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GENERAL ASSEMBLY PLENARY

DESCRIPTION OF THE COMMITTEE

The General Assembly (GA) is the main decision-making body of the United Nations. It includes all 192 member states; each member state has one vote. It is empowered through Article 11 of the *UN Charter* to "consider the general principles of cooperation in the maintenance of international peace and security." The GA addresses issues involving all aspects of the UN's work, including humanitarian, peace and security, and human rights matters. It refers threats to peace to the Security Council for discussion. Resolutions, or peaceful decisions, produced by the GA are not binding—the GA cannot force countries to take action on any issue—but because they are supported by a majority of countries in the world, they are important international documents.

TOPIC: BUILDING PARTNERSHIPS TO ADDRESS THE WORLD DRUG PROBLEM

INTRODUCTION

In the *World Drug Report 2006*, the United Nations estimates that approximately 200 million people worldwide, or 5 percent of the global population between ages 15-64, are drug users. Drug sales add up to \$321 billion US dollars per year according to the United Nations Office on Drugs and Crime (UNODC).² In developed and developing nations alike, drug use contributed to many social and economic problems, including poverty, poor health and crime.

No country is immune to the effects of the **illicit** drug trade: cannabis (a plant used to produce marijuana) is grown on every inhabited continent, while cocaine (the most widely traded drug), and reaches every region of the globe. Because the drug trade is international, no single country can solve its drug problem alone. Even if a country manages to control its own drug problem, its trading partners or neighbors might not. A drug problem in only one country can pose risks to an entire region because drugs are frequently transported across national boundaries.

As a result, UN member states must consider new ways to partner against the global drug problem. In the past 10 years, UN bodies like the Office on Drugs and Crime (UNODC) have set up systems to help keep track of the international drug trade. But to effectively fight the drug problem, countries must also work together in one-on-one, regional and international partnerships.



BACKGROUND

Drugs and Crime

Worldwide drug use and trafficking are both closely linked to small-scale and large-scale crime. Of course, possession of illicit drugs is itself a crime. But more importantly, drug abusers represent an alarming portion of convicted criminals worldwide. In addition, organized crime groups that operate on the global scale have been able to fund many of their illegal activities through the drug trade.

Money-laundering—or disguising where money comes from—has allowed illegal crime groups to raise funds through drug trafficking without government officials' knowledge. Much of the money laundered worldwide comes directly from the drug trade. In addition, terrorist groups have also been able to fund their activities through the worldwide sale of illegal drugs.³

Over the past few decades, the drug trade has been difficult to combat on a worldwide scale. It is hard even to calculate the exact amount of drugs that are bought and sold, since the trade goes unreported. Similarly, international drug traders constantly change their routes so that they are not discovered. Lack of information and understanding of the drug trade is a major obstacle to combating drug use.

There are many other challenges to fighting drug use, both on the supply and demand sides. It is difficult to decrease the supply of drugs because drugs are often grown in distant or rural areas. This is especially true in developing countries, where governments do not have the means to enforce drug laws, to control crime, or to provide economic assistance to poor farmers who grow drug crops because they are so much more profitable than other crops. Also, many powerful and sophisticated organized-crime and terrorist groups make their money from selling drugs, and these groups are not easy to catch.

CRITICAL THINKING

What role does development play in drug production? What problems will this pose for addressing the world drug problem? What can developed countries do? What can developing countries do?

There are other serious challenges to decreasing the demand for drugs. First, **narcotics** are very **addictive**. Addiction can create physical dependence, in which a person's body cannot function properly without the drug, and the person feels severe discomfort if they cannot take the drug. Therefore, it can be very hard to stop people from taking drugs after they have started.

However, the most challenging aspect of the drug problem is its international reach. In order to understand and combat the global drug problem, international cooperation is essential. If member states are able to pool their resources through agreements, regional partnerships and international measures, they stand a better chance of mounting an effective campaign against drug traders.



According to former UN Secretary-General Kofi Annan:

"Over more than 30 years in the United Nations system, I have learned that when we pull together from all corners of the world to try to solve a problem, we will almost always succeed. Let this be one of those occasions. We will make mistakes along the way, and we will suffer disappointments. But let us not cease trying."

Source: "UN Attacks Drug Problem at its Roots," *United Nations Economic and Social Commission for Asia and the Pacific*,

www.unescap.org/unis/unfocus/unfocus2/drugp.htm.

The United Nations Office of Drugs and Crime (UNODC) identifies three major groups of illicit drugs: **depressants** (such as opium and heroin), **stimulants** (such as cocaine), and **hallucinogens** (including synthetic drugs and marijuana).⁴ In the past, most illicit drugs have been made from plants. But today, **synthetic drugs**—which are made from chemicals—are also widely used.

Only by sharing information, resources and techniques will member states be able to help the millions of drug abusers worldwide.

Opium and Heroin

Opium and heroin, according to the UNODC, are the most serious problem drugs in the world. These drugs cause the most people to seek treatment. Both are made from the opium poppy plant. Most of the worldwide production of these drugs takes place in only four countries: Afghanistan, Myanmar, Laos and Colombia—all developing countries. The use of these drugs, however, occurs all across the globe, particularly in Europe.

Developing countries face the most difficulty controlling drug problems, especially when already struggling governments face increased instability. For example, Afghanistan experienced a 25 percent jump in opium production during 2006, during the resurgence of the Taliban militia. The Taliban is a violent group known for supporting terrorism, assassinating members of the Afghanistan government and controlling much of Afghanistan's territory with brutal force. The 2006 harvest for opium, meanwhile, earned the Taliban about \$3.1 billion. The US government blamed the Afghanistan government for failing to curb opium output on the "limited reach of Afghan law enforcement, endemic corruption and a weak judicial system."

CRITICAL THINKING

What difficulties does the Afghanistan government face in curbing opium production? How might the drug problem and the Taliban militia create conditions such as "limited law enforcement, endemic corruption and a weal judicial system"? How can other countries assist the Afghanistan government?

But developing countries can indeed succeed in reducing drug production. Gradual and sustained success has been achieved in reducing illicit opium poppy cultivation in Myanmar and Laos. In



2005, Myanmar succeeded in reducing the total area of cultivation by 26 percent to 32,800 hectares. In Laos, cultivation dropped 72 percent to 1,800 hectares. The UNODC reports that Laos, with an estimated opium production of only 14 metric tons, is on the verge of becoming opium poppy free. These countries were able to reduce drug production in large part because their governments offered assistance to drug farmers, encouraging them to explore "alternative development"—means of social and economic development without promoting drug trade.

CRITICAL THINKING

Myanmar and Laos were able to offer assistance to farmers to encourage alternative development. What does this say about the strength of these governments? Why do you think these governments were able to offer this assistance while other governments are unable?

Cocaine

The second most serious problem drug is cocaine, which is usually inhaled through the nose, injected or smoked. Cocaine interrupts the functions of the central nervous system, which controls the brain, muscles, nerves and all the functions of the body, like breathing and blood flow. Crack cocaine is a processed form of cocaine that has become widely available due to its low cost and easy production.⁷

DRUG ABUSE AND INFECTIOUS DISEASE

Drug abusers often use needles to inject drugs into their blood, a practice that spreads infectious diseases such as HIV/AIDS and hepatitis to other drug users. These diseases are spread through contact with an infected person's blood, which can happen when drug users share needles.

The *Global Illicit Drug Trends 2003* report, published by the UN Office on Drugs and Crime, estimated that 14 million people use cocaine. Yet only a handful of countries actually produce large amounts of it. Before 1999, Colombia alone accounted for almost 75 percent of the world's cocaine production. Today, the production of cocaine seems to be decreasing worldwide, but officials are concerned that without strong global partnerships, this trend may not last. Colombia's cocaine production and distribution are famously run by the Fuerzas Armadas Revolucionarias de Colombia (FARC), a violent rebel group in Colombia, and by other powerful, violent gangs. 9

Fortunately, the world's largest consumer of cocaine, the United States, has also succeeded in curbing its use in recent years. But according to the *Global Illicit Drug Trends 2003* report, "cocaine abuse is increasing in South America and cocaine traffickers have been finding new market outlets in Europe." Regional or even global partnerships between cocaine-affected nations may help stop the spread of this problem drug to other areas of the world, especially as the traditional markets shrink in the US and elsewhere.



Marijuana and Hashish

The most commonly used illicit drug is marijuana. Since marijuana comes from the cannabis plant, which is relatively easy to grow both in warm weather and indoors, it is the only illicit drug produced on every inhabited continent. Cannabis can also be used to produce hashish.

In the past, marijuana was often seen as a mild drug with few harmful effects, especially compared to cocaine, heroine and other substances. However, recent studies in the World Drug Report 2006 have found there has been an increase in the potency of re-engineered forms of the cannabis drug. Since the cannabis plant can be grown in any country and is increasing grown indoors in developed countries, it has become exceedingly difficult to find where cannabis users (4 percent of the world's adult population) are securing their supplies. Unlike other illicit drugs, users of cannabis cultivate their own supply allowing for the production to be distributed among a wider range. Therefore, it is difficult for country governments to give accurate estimates of the area of cultivation.¹¹

Synthetic Drugs

Finally, synthetic drugs, or those made by combining chemicals, have become a new concern for the UNODC. These substances can damage the central nervous system, preventing proper function of the body. Because they are produced in laboratories, synthetic drugs can easily be concealed, making drug enforcement nearly impossible. The Netherlands, Poland and Belgium are thought to be the largest sources of synthetic substances worldwide, though production and use seems to be increasing in Eastern Europe. ¹²

Ecstasy, a popular synthetic drug that causes mood changes and hallucinations, is increasingly being used in Western Europe. In the Caribbean, South America, Oceania, Southeast Asia, the near East and Africa, ecstasy consumption has increased at an alarming rate. Even with the consumption rate increasing in many parts of the world, global seizure of ecstasy passed the 8 metric ton mark in 2004, up from less than 5 metric tons in 2003. The highest seizures of ecstasy were reported from Canada, Belgium, Australia, Netherlands and the United Kingdom.¹³

The United Nations Office of Drugs and Crime has placed special emphasis on synthetic drugs since they are easily made and widely used, particularly among young people, and can be easily concealed.

CRITICAL THINKING

Opium, heroin and cocaine production all contribute to instability in developing countries, and are trafficked internationally. Curbing these drugs is therefore an international matter. But cannabis and synthetic drugs are frequently produced locally. Why are these drugs still concerns of the UN?

Consider the fact that marijuana is still trafficked across national borders. Why do you think the case when it is so frequently grown locally, too?



PAST INTERNATIONAL ACTION

International Law on Drugs - Three Major Conventions

The first major international convention dealing with the worldwide drug problem was adopted in 1961. *The Single Convention on Narcotic Drugs* laid out a formal commitment to reduce global drug abuse and made it illegal for anyone outside of the authorized medical community to possess or trade drugs.¹⁴

The second major international treaty dealing with illicit drugs was the *Convention on Psychotropic Substances*, adopted in 1971. This agreement was designed to establish a system of international control for synthetic drugs. It also created guidelines for their legal use as medicines. ¹⁵ According to the convention, legal drugs must have clear labels and warnings on all packaging. In addition, licensed medical and scientific workers using these drugs in a laboratory must keep careful records. And if the drugs are to be shipped out of the country, separate import and export documents must go with them.

In 1988, member states adopted the *United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances*, which calls upon nations to work on reducing demand for drugs. It also suggests that countries enter into agreements with one or several other states to eliminate or reduce demand.¹⁶ The convention also asks nations to agree to international terms for **extraditing** drug traffickers (removing them from one country so that they can be tried by courts in another country). This is very important because drug traders often do not live in the countries to which their drugs are shipped. Nations must create partnerships to enforce drug laws regionally and internationally so that drug traders will not be immune to drug laws, regardless of where they live.

Finally, the convention calls upon nations to create methods for the safe shipment of legal substances that could be used to make illegal synthetic drugs. Again though, these methods will only work if multiple countries apply the same standards. These legal texts banning drug use and production worldwide provide the foundation for anti-drug campaigns. But it is also important for nations to fulfill these conventions by partnering together to attack both the supply and demand of drugs.

Partnerships to Curb Drug Demand

Curbing the demand for drugs is a top priority of the United Nations. In 1998, the UN General Assembly adopted the *Declaration on the Guiding Principles of Drug Demand Reduction*. The declaration recognizes that drug abuse affects all nations and people of all social and economic backgrounds. It requires countries to pay equal attention to reducing both the supply of and demand for drugs. It also calls on countries to offer programs at the community and national level for drug prevention and support for drug abusers.¹⁷

In 1998, the UN General Assembly also approved the *Measures to Enhance International Cooperation to Counter the World Drug Problem*. This document contained a set of action plans regarding synthetic drugs. The General Assembly called upon the World Health Organization



(WHO) and the UN International Drug Control Programme to regularly gather information on illegal drugs and their effects, study the economic and social causes of drug demand, and make this information available to member states. ¹⁸ The declaration also called upon member states to enact border controls to prevent drugs from entering or leaving their territory, improve monitoring of substances that could be used to make synthetic drugs, share more information about drug use and demand, and train law enforcement officials to recognize and seize illegal synthetic substances.

Several UN organs have established guidelines dealing with the demand for drugs in specific sectors. The International Labor Organization (ILO), for example, has established regulations concerning illicit drugs in the workplace. *The ILO Code of Practice on the Management of Alcohol- and Drug-related Issues in the Workplace* was adopted in 1995. It calls for increased awareness among employers worldwide about the harms of drug abuse, especially since drug abuse hurts working environments and productivity. *The Code of Practice* also offers guidelines dealing with the moral and practical issues related to employee drug testing. Several nations have used this code to establish national guidelines regarding drugs in the workplace and to set up support and prevention programs for drug abusers.

In 1998, the UN Drug Control Programme (DCP) launched the Global Assessment Programme on Drug Abuse (GAP). GAP helps member states set up systems of gathering information on drugs, so that they can more accurately determine how and where drugs are being used and produced. GAP works on the global, regional, and national level, encouraging nations to build their own drug information databases and network them with other states.²⁰

Several regions have created cooperative bodies, based upon GAP recommendations, to monitor drug abuse. In the Caribbean, Central and Southwest Asia, East Africa and southern Africa, Member States have created regional organizations to provide assistance in building national drug-control programs. These organizations also conduct studies on drug abuse and drug trade in order to identify areas that need improvement. These information partnerships also allow countries to know what drugs are being traded elsewhere in the region, so that they can prevent problems from spilling across borders.

Partnerships in Alternative Development and Sharing Expertise

Reducing the supply of drugs is often very difficult. Once one nation manages to control its drug supply problem, drug traders and traffickers simply move their production to other nations. As a result, trafficking and production patterns have spread throughout the globe.

The first step to cutting the supply of drugs is to stop farmers from growing drug crops to begin with, since most of the world's problem drugs are made from plants. Here, the UN uses alternative development to encourage farmers to grow crops other than drugs. The UN Office on Drugs and Crime estimates that over four million people worldwide depend on selling their drug crops to survive.²¹ Many farmers make much more money growing drugs than they can make with other crops. For example, in Laos, socio-economic alternatives have been made available to farmers, who have since given drug cultivation, a traditional source of their livelihood.²²



As a result, the UN has encouraged nations to take on new programs to help local farmers make their income by growing legal crops. In Pakistan, drug crop production has been reduced by over 97 percent over the past 20 years through programs aimed at improving rural areas and ensuring sustainable development. As farmers have been able to make more money from legal crops the need to cultivate drug crops has been greatly reduced. But to do this, the government first had to implement wide-reaching changes: creating better roads, providing equipment to farmers, etc.

But alternative development is a difficult goal for developing nations to achieve alone. In order for development projects to be effective, member states must partner not only with other countries, but with nongovernmental organizations and UN bodies as well.

In Libya, officials from UNODC have helped organize an anti-drug and anti-crime campaign, which is being fully funded by the Libyan government. UNODC began working in the country in 2001, and has provided training for 85 drug law enforcement officers. Workshops and seminars have also taken place to increase awareness among youth and to train government officials, while equipment and other types of assistance have been provided to border control officers, crime laboratories and drug abuse treatment centers.²³ The intent is to lessen the demand for drugs, as well as to allow law enforcement officials to stop the supply of drugs and prevent them from reaching the population.

Similar national drug control programs are being put in place around the world. However, the UN must continue to raise awareness about both the demand and supply side of the drug problem and encourage nations to enter arrangements with their neighbors to stop the production, flow and sale of drugs.

RECOMMENDATIONS FOR FORMULATING A RESOLUTION

Delegates should address the following when creating draft resolutions:

- Building partnerships to reduce demand and to help drug abusers overcome their addictions;
- Developing new ways to reduce drug supply;
- Recommending ways to best enforce drug laws across borders; and
- Encouraging region-wide support for anti-drug programs.



QUESTIONS TO CONSIDER

- 1. Does your nation have a drug demand problem? What percentage of your population uses drugs?
- 2. Is your nation a major supplier of illicit drugs worldwide? What has it done to reverse this?
- 3. Has your nation ratified the three major drug conventions or any other international drug-related measures?
- 4. According to your country, how can the UN help reduce drug demand worldwide?
- 5. According to your country, what new measures should be established to prevent the cultivation, trafficking and sale of drugs?
- 6. If your country is a major producer of drugs, what are some "alternative development" measures that your country can take in order to encourage farmers to decrease the cultivation of drugs?

SOURCES FOR RESEARCH

United Nations Office for Drugs and Crime www.unodc.org

Global Illicit Drug Trends Report www.unodc.org/unodc/en/global illicit drug trends.html

US Office of National Drug Control Policy <u>www.whitehousedrugpolicy.gov</u>

What is Alternative Development? www.unodc.org/unodc/en/alternative_development.html



TERMS AND CONCEPTS

Addiction: a physical or mental craving for a drug.

Alternative development: as defined by the United Nations, "a process to prevent and eliminate the illicit cultivation of plants containing narcotic drugs and psychotropic substances through specifically designed rural development measures in the context of sustained national economic growth and sustainable development efforts in countries taking action against drugs, recognizing the particular socio-cultural characteristics of the target communities and groups, within the framework of a comprehensive and permanent solution to the problem of illicit drugs."

<u>Depressants</u>: drugs that slow down the central nervous system, affecting heart rate, blood pressure and breathing.

Drug Seizures: confiscating drugs and drug crops.

Extradite: the process of handing over criminal suspects from one country to the authorities of another.

Hallucinogens: drugs that alter a person's senses, thoughts and feelings.

Illicit: illegal.

Narcotics: addictive drugs.

Stimulants: drugs that speed up these functions in the body.

Synthetic drugs: drugs that are produced using chemical compounds.



TOPIC: ERADICATION OF POVERTY

Introduction

The World Bank definition of poverty says that anyone living on less than US \$3 a day is in poverty, and anyone living on less than \$1 a day is in extreme poverty. By these definitions, over half of the world's people live in poverty. And even though the global economy continues to grow at a remarkable rate, there are still over one billion people living in **extreme poverty**. A shocking eight million people die each year because they are too poor to survive. ²⁵

Poverty prevents people from fulfilling their basic needs, including food, safe water, health care and shelter. But it also prevents people from reaching their potential and accessing important opportunities such as the chance to go to school, start a business, or participate in the political process. Without these opportunities, people have little chance of pulling themselves out of poverty. Since poverty threatens people's lives and prevents them from reaching their potential, it is extremely important that poverty be **eradicated**—or completely gotten rid of.

In developing countries, poverty often affects as much as 80 percent of the population. Developing countries are poorer countries with weaker economies that often rely on agriculture as their source of income. These countries are usually not **industrialized**, so they do not get a large part of their income from manufactured products. Oftentimes developing countries do not have well-functioning **markets**, or systems by which goods and services are bought and sold. It is important to note, however, that poverty also exists in developed countries. Even in the country with the largest economy in the world, the United States, 12.7 percent of the population lives in poverty.²⁶

BACKGROUND

There are many reasons that poverty is such a widespread and serious problem. Sometimes geography plays a role in poverty. Many developing countries suffer from challenges like being **landlocked**, having widespread infectious diseases or poor land for farming, all of which can make development more difficult. Infectious diseases that are most harmful to development include Malaria, Tuberculosis (TB) and HIV/AIDS. All of these are treatable illnesses, but people living in poverty rarely have access to good medical care.

HIV/AIDS has claimed the lives of over 21 million people.²⁷ According to the UN, AIDS "threatens development, social cohesion, political stability, food security and life expectancy and imposes a devastating economic burden that requires urgent action." Malaria is also extremely costly. In fact, it is slowing economic growth in Africa by up to 1.3 percent per year, making it far more costly to ignore than to treat. Almost 60 percent of all deaths from Malaria occur in the poorest 20 percent of the world.³⁰

Armed conflict is another factor that has plagued many developing countries for decades. Conflict often completely stops development, and can even reverse it. War destroys infrastructure, kills people, prevents children from being educated, and worsens existing problems with hunger and disease. Refugees, people who must flee from their homes and their country because of the fear of violence, often live in poverty.



There are other political factors that also affect development. Many developing countries only became independent states in the second half of the 20th century. Before that, many were colonies that were controlled by European powers. The colonies were set up so that natural resources could be extracted and shipped to Europe, where they would then be used to manufacture goods to be sold in Europe. Consequently, the **infrastructure** of the colonies was not set up to facilitate trade within the colony or among all the colonies in a region. When the European powers left and the colonies became independent countries, they were left with very few industries, railroads that did not connect, and markets that did not interact. This "**colonial legacy**" must be overcome in practical ways in order to encourage development in the former colonies in Africa, Latin America, the Middle East and Asia.

Partially as a result of colonial legacies, many developing countries now have **commodity-based economies**. Commodities are raw materials like wood, grains, or metals. These crops or substances are grown or collected and then often sold to other countries, where they go through a manufacturing process. There the raw materials become products that can be sold to consumers, such as furniture, breakfast cereal or jewelry. This manufacturing process often takes place in developed countries. Because the prices of raw materials are generally low, and the prices of manufactured goods are relatively high, most of the profit goes to companies in developed countries.

Even as communication technologies make the world more interconnected, it is clear that many people in poverty are being left behind. About 80 percent of the world's population has no access to reliable telecommunications technology, such as the Internet, telephones or FAX machines.³¹ The emergence of this "digital divide" raises many concerns. According to the United Nations Development Programme, "96 percent of Internet-host computers reside in the highest-income nations with only 16 percent of the world's population. There are more Internet hosts in Finland than the whole of Latin America and the Caribbean, more in New York City than on the entire continent of Africa." Without access to technology, communities in poverty cannot share information, educate themselves properly or participate in the international economy.

Strategies for Development

In order to alleviate poverty, many countries focus on developing their economies. Economic growth is vital, but it does not always achieve development or poverty alleviation. In order to help alleviate poverty, the new wealth must get to the people in need. Societies that suffer from a lot of inequality also frequently have many people living in poverty. Growth is essential for development, but alone it is not enough.

Many economists believe that one of the best ways to encourage economic growth is for a country to participate in the global economy. Several rapidly-growing economies in South East Asia focused on using **exports** to create economic growth, a strategy that has been very successful for them. But many other countries struggle with the best way to grow their economies.



Countries are often encouraged by international financial institutions to **liberalize**, or open their economies up to the free market. This allows countries to take advantage of international trade and encourages the development of a **private sector**. The private sector is made up of all the people and organizations that are not controlled by a government, including individual citizens, companies and corporations, banks, and nongovernmental organizations. Specifically, businesses are the focus of discussions about development of the private sector. Private enterprise has an extremely important role to play in social and economic development around the world.

The existence of private business is the basis of any free-market economy. A free market economy is one that is controlled by markets—the buying and selling of goods and services. Free-market economies, also called liberal economies, are widely considered to be the most effective type of economy for producing economic growth.

Businesses drive growth in a free-market economy by creating jobs, expanding infrastructure and buying and selling goods and services. In addition, they pay money to the government in the form of taxes, which can be used to pay for important social services like education and health care. Finally, they help countries to build capacity—the potential to produce more in the future—by teaching workers new skills and bringing new technology into the country.

Although the enlargement of the private sector is an important component of development, it is very controversial. Oftentimes, expanding the private sector requires the government to make reforms that are painful for a country and its citizens. Due to the nature of these reforms, some people will lose their jobs, the prices of food and other necessities often increase substantially, and government funding for social services may be cut drastically.

It is important to remember that the purpose of development strategies is to help to alleviate poverty. Private sector development achieves this in two ways. First, the private sector can contribute to economic growth. Second, the private sector can help to empower a country's poor people by offering them a range of goods and services at lower costs.³³ Competition within the private sector is what helps to lower consumer prices over time. However, it is important for any development strategy to protect the social welfare of the people. Otherwise, development of the private sector will hurt the very people that it was designed to help.

There are several different types of strategies for encouraging private sector development. First and foremost, bringing about private sector development requires the government to create an attractive **business environment**. Confidence in the business environment is an important factor in encouraging private sector growth. The desire and ability of businesses to grow and create jobs, and for people to invest in new business opportunities, depends on how much profit they can reasonably expect to make. When governments make their country's business environment more attractive, businesses expect higher profits, so they are more likely to invest and to start new businesses.³⁴

Microcredit

Microcredit involves providing very small loans to poor individuals so that they can start small businesses. Small-scale loans can be hard to obtain in a developing country, because there are few credit agencies and unclear property rights. Also, very poor people usually do not meet the



requirements to receive traditional loans.³⁵ Microcredit has helped to empower many people in the developing world, especially women, by allowing them to start businesses. These individuals build wealth and are able to pull themselves out of poverty. Microcredit has been such a successful tool in development that the UN declared 2005 the International Year of Microcredit.³⁶

Foreign Direct Investment

Foreign direct investment (FDI) is defined by the UN Conference on Trade and Development (UNCTAD) as "investment made to acquire lasting interest in enterprises operating outside of the economy of the investor." This simply means that a company from one country invests in another country and maintains control over the asset that they acquired. Foreign direct investments are often factories or other types of physical property that a company from one country buys inside the borders of another country. According to UNCTAD, the there are currently over 60,000 transnational corporations engaging in FDI. ³⁸

Many countries, especially developing nations, are very eager to attract foreign direct investment. It is an important part of many development strategies.

Although FDI is an important component of development, it is very controversial. Oftentimes, making a country attractive to investors requires the government to make reforms that are painful for a country and its citizens. Also, **multinational corporations** sometimes abuse workers' or consumers' rights.

Overall, most economic experts agree that FDI can be a positive influence on a country's economic development. And there are other benefits to FDI that make it better for developing countries than other types of investment. First, FDI is fairly stable during times of economic crisis. Because physical investments like factories cannot easily be moved, firms are not as likely to pick up and leave during a financial crisis. For instance, in East Asian countries, FDI proved to be stable even during the global financial crises of 1997-98, whereas other types of investment did decrease during this period.³⁹ However, it is important for countries to hold multinational corporations to high ethical standards so that society can benefit from their investment.

CRITICAL THINKING

Can you think of some specific examples of structural violence?

Looking at Poverty Holistically

It is important that efforts to eradicate poverty consider all of the different factors that keep people in poverty. Some social theorists use the term "**structural violence**" to talk about the social forces that keep people in poverty. Structural violence occurs when people have unequal access to resources, political power, education and health care. Like physical violence, these inequalities result in suffering and death. However, structural violence can be harder to detect because there is no one person or group that commits it. All over the world people die of hunger and disease even when there is enough food and medicine, because they lack access to resources and power.



The Millennium Campaign is an important initiative that is trying to address many aspects of poverty together, recognizing that many factors that cause poverty are interrelated. The goals set forth by the *Millennium Declaration*, known as the Millennium Development Goals (MDGs), are clearly defined and universally agreed upon by the heads of each member state. The MDGs focus attention the world's most pressing concerns. Each goal includes target deadlines; most are set for 2015. Both developing and developed nations committed themselves to action. To achieve the goals, poor nations pledged to improve their governments and industrialized nations promised to deliver more aid to nations in need.

In pursuing the MDGs, individual governments must make strong efforts to promote equality, education, economic growth and development. But to accomplish these world-wide goals, UN specialized agencies, the members of the business community and **nongovernmental organizations** must also contribute to the effort. As Secretary-General Kofi Annan has said, "The United Nations once dealt only with governments. By now we know that peace and prosperity cannot be achieved without partnerships involving governments, international organizations, the business community and civil society."

At the center of the *Millennium Declaration* are the Millennium Development Goals (MDGs):

- 1. Eradicate extreme poverty and hunger;
- 2. Achieve universal primary education;
- 3. Promote gender equality and empower women;
- 4. Reduce child mortality;
- 5. Improve maternal health;
- 6. Combat HIV/AIDS, malaria and other diseases;
- 7. Ensure environmental sustainability; and
- 8. Develop a global partnership for development.

All nations have agreed to meet these goals by 2015.

CRITICAL THINKING

Many factors contribute to poverty. Which of these goals depend on one or more of the other goals in order to be achieved? How do the goals relate to one another?

PAST INTERNATIONAL ACTION

The MDGs are one of the most recent efforts to alleviate poverty. However, the international community has been working on development issues for many years. The World Bank and the International Monetary Fund (IMF) were created in an effort to reconstruct Europe following World War II. Both the IMF and the World Bank provide financial and development aid to developing countries. However, their role is very controversial because they often tie the funds to conditions that countries must meet. Oftentimes countries must decrease funding for health care and education, measures which many people feel will make the problem of poverty worse. Even



so, the IMF and World Bank are often seen as important sources of development assistance and technical expertise.

The Commission for Social Development provides support to member states in eradication poverty. It is the focal point of First United Nations Decade for the Eradication of Poverty, (1997-2006) declared by the General Assembly in December 1996. The theme for the decade is "Eradicating poverty is an ethical, social, political and economic imperative of humankind." The United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the Commission on Sustainable Development (CSD) are just a few of the many UN bodies that deal with poverty and development issues.

Nongovernmental organizations also play an important role in efforts to eradicate poverty. The ONE Campaign, Bread for the World and Social Watch are all examples of NGOs that address one or more aspects of global poverty.

RECOMMENDATIONS FOR FORMULATING A RESOLUTION

Delegates should first reflect on the complex historical, social, economic, geographical and political factors that force people to live in poverty. Delegates should them consider the following when formulating draft resolutions:

- Finding ways to encourage good governance in developing countries so that development aid is used effectively;
- Encouraging developed countries to provide necessary resources including food, monetary aid and technical assistance;
- Laying the groundwork for sustainable development by taking measures to help achieve the MDGs and urging states to combat inequality; and
- Forming partnerships for development between corporations, developed and developing nations, UN organizations and civil society.

In addition, delegates should consider the following strategies recommended by the World Bank:

- Investment in education and health
- Increasing productivity of small farms
- Improving infrastructure (for example, roads)
- Developing an industrial policy to promote manufacturing
- Promoting democracy and human rights
- Ensuring environmental protection

QUESTIONS TO CONSIDER

- 1. Is your country developed or developing?
- 2. What percentage of people live in poverty in your country? How does your country define who is in poverty?
- 3. Is there a lot of inequality among your citizens?
- 4. What has your country done to alleviate poverty?
- 5. What has your country done to achieve the Millennium Development Goals?
- 6. Does your country give or receive development assistance?



SOURCES FOR RESEARCH

United Nations Development Program www.undp.org/poverty

UN Conference on Trade and Development www.unctad.org

Globalization 101 www.globalization101.org

World Bank http://rru.worldbank.org/PapersLinks/Economic-Growth-Poverty-Alleviation



TERMS AND CONCEPTS

Extreme poverty: living on less than \$1 per day.

<u>Eradicate</u>: to wipe out or destroy completely.

<u>Industrialized</u>: describes a relatively developed economy that has industries and manufacturing facilities.

Markets: systems through which goods and services are bought and sold.

<u>Landlocked</u>: surrounded entirely by land. Landlocked countries often experience challenges with development because they have no access to a port that allows them to trade internationally.

<u>Infrastructure</u>: the basic facilities and systems a society needs to function, including roads, telecommunication and electricity grids, water systems, sanitation, and schools.

"Colonial legacy": a term that refers to the ongoing social, economic and political dilemmas that former colonies faced after years of domination by colonial powers.

<u>Commodity-based economies</u>: economies that are based on the export of raw materials like agricultural products or minerals. Commodity-based economies are often found in developing countries because commodities sell for less than manufactured goods.

ALLEVIATE: TO EASE, LESSEN OR IMPROVE UPON.

Exports: Goods produced in one country that are sold in another country.

<u>Business environment</u>: the conditions under which businesses operate in a country. If there is a favorable business environment, there will be more investment and more private sector activity.

Microcredit: Small loans to poor people to help them start businesses.

Foreign direct investment (FDI): investment by a company in a foreign country that gives them a lasting interest in that country, such as a factory or production plant.

Multinational corporations: Corporations that operate in more than one country.



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