenda 21

A project initiated by Regional Environmental Centre for Caucasus (REC Caucasus), Sustainable Development of the Mountain Regions of Caucasus is aimed at conserving the Caucasus mountain region, which stretches along Armenia, Georgia, Russia, Iran and Turkey. The project would study the situation in selected mountain regions of Caucasus, implement socially and economically oriented projects and raise awareness amongst local population and to involve it in solving of regional social-economic problems.

Mountain Partnership

Cusco Conference

The Cusco Conference, organized by Mountain Partnership, aimed to address the issues that poor mountain countries face by strengthening international cooperation and regional support. A highlight of the Cusco Conference was the breakaway sessions or 'working groups' on each of the 12 Mountain Partnership Initiatives, including those with thematic focus such as education, gender, policy and law, research, watershed management; and those with regional focus such as the Andes, Central Asia, East Africa, Europe, and the Himalayas. One other notable highlight of the Cusco Conference was that Mexico, with the support of Cuba, Jamaica and the United Nations Development Program (UNDP), solicited the creation of a Partnership Initiative for Central America and the Caribbean.

The final political outcome of the Cusco Conference was the Declaration of the Andes, which re-affirms the common vision and commitment of members to improve mountain lives and environments, and concludes by urging all Mountain Partnership members and organizations to take act steadfastly in the common goal of promoting sustainable mountain development.

International Workshop on 'Education for Sustainable Development in Mountain Regions'

Organized by the Centre for Environment Education Himalaya in Ahmedabad, India, the International Workshop on Education for Sustainable development in Mountain Regions aims to spread awareness about the uniqueness of mountains and the obstacles that mountain communities face. The focus of the workshop lies in its emphasis on education as an important tool in spreading the message about sustainable mountain development.

UNDP “Every Drop Matters” Project

A new UNDP Project entitled “Every Drop Matters”, is a project aimed at providing mountain villages with access to safe water. Some of its initiatives include carrying out site assessments, helping local authorities develop eligible projects under EU funding mechanisms and raising awareness about water management. A day-long consultative workshop at the Chamber of Commerce and Industry of Romania was held to discuss the findings of an integrated study about water challenges in Suceava County and to recommend the best solutions. The project aims to conduct on-site training sessions on funding mechanisms available for rural mountain communities, coaching sessions on project development and an awareness campaign about local water management issues. The potential for country-wide or international replication of the project will be explored, including examining possible collaboration opportunities with UNDP projects such as Local Agenda 21 and Small Grants Programme.

Suggestions for Further Research

- ❖ Some suggested solutions and policies to aid countries in mountainous regions-
<http://www.fao.org/sard/common/ecg/2920/en/SARDMIAMBbriefsummaryEN2007.pdf>
- ❖ Various aspects of mountain regions-
<http://www.mountainpartnership.org/issues/resources/didyouknow.html>
- ❖ A list of all the mountain countries around the world-
<http://www.mountainpeople.org/en/pays/pays.php>
- ❖ Case studies of eco-tourism in Mountains- ftp://ftp.fao.org/paia/mnts/case/case_studies_en.pdf
- ❖ Evaluation of Sustainable Mountain Development- <http://geog-www.sbs.ohio-state.edu/courses/G820.01/SP06/Odermatt%202004.pdf>

- ❖ Official Website of Mountain Partnership- <http://www.mountainpartnership.org/>
- ❖ Outline of the work of Mountain Forum-
<http://www.mtnforum.org/rs/econfreports/InvestingInMountains.pdf>
- ❖ Case study of mountainous regions of China-
http://www.oycf.org/Perspectives/34_09302006/5_Levin_PovertyAlleviation.pdf

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Past Resolutions

- ❖ **A/RES/60/198**- Sustainable mountain development
- ❖ **A/RES/59/238**- Rendering assistance to poor mountain countries to overcome obstacles in socio-economic and ecological areas
- ❖ **A/62/292**- Sustainable mountain development/Report of the Secretary-General
- ❖ **A/RES/58/216**- Sustainable Development in Mountain Regions
- ❖ **A/RES/57/245**- International Year of the Mountains, 2002
- ❖ **A/RES/55/189**- Status of preparation for the International Year of Mountains, 2002

Committee: General Assembly 2nd Committee (Economic and Legal Issues)
Issue: Establishing and Implementing Trade Policies to Help Reduce Poverty and Inequality
Student Officer: Aahan Bhojani

Background to the Topic

As populations have rapidly begun to increase in number and size within the past two years, the demand for resources and trade in international markets has also increased.

With our world striving to meet these demands, what we see is that the benefits of international trade remain unequally distributed; high-income countries, as determined by the World Trade Organization (WTO), contain 14% of the world's population, and account for 75% of world exports however low income countries, while 40% is this in low-income countries? If so, specify of the world's population, account for only 3% of world trade.

In most developing countries (list available at <http://www.ams.org/membership/develop.html>), the majority of the population relies on some form of agricultural economic activity as their main source of income. Poverty in a handful of developing countries is directly proportional to the income and living conditions of its peoples residing in rural areas and therefore, a local household in such areas would only be able to sustain itself in relation to its income and expenditure. In agriculturally related activities, the prices of goods and products are the main determinants for income and expenditure – any increase in prices increases the income, and vice-versa. Subsequently, any increase in the price of what a household or individual consumes (expenditure) may decrease its net income.

With development as one of the UN Development Goals, nations and governments have begun to contribute to global trends that acknowledge the vitality of trade in development – policy making is now being directed towards free trade agreements. However in Free Trade Agreement (FTA) negotiations, developing countries are burdened with the 'lower hand' as they have no real choice but to assent to the demands of more developed countries in order to remain a part of the global economy. FTAs are an effective solution to many problems in a developing nation's agriculture and food processing industries, public health and education policies, and government procurement. However, the effectiveness of FTAs remains uncalculated to date, as this would involve heavy intervention from international bodies – a somewhat controversial issue in some developing countries.

The Doha Development Round

The Doha Development Round is the current platform for trade negotiation of the WTO, which seeks to lower international trade barriers by addressing issues relating to agriculture, pharmaceuticals, special and differential treatment, and implementation issues (of the previous Uruguay Round). Negotiations of The Doha Development Round recently collapsed due to a disagreement over an agricultural tariff between the USA and India. Several countries have called for the negotiations to resume, however they remain constricted to date.

Relevant Countries Involved

The countries indicated below are only a few examples out of many that are related to this issue:

Cambodia

In this Southeastern Asian nation, the UN reports staggering poverty levels from 35 - 40% of the population below the poverty line and 15 – 20% in extreme poverty. Cambodia's rice expenditure severely impacts poverty as food prices impact it immensely. In addition to this, 250,000 urban workers are employed in the garment industry, representing a significant source of income approximately for two million people (relatives) in undeveloped rural areas. Poverty rates are further increasing due to the fact that this industry cannot sustain itself.

Albania

As one of the poorest countries in Europe, Albania witnesses/has high poverty rates in its rural areas, where an estimated 57% of its population live and depend on agriculture. Poverty continues to increase in Albania because of unemployment and low income levels, which can be directly attributed to the scarcity of market information – limited technical knowledge and obsolete tools.

India

With a population of over one billion, 41.6% of India's population lives below the new international poverty line. The World Bank further estimates that 33% of the global poor now reside in India. The majority of poverty exists in India's agricultural sector, which greatly suffers from shortages of water and common droughts. A significant contributor to poverty in India is the lack of access for individuals employed in agriculture to productive assets and financial resources. The high levels of illiteracy in agricultural areas restrict individuals from gaining access to any financial resources that may be available.

Egypt

Much of Egypt's population depends on agriculture for their livelihood, which does not sustain itself as an adequate source of income. This is due to the fact that crops that are cultivated have an extremely low market value and thus do not generate substantial income. In addition to this, the infrastructure of markets remains severely underdeveloped, thus reducing employment opportunities.

Tonga

Although Tonga has relatively low poverty rates and most of its population is educated, the country's economy still remains extremely vulnerable due to the scarcity of employment opportunities and confluence of migration to nearby Australia and New Zealand.

Major Organizations Involved

World Trade Organization (WTO)

The World Trade Organization (WTO) is the sole international organization that is responsible for liberalizing global trade and dealing with trade issues, particular those that exist between countries. Member nations of the organization represent over 95% of total world trade.

World Bank

The World Bank an international bank that supports developing countries by providing financial and technical assistance for development programmes, in view of reducing and annihilating extreme poverty.

International Fund for Agricultural Development (IFAD)

The International Fund for Agricultural Development (IFAD) is a branch of the United Nations that seeks to provide the framework for countries to alleviate rural poverty – they work with governments and financing programmes and projects to provide poor people residing in agricultural areas with the tools needed to overcome poverty on their own.

Plagiarism Checklist

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Past Resolutions

- ❖ **A/RES/62/184** – International Trade and Development
- ❖ **A/RES/62/185** – International financial system and development
- ❖ **A/RES/62/270** – Global Forum on Migration and Development
- ❖ **A/RES/62/205** – Second United Nations Decade for the Eradication of Poverty
- ❖ **A/RES/62/203** – Third United Nations Conference on the Least Developed Countries
- ❖ **A/RES/62/190** – Agricultural technology for development
- ❖ **A/RES/62/182** – Information and communication technologies for development
- ❖ **A/RES/61/161** – The Right to Development

Committee: General Assembly 2nd Committee (Economic and Legal Issues)

Issue: The Question of a South-East Asian free trade zone

Student Officer: Choo Jun

Overview

The Association of Southeast Asian Nations (ASEAN) Free Trade Area (AFTA) agreement was signed on 28/1/1992 in Singapore. It is a trade bloc agreement by the ASEAN members supporting local manufacturing in all ASEAN countries.

Definition of Key terms

CEPT

It is the Common Effective Preferential Tariff, an agreed tariff, preferential to ASEAN, to be applied to goods originating from ASEAN Member States, and which have been identified for inclusion in the CEPT Scheme in accordance with Articles 2 (5) and 3 of the AFTA. This is the primary mechanism for achieving the goals of the AFTA and has established a schedule in 1992 to do so.

Non-Tariff Barriers

Measures other than tariffs which effectively prohibit or restrict import or export of products within Member States

Quantitative Restrictions

The prohibitions or restrictions on trade with other Member States, whether made effective through quotas, licenses or other measures with equivalent effect, including administrative measures and requirements which restrict trade.

Foreign Exchange Restrictions

Administrative procedures taken by Member States to limit trade

Agricultural Products

Agricultural raw materials which are unprocessed or have undergone simple processing with minimal change from the original form.

Background to the Topic

AFTA

When the agreement was first signed, ASEAN had 6 members, Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand. The 4 latecomers, Vietnam, Laos, Myanmar and Cambodia, were required to sign the AFTA agreement in order to join ASEAN, but were given later deadlines to meet AFTA's tariff reduction obligations.

The primary goals of AFTA seek to:

- Increase ASEAN's competitive edge as a production base in the world market through the elimination, within ASEAN, of tariffs and non-tariff barriers
- Attract more foreign direct investment to ASEAN.

The CEPT Modus

The CEPT modus is aimed at achieving an AFTA, with the concept that ASEAN countries shall be given uniform preferential treatment in intra-ASEAN trade. According to the CEPT, countries are to reciprocate another country's trade once it is accepted. Hence, the CEPT is potentially encompassing.

The eventual aim is to achieve 0 effective tariffs. However, at the scheme's beginning, in order to address the economic growth disparity between the ASEAN countries, 4 tariff groups were set up: 0-5 per cent, 5-10 per cent, 10-15 per cent and 15-20 per cent.

In addition,

- Vietnam will reduce tariffs to 0-5% by 2006 a
- Laos PDR and Myanmar by 2008 a
- Cambodia by 2010

Exclusion List

The list contains products, which are excluded from the extension of tariff preferences under the CEPT Scheme. The product list at present includes furniture, fertilizers, processed foods, garments and textiles.

Demands and Adjustment Cost of AFTA Membership

The entries of the 4 new ASEAN countries entail some loss of national sovereignty, particularly huge over economic policy. However, by providing a trade and investment liberalization timetable, ASEAN offers the

new ASEAN countries a cohesive policy framework for more rapid liberalization. It also gives the new members a say in international economic forums.

Relevant Countries/Organizations Involved

Brunei Darussalam

Brunei Darussalam welcomes foreign investors to actively participate in the current national economic diversification programme. Competitive investment incentives are available for investors to form businesses. The Investment Incentive Act provides tax advantages at for businesses start up that are comparable if not better than those offered by other countries in the region.

Industrial activities are categorized into 4 categories:

- Industries related to national food security
- Industries for local market
- Industries based on local resources
- Industries for export market

Indonesia

Following the recent deregulation announced on 23 May 1995, the Government has relaxed the regulation on the negative list of capital investment. The areas are categorized into 4 main categories

- Wholly owned by foreign citizens and/or foreign statutory bodies
- Ownership of foreign citizens and/or foreign statutory bodies;
- Only if certain conditions are fulfilled
- Closed to foreign participation

Malaysia

Foreign trade has always been the structure of the Malaysian economy. With a population of approximately 19 million, Malaysia has to look beyond its national borders for its economic expansion. This is for its products and sources of investments. As one of the founding members of the World Trade Organization (WTO), Malaysia fully subscribes to its free trade policies. Malaysia's international trade is fairly open and outward looking. The principles embodied in Malaysia's trade policy objectives are:

- To contribute to the maintenance of an open and strong multilateral trading system based on the WTO Ownership of foreign citizens and/or foreign statutory bodies;

- To undertake liberalization measures through regular reviews of the trade regime
- To maintain and expand in non-traditional markets, particularly country in the South
- To promote and develop exports of manufactured and value-added resource based products
- To seek improved and favourable market access for Malaysia's exports of process commodities and manufactured products
- To strengthen and expand intra-ASEAN trade through closer economic and trade cooperation.

To manage trade activities, Malaysia has its own Trade Policy Framework with a number of Acts to protect national interests. Displaying commitment and responsibility, Malaysia has signed Trade Agreements either multilaterally, bilaterally or regionally. Currently, Malaysia has trade deals with more than 100 nations.

Thailand

The government aims to maintain and increase Thailand's economic prosperity both in the short and long term via the promotion of trade, investment, tourism, technology transfer and development. International economic cooperation will be further developed, in according to international agreements, and consistent with international economic vicissitudes. The government will:

- To strengthen and expand intra-ASEAN trade through closer economic and trade cooperation
- Strengthen Thailand's international competitiveness through the following measures:
- Conduct trade and investment policies with a view to reducing the current account deficit through the promotion of high value-added exports, tourism and services
- Seek new markets and sources of funding to increase the economic benefits of the country
- Enhance Thailand's role in the international economic arena to protect the country's interests and raise the quality of life and welfare of the people through the following measures
- Prepare for the establishment of a coordinating unit responsible for international economic policy, which will coordinate with other agencies on international trade matters.
- Strengthen cooperation among member countries of ASEAN and the Asia-Pacific Economic Cooperation (APEC) to enhance Thailand's role in international economic negotiations.
- Develop and establish Thailand as the regional hub of production, trade, finance, telecommunications and transportation in Southeast Asia.
- Encourage foreign investment in Thailand and support the expansion of Thai overseas investment in both the industry and services sectors. Facilitate and protect Thai investors and workers abroad through diplomatic, legal, fiscal, and financial means. A number of agencies will also be established if necessary.
- Promote free trade to increase production and internal markets and create effective remedial measures to assist the sectors adversely affected by economic liberalization.

- Restructure the tax system and remove hindrances to trade and investment. Accelerate the restructuring of the tariff system and reduce customs procedures, and production costs to enhance the country's export capacity.
- Promote the service sectors vital to the economy, particularly transportation of merchandise, shipping, and insurance.

The Philippines

To ensure stability and attract investors, the Philippine trade policy centers around free trade, encompassing tariff reduction, adherence to international standards, liberalizing business activities; and the creation of the Philippine Export Development Plan (PEDP).

Singapore

The success behind Singapore's flourishing global trade is its free trade policy. Virtually all goods enter Singapore duty-free. With political stability, excellent business infrastructure, strategic location, sound legal framework, world class financial services and a pro-business approach have attracted many multi-national companies to do business with Singapore and to use Singapore as a platform for their regional expansion.

Timeline of Events

1997 May 31

The 7-member ASEAN alliance, Association of Southeast Asian Nations, met in Kuala Lumpur and agreed to allow Burma to become a member in July. Laos and Burma were admitted on July 23. The members were Thailand, Singapore, the Philippines, Indonesia, Malaysia, Brunei and Vietnam.

1997 July

Asian Financial Crisis: a shortage of foreign exchange that has caused the value of currencies and equities in, Indonesia, Malaysia, Singapore, The Philippines, Thailand and other Asian countries to fall dramatically. The crisis had revealed severe problems in the inadequately developed mechanisms for allocating capital in the banking and financial sectors of the troubled Asian economies.

1998 Dec 16

In Vietnam, the ASEAN nations approved the "Hanoi Action Plan," a 34-point declaration that emphasized economic recovery based on free-market policies.

1999 Nov 28

In the Philippines the ASEAN agreed to increase cooperation with Japan, China and South Korea in an "East Asia Forum" known as ASEAN+3 and to move toward a common market.

2002

China and ASEAN agreed to a China-ASEAN free-trade area to be implemented in stages up to 2015

2003 Oct 5

Ministers of ASEAN met ahead of a leaders' summit in Indonesia, with leaders of China, India, Japan and South Korea joining the bloc to sign trade and security accords.

2003 Oct 21

Asia-Pacific Economic Cooperation leaders ended their 2-day annual summit in Thailand with a statement seeking to boost trade and intensify the fight on terror.

2003 Dec 11

ASEAN members met for a 2-day summit in Japan. The cost country joined the 10 Southeast Asian nations in a pledge to expand trade and join forces on regional security.

2004 Nov 29

ASEAN and China signed an accord to create the largest international free trade area by removing tariffs for their 2 billion people by the end of the decade.

2005 Jul 29

The ASEAN summit concluded in Laos. Australia agreed to sign a non-aggression pact with the group in exchange for an invitation to another summit, where ASEAN hopes to start work on an East Asian free trade area.

2007 Jan 14

ASEAN leaders meeting in the Philippines signed an agreement to liberalize the trade in services between China and ASEAN countries.

2008 Apr 14

Japan and ASEAN finished signing a deal to tear down trade barriers between the world's second-largest economy and the 10-member bloc.

Previous Attempted Solutions: Analysis of their Failure/Success

Failures

ASEAN has failed to create regional economic integration. ASEAN has been functioning as individual nations striving to develop its own economy, rather than a regional organization working for economic cooperation. AFTA and related initiatives have not produced a noticeable increase in inter-ASEAN trade. From 1991-1995, trade among the original 6 ASEAN members grew at an annual rate of 21%, totaling US \$137 billion, or 23% of their total trade. However if transshipment throughout Singapore is discounted, the level of intra-ASEAN trade falls to about 12%, as compared to the world's growth of a rate of 15% over the same period.

Furthermore, maintaining business ties with the outside world is regarded as more important in developing ASEAN's economies than measures to promote intra-regional integration. The degree of market integration between ASEAN members and other Asia Pacific states far exceeds that among ASEAN countries themselves.

Successes

AFTA has benefited ASEAN with trade liberalization in the region by the elimination of intra-regional tariffs and non-tariff barriers. ASEAN has also recognized the growing importance in trade and services. Thus, it continues to put in joint effort to work towards free flow in trade in services within the region. The efficiency and competitiveness of ASEAN service suppliers has improved. Business partnerships have been strengthened and customs clearance expedited. AFTA has helped spurred economic growth, increase employment and raise the wealth of nations.

The manufacturing sectors in ASEAN is now more efficient, thereby more competitive for investments. As the AFTA eases the burden of procurement and with the larger markets AFTA provides, economies of scale can be enjoyed. Foreign direct investments are now attracted to the region. Within a year of AFTA's implementation, ASEAN trade had increased by 64.38%, from US\$429.9 billion to US\$706.7 billion. Meanwhile, intra-ASEAN trade grew by 93.6%, from US\$82.4 billion to US\$159.9 billion. As AFTA is based more on networks of personal contacts and social obligations, instead of formal institutions and legal commitments AFTA can progress at a pace with which all ASEAN members feel comfortable.

Last but not least, growth triangles represent a market driven approach to regional economic co-operation. Examples include the Singapore-Johor-Riau (SIJORI) Triangle and the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT), where there exists burgeoning economic co-operation. Growth triangles promote closer economic cooperation among member states, which is an incentive for regional unity due to the fear of endangering trade and domestic economies.

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Appendix: Useful Links

Past Resolutions

A/RES/52/182 International trade and development

<http://daccessdds.un.org/doc/UNDOC/GEN/N98/771/79/PDF/N9877179.pdf?OpenElement>

A/RES/54/198 International trade and development

<http://daccessdds.un.org/doc/UNDOC/GEN/N00/245/78/PDF/N0024578.pdf?OpenElement>

A/RES/55/182. International trade and development

<http://daccessdds.un.org/doc/UNDOC/GEN/N00/570/31/PDF/N0057031.pdf?OpenElement>

A/RES/59/221. International trade and development

<http://daccessdds.un.org/doc/UNDOC/GEN/N04/489/52/PDF/N0448952.pdf?OpenElement>

A/RES/61/186. International trade and development

<http://daccessdds.un.org/doc/UNDOC/GEN/N06/505/59/PDF/N0650559.pdf?OpenElement>

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