

BACKGROUND GUIDE

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NATIONAL MODEL | UNITED NATIONS | 2017

The World's Largest College Model United Nations

18 - 22 MARCH - SHERATON NEW YORK HOTEL

20 - 24 MARCH - NEW YORK MARRIOTT MARQUIS HOTEL

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN (ECLAC)

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Please consult the FAQ section of www.nmun.org for answers to your questions. If you do not find a satisfactory answer you may also contact the individuals below for personal assistance. They may answer your question(s) or refer you to the best source for an answer.

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NMUN IMPORTANT DATES | 2010

IMPORTANT NOTICE: To make hotel reservations, you must use the forms at www.nmun.org and include a \$1,000 deposit. Discount rates are available until the room block is full or 18 February - WHICHEVER COMES FIRST. **PLEASE BOOK EARLY!**

31 January 2007

(Wednesday)

- Confirm Attendance & Delegate Count. (Count may be changed up to 1 March)
- Make Transportation Arrangements - DON'T FORGET!
(We recommend confirming hotel accommodations prior to booking flights)

15 February 2007

(Thursday)

- Committee Updates Posted to www.nmun.org

22 February 2007

(Thursday)

- Discount Hotel Rates Expire. REGISTER EARLY - REGISTRATION IS FIRST-COME FIRST-SERVED
- Position Papers Due Via E-mail (*see next page for instructions*)

1 March 2007

(Thursday)

- Full Pre-Payment Due to Hotel
- Any Changes to Delegate Numbers Must be Confirmed to eaton@nmun.org
- All Conference Fees Due to NMUN for confirmed delegates. (\$100 per delegate if paid by 1 March; \$125 per delegate if received after 1 March. Fee is not refundable after this deadline)

March 2007

The 2007 National Model UN Conference

- 18 - 22 March - Sheraton New York
- 20 - 24 March - New York Marriott Marquis

TWO COPIES OF EACH POSITION PAPER SHOULD BE SENT VIA E-MAIL BY 22 FEBRUARY 2007

1. TO COMMITTEE STAFF

A file of the position paper (.doc or .pdf) for each assigned committee should be sent to the committee e-mail address listed below. Mail papers by 22 February to the e-mail address listed for your particular venue. These e-mail addresses will be active after 15 November. Delegates should carbon copy (cc:) themselves as confirmation of receipt.

2. TO DIRECTOR-GENERAL

- Each delegation should send one set of all position papers for each assignment to the e-mail designated for their venue: positionpapers.sheraton@nmun.org or positionpapers.marriott@nmun.org. This set (held by each Director-General) will serve as a back-up copy in case individual committee directors cannot open attachments. NOTE: This e-mail should only be used as a repository for position papers.
- The head delegate or faculty member sending this message should cc: him/herself as confirmation of receipt. (Free programs like Adobe Acrobat or WinZip may need to be used to compress files if they are not plain text.)
- Because of the potential volume of e-mail, only one e-mail from the Head Delegate or Faculty Advisor containing all attached position papers will be accepted. *Please put the school or delegation's name in the subject line.* If you have any questions, please contact the Director-General at dirgen@nmun.org.

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| Entire Set of Delegation Position Papers (due 22 February): | positionpapers.sheraton@nmun.org |
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THE 2007 NATIONAL MODEL UNITED NATIONS

SPONSORED BY THE NATIONAL COLLEGIATE CONFERENCE ASSOCIATION

New York City, 18-22 March (Sheraton) & 20-24 March (Marriott) • www.nmun.org

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November 2006

Dear Delegates,

On behalf of the Directors, Assistant Directors, Senior and Executive Staffs, and the National Collegiate Conference Association, we would like to take this time to welcome officially you to the 2007 National Model United Nations Conference. Our staff has worked most diligently throughout the year to provide you with what we believe are outstanding preparation materials for your participation in this year's conference. It is our sincere hope that these materials serve you well in your preparation for March.

We are also very excited about the dual venues of this year's conference. While the second venue has posed challenges, we believe it will act as an effective method in greater facilitation of delegation and faculty member needs. The addition of Deputy Chiefs of Staff for both venues will also allow us to assist further you during the course of the conference. Should you find that you need assistance of any type throughout the week of your venue participation, please feel free to call on any member of staff, as they are all trained to be of assistance to and best facilitate you, our valued participants. It is important to remember that, although the conference is divided into two venues, the continuity of the conference remains intact for the 2007 conference. No one venue is more important than the other and our staff has been trained to ensure this continuity as well.

This manual has been provided as a resource for your preparation for the 2007 conference. In it you will find answers to many pressing questions delegates and faculty may have about the conference and delegate preparation. To continue further the educational aspect of the conference, we are pleased to announce that we have introduced several new committees this year. In an attempt to place greater emphasis on the promotion of the preservation of our global environment, we have introduced the simulation of the International Hydrological Programme and the United Nations World Tourism Organization, which will focus on environmental issues that take great priority on the United Nations agenda. In addition, we are simulating the International Criminal Tribunal for the Former Yugoslavia, which we believe will be an extremely interesting simulation for delegates at both venues. We are very excited about these variations, as we believe that they will provide very interesting and educational experiences for their participants.

We are also very excited to not only provide more educational materials regarding the environment this year, but also in taking great strides to promote its protection during the course of both venues. Our first effort to this end is only to provide electronic copies of all conference materials, thus greatly reducing the incredible amount of paper the conference uses every year. The background guides that are sent out each year use an incredible amount of paper that could easily be saved. We are also committed to using only recycled paper during the course of the conference, as well as recycling the paper that is used in each committee of both venues. Our conference T-shirts this year will use only environmentally friendly inks and a portion of the proceeds of their sale will go to an environmental charity. It is the firm belief of this year's staff that, in order to promote our sincere goals of further protection of our planet, we must first practice what we preach. We are extremely proud of all efforts we are taking to preserve our planet in any method we can.

Please note that all position papers must be sent, via electronic mail, to two individual addresses this year. One copy of your papers, as a whole, must be sent to your delegations appropriate venue (either positionpapers.sheraton@nmun.org or positionpapers.marriott@nmun.org). This address will serve as a depository for all papers submitted to each venue. We, the Directors-General, will maintain a database of all submitted papers, which will be crosschecked against the individual submissions. The individual committee papers should be sent to the email addresses included on the front page of your committee background guides. It is very important that all directions for emailing these guides, as outlined in both the background guides and in the Delegate Prep guide, be followed. With the dual venues, we are making every effort possible to ensure that their proper committee Directors receives all papers. We also recommend that delegations carbon copy themselves on all electronic submissions to ensure proper tracking of your position papers. Should any delegation require any assistance in the delivery of their papers, please contact us, as we will be happy to facilitate any problems that may arise in this process.

We sincerely look forward to meeting and working with you at the upcoming conference. We both have worked hard to do what we can to provide you with the materials you need to have an amazing experience in March. Should you find that you have any questions regarding the published materials, parliamentary procedure, delegate preparation, or the rules of the conference, please do not hesitate to contact us. We are happy to be of assistance in any way that we can. Our primary goal is to provide you with an outstanding educational experience.

Sincerely yours,

Jacob Schanzenbach
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History of the Economic Commission for Latin American and the Caribbean (ECLAC)

The Economic Commission for Latin America (ECLA) was established by the Economic and Social Council (ECOSOC) in Resolution ECOSOC 106(VI) on February 25, 1948. At its inception there were 20 Latin American Members and several Western countries.¹ The ECLA became the Economic Commission for Latin America and the Caribbean (ECLAC) when the “scope of the Commission's work was later broadened to include the countries of the Caribbean” and ECOSOC changed the Commission's name to ECLAC with Resolution ECOSOC 1984/67.² The ECLAC is one of the five regional commissions under the administration of the United Nations (UN) that report to ECOSOC, and, as such, has the mandate to foster regional integration and to promote international cooperation so as to enhance the region's development.³ Today the Commission is composed of 42 Member States and seven associate Members.⁴

The Commission comprises nine divisions: Economic Development, Social Development, the Statistics and Economic Projection Division, the Population and Development Division, the International Trade and Integration Division, the Economic and Social Planning Division (ILPES), the Productive Development and Management Division, the Sustainable Development and Human Development and Human Settlement, and the Natural Resources and Infrastructures Division.⁵ Furthermore, the ECLAC has established several units specialized in particular fields, such as the Women and Development Unit working on gender questions, a Special Studies Unit working on economic and social finance, a unit working on Natural Resources and Energy, and a Transport unit.⁶

According to its mandate, defined in ECOSOC Resolutions including ECOSOC106(VI), ECOSOC 234(X), ECOSOC 414 (XIII, and Resolution 723 C (XXVIII), the Commission organizes its work in four main areas: research, policy analysis, and advocacy; the organization of conferences and knowledge sharing; implementation at the local level and technical assistance; and the integration and enhancement of partnerships.

Research, Policy Analysis, and Advocacy

One of ECLAC's missions is to “undertake studies, research and other support activities within the terms of reference of the Commission.”⁷ Furthermore, the Commission “provides advisory services to Governments at their request.”⁸ Over the course of its 55-year existence, the ECLAC has published documents analyzing a wide spectrum of topics. These documents can be divided into two broad categories. The first includes books in which authors analyze policies and try to develop policy guidelines for governments according to their local or country-level realities. The second category includes documents that are attempts to develop new theories for a regional approach to problems instead of an exclusively global analysis of economic and social problems.

Documents produced by the ECLAC are usually organized around a presentation and analysis of the issue in the region. The documents then examine the issue from a global approach before elaborating on the regional implications and formulating policy guidelines to address the issue. Economic issues of the late 1970s and early

¹ United Nations. (1954). *The Economic Growth of Twenty Republics: the work of the Economic Commission for Latin America*. United Nations Publications, p. 14.

² United Nations Economic Commission for Latin America and the Caribbean. *About ECLAC*. Retrieved July 5, 2006, from <http://www.eclac.cl/acerca/default-i.asp>

³ United Nations Economic Commission for Africa. *About UNECA*. Retrieved August 12, 2006, from <http://www.uneca.org/overview.htm>

⁴ United Nations Economic Commission for Latin America and the Caribbean. *Member States*. Retrieved July 5, 2006, from http://www.eclac.cl/cgi-bin/getprod.asp?xml=/noticias/paginas/7/21497/P21497.xml&xsl=/tpl-i/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

⁵ United Nations Economic Commission for Latin America and the Caribbean. *Divisions*. Retrieved July 5, 2006, from <http://www.eclac.cl/divisiones/default.asp?idioma=IN>

⁶ *Ibid.*

⁷ United Nations Economic Commission for Latin America and the Caribbean. *The Mandate and Mission*. Retrieved July 11, 2006, from http://www.eclac.cl/cgi-bin/getprod.asp?xml=/noticias/paginas/7/21477/P21477.xml&xsl=/tpl/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

⁸ *Ibid.*

1980s were studied within the context of an international financial crisis;⁹ the question of social equity in the context of enhancing productivity was analyzed within the “international scenario.”¹⁰

Furthermore, in most of these publications the authors have tried to develop theories from the periphery, basing work on mainstream economic theory but formulating atypical policy recommendations. The ECLAC literature, however, qualifies these policies as orthodox, as they were (and still are) systematically applied no matter what the national situation and realities are. For example, in the mid-1980s, the authors of *Debt, Adjustment, and Renegotiation in Latin America: Orthodox and Alternative Approaches*, “well aware that orthodox approaches are often applied because of the lack of alternatives ... take on the task of suggesting alternative approaches to adjustment and debt renegotiation which are not only normatively desirable, but theoretically sound and operational.”¹¹ In this particular book, each article, whether it concerns debt or adjustment, aims not to reproduce the generalization that plagues the IMF adjustment policies. As Richard Lynn Ground wrote, the orthodox approach has “shortcomings that in practice cause unnecessary welfare losses.”¹² Although he proposes some reforms that he describes as “unrealistic,” he tries to develop proposals which are “attractive ... because ... they do not entail any cost, and they would (virtually) eliminate the recessionary bias associated with conditionality.”¹³

This has generated two major thrusts. First, the ECLAC has allowed the development of policies that are drafted by people familiar with the context of where these policies would be implemented. Second, by generating research, the ECLAC has promoted the publicity of approaches more adaptable to regional realities. The ECLAC projects have often tried to develop different approaches and paradigms to find solutions to common regional problems where “mainstream economic thinking still considers countries and their national economies as autonomous entities, without asymmetries or externalities among them”¹⁴ which, as a result, “leaves no room for a regional strategy.”¹⁵

Even extensive research and analysis could not prevent the crisis of the 1980s, when the “debt problem, [which] brewed in the seventies, became a permanent obstacle to development.”¹⁶ However, research, policy analysis, and advocacy have played an important role in the development of a regional strategy; the capacity of the ECLAC to adapt to the different situations over the past 50 years proves it, as the Commission has adjusted its theoretical approach¹⁷ to the realities it encountered so as to answer their challenges.¹⁸ In the 1990s, the ECLAC Members undertook “structural reforms with the aim of creating more stable economies which would form a more integral part of the international context, and would be capable of significant, sustained growth. The emphases on strong economic policy, Governments’ commitment to the aims of reform, and the gradual stabilization of their economies coincided with favorable changes in international conditions.”¹⁹

Chile is an interesting example: in 1990 the country crafted a system of “prudential regulation and supervision of pension funds. ... The authorities opted to replace the country’s existing pay-as-you-go funded pension plans for an

⁹ Guerguil, M. (1986). The International Financial Crisis: Diagnosis and Prescriptions. In *Debt, Adjustment, and Renegotiation in Latin America: Orthodox and Alternative Approaches* (29-64). UN ECLAC: L. Rienner Publishers.

¹⁰ United Nations Economic Commission for Latin America and the Caribbean. (1992). Chapter Two: The International Scenario. In *Social Equity and Changing Production Patterns: An Integrated Approach* (45-62). UN ECLAC.

¹¹ United Nations Economic Commission for Latin America and the Caribbean (1986). *Debt, Adjustment, and Renegotiation in Latin America: Orthodox and Alternative Approaches*. UN ECLAC: L. Rienner Publishers, p. ix.

¹² Ground, R. L. (1986). A Survey and Critique of IMF Adjustment Programme. In *Debt, Adjustment, and Renegotiation in Latin America: Orthodox and Alternatives* (101). Boulder, Colorado: L. Rienner Publishers.

¹³ *Ibid.*

¹⁴ Ghymers, C. (2005, April). *Fostering economic policy coordination in Latin America: The REDIMA approach to escaping the prisoner’s dilemma*, p. 16. Retrieved July 14, 2006 from <http://www.eclac.cl/publicaciones/DesarrolloEconomico/0/LCG2270PI/lcg2270i.pdf>

¹⁵ *Ibid.*, p. 146.

¹⁶ United Nations Economic Commission for Latin America and the Caribbean. (1990). *Latin America and the Caribbean: Options to Reduce the Debt Burden*. United Nations, ECLAC, Santiago, Chile, p. 7.

¹⁷ United Nations Economic Commission for Latin America and the Caribbean. *Evolution of ECLAC Ideas*. Retrieved July 5th, 2006, from http://www.eclac.cl/cgi-bin/getprod.asp?xml=/noticias/paginas/4/14004/P14004.xml&xsl=/tpl-i/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

¹⁸ United Nations. (1954). *The Economic Growth of Twenty Republics: the work of the Economic Commission for Latin America*. United Nations, pp. 14-20.

¹⁹ United Nations Economic Commission for Latin America and the Caribbean. (1996). *The Economic Experience of the Last Fifteen Years: Latin America and the Caribbean, 1980-1995*, Santiago, Chile.

individual-funded pension system. By the end of 1992, the pension fund resources were equivalent to 34% of the GDP.²⁰ Other countries have implemented the same kind of model: Argentina, Bolivia, Brazil, El Salvador, Paraguay, and Venezuela.²¹

Integration and Enhancing Partnerships

The ECLAC “formulates and promotes development cooperation activities and projects of regional and subregional scope, commensurate with the needs and priorities of the region and acts as an executing agency for such projects.”²² The Secretariat also “coordinates ECLAC activities with those of the major departments and offices at UN Headquarters, specialized agencies and intergovernmental organizations” to avoid duplication and ensure complementarity in the exchange of information.²³

Although partnerships can be established at a national level and without the actual intervention of the ECLAC, the Commission tries to encourage partnerships within the region and with other parts of the world, notably South-South cooperation, especially since the *Panama Convention* in 1975 and the *Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries* adopted in GA Resolution 33/134 in 1978.²⁴ Accordingly, on July 26th 2006, “the [ECLAC] and the Spanish Agency for International Cooperation [known by its acronym AECI] signed a collaboration agreement to extend the joint work of both organizations. ... Under this agreement, the ECLAC will conduct diverse activities” within the scope of its mandate.²⁵

There are several partnership programs with non-governmental organizations (NGOs), foundations, countries, or other types of multilateral organizations such as the European Commission. The Macroeconomic Dialogue Project (REDIMA) is one of these programs, developed with the European Union; it promotes South-South cooperation. This cooperation “is fostered through the creation of dialogue and the exchanges of good practices in fiscal aspects of economic convergence, debt management, and the role of regional reserve funds, among other macroeconomic issues. For example, the meeting of the REDIMACAN group in June 2005 considered good practices in the design of monetary instruments and policies for setting inflation targets.”²⁶

Another ongoing project, between the ECLAC and the UN Development Account, aims “to strengthen the capacity of Latin American and Caribbean countries to produce timely and reliable social and environmental statistics to improve the formulation and monitoring of development policies, while enhancing coordination among the region’s countries in the production of statistics.”²⁷ With these objectives in mind, experts and institutions from 22 countries in Latin America and the Caribbean created a network and directory on social and environmental statistics. In 2005, the Network of Institutions and Experts on Social and Environmental Statistics (REDESA) Network facilitated horizontal cooperation between the Secretariat of the Environment and Natural Resources (SEMARNAT) of Mexico, the Brazilian Geographical and Statistical Institute (IBGE), and the Ministry of the Environment of Brazil.

²⁰ United Nations Economic Commission for Latin America and the Caribbean. (1995). *Policies to Improve Linkages with the Global Economy*. Santiago, Chile, p. 279.

²¹ *Ibid.*, p. 280.

²² *Ibid.*

²³ *Ibid.*

²⁴ United Nations Economic Commission for Latin America and the Caribbean. *Events relevant to South-South Cooperation*. Retrieved August 12, 2006, from http://www.eclac.cl/cooperacion/noticias/paginas/4/25934/south_south_relevantevents.pdf

²⁵ “ECLAC and Spanish Cooperation Agency Sign Collaboration Agreement : *Operating Plan for 2006 sets out cooperation projects.*” Press Center, ECLAC. Retrieved August 12, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/6/26216/P26216.xml&xsl=/prensa/tpl-i/p6f.xsl&base=/tpl-i/top-bottom.xsl>

²⁶ United Nations Economic Commission for Latin America and the Caribbean. *South-South Cooperation*, p. 1. Retrieved August 12, 2006, from http://www.eclac.cl/cooperacion/noticias/paginas/4/25934/south_south_projects.pdf

²⁷ *Ibid.*, p. 3.

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I. Building Institutions for Economic Growth

*The comparative experience with economic growth over the last few decades has taught us a number of important lessons. One of the more important of these is the importance of private initiative and incentives. All instances of successful development are ultimately the collective result of individual decisions by entrepreneurs to invest in risky new ventures and try out new things.*²⁸

Economic growth is persistently thought to be primordial to eradicate poverty that plagues the developing world—the Latin America and the Caribbean (LAC) region is no exception. Numerous economists identify a link between the strength of economic and political institutions and economic growth. Weak, underperforming institutions are impairing economic growth in these regions. Institutions are constraints introduced by society to structure political, economic, and social interactions.²⁹ More explicitly, institutions should be thought as “informal constraints (sanctions, taboos, customs, traditions and codes of conducts), and formal rules (constitutions, laws, property rights).”³⁰ In a broad sense, the main goal of institutions is to reduce the uncertainty related to exchanges; the resulting trust facilitates them.³¹ Strong institutions are becoming even more important in a globalized world where products, services, capital, and labor flow constantly more freely. For LAC as a whole, or any country in particular, the risk of not embracing the challenge of improving institutions could mean excluding itself from the global arena.

²⁸ Rodrik, Dani. (2000). Institutions for High-Quality Growth: What They Are and How to Acquire Them. *Studies in Comparative International Development*, 35(3), p. 3.

²⁹ North, Douglass C. (1991). Institutions. *Journal of Economic Perspective*, 5(1), p. 97.

³⁰ *Ibid.*

³¹ *Ibid.*

This might possibly condemn the region to mediocre economic growth—and the problematic social and political fallout that comes with it.

The 1980s are often referred to as the “lost decade” for LAC because economic growth was nonexistent.³² In 1989, the term “Washington Consensus”³³ was stamped to ten policies that economist John Williamson observed in Latin America—domestic policies those countries had enacted under United-States-based advisement, aimed at fostering economic growth.³⁴ Williamson observed the following proposed or undertaken reforms: fiscal discipline, meaning no public deficits; public expenditures towards education, health, and infrastructure; tax reform towards a broader tax base; interests rates set by domestic financial markets; competitive exchange rates; trade liberalization; encouragement of foreign direct investment (FDI); privatization of state-owned enterprises; deregulation; and the enforcement of property rights.³⁵

Overall, the high hopes related to these market-oriented structural reforms undertaken after the “lost decade” had gone unfulfilled.³⁶ Building stronger institutions would play a great role in enhancing the economic prospects for the population of LAC.³⁷ Some experts tend to believe that institutions are the primary cause that explains growth trends and that geography and trade are not as significant.³⁸ However, there are other schools of thoughts, like those related to role of geography or the role of international trade.³⁹ An example of the role of institutions that fosters economic growth is the case of the East Asian Tigers (Hong-Kong, Taiwan, Singapore, and South Korea), where governments put emphasis on education, liberalized importations, and subsidized exportations, and devalued their currency.⁴⁰ For the country implementing the currency devaluation, the devaluation renders exports less expensive to foreign markets and makes imports less attractive at home, which helps to build an industrial base.

A major obstacle to attaining higher economic growth is the corruption that is ingrained in the LAC institutions. Corruption comprises the efficiency of judicial systems and the dishonesty of civil servants such as policemen and tax and customs officers.⁴¹ According to Transparency International’s 2005 *Corruption Perception Index*, corruption varies greatly within LAC: Chile ranks the highest in 21st place, while Haiti closes the LAC ranking in 155th place.⁴² Another problem stems from the lack of access to education, health-care, and social services that are caused by the weakness of the institutions in place. Only the well-endowed persons can afford those services. These problems vary greatly within the region, but all countries are affected; even Chile’s poor are in precarious situations.⁴³

Since the early settlements of Europeans in LAC, the region has been characterized by very unequal distribution of wealth and land.⁴⁴ Within the countries’ borders, the physical distribution of land in Latin America is the most unequal in the world.⁴⁵ Although less acute, this situation persists today. LAC countries tried to provide better services to their populations; however, problems related to rising debts in the 1980s led them to adopt neo-liberal

³² Fernández-Arias, Eduardo., Montiel, Peter. (1997). Reform and Growth in Latin America: All Pain, No Gain? *Inter-American Development Bank*, Working Paper #351, p. 2.

³³ Burki, Shahid Javed. (1998). Beyond the Washington consensus: institutions matter. Washington: World Bank.

³⁴ Naím, Moisés. (2000). Washington Consensus or Washington Confusion? *Foreign Policy*, 118, p. 87.

³⁵ *Ibid.*, p. 89.

³⁶ Fernández-Arias, Eduardo, Montiel, Peter, *supra* note 32.

³⁷ Loayza, N., Fajnzylber, P. & Calderon, C. (2004). Economic Growth in Latin America and the Caribbean: Stylized Facts, Explanations, and Forecasts. *Central Bank of Chile*, Working Paper No 265, p. 20.

³⁸ Rodrik, Dani., Subramanian, Arvid., Trebbi, Francesco. (2004). Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development. *Journal of Economic Growth*, 9, pp. 131-165.

³⁹ *Ibid.*

⁴⁰ Balassa, Besa. (1998). The Lessons of East Asian Development: An Overview. *Economic Development and Cultural Change*, 36(3), p. 276.

⁴¹ Mauro, Paolo. (1995). Corruption and Growth. *The Quarterly Journal of Economics*, 110(3), p. 681.

⁴² Transparency International. (2006) *Corruption Perception Index*. Retrieved July 24, 2006, from <http://www1.transparency.org/cpi/2005/cpi2005.sources.en.html#cpi>

⁴³ González, Gustavo. (2003) LATIN AMERICA: More Poverty, Fewer Social Services. *World Social Forum*. Retrieved July 24, 2006, from <http://www.ipsnews.net/fsm2003/eng/note1.shtml>

⁴⁴ Bulmer-Thomas, Victor. (1996) Introduction in Bulmer-Thomas, Victor (Ed.), *The New Economic Model in Latin America and its Impact on Income Distribution and Poverty*. Basinsstoke: Macmillan Press Ltd, pp. 7-26.

⁴⁵ Morley, Samuel A. (2000). Distribution and Growth in Latin America in an Era of Structural Reform. *OECD Development Centre*, p. 8. Retrieved July 13, 2006, from <http://www.oecd.org/dataoecd/55/0/2682354.pdf>

policies and cut social services.⁴⁶ To eliminate deficits and balance their budgets, governments of LAC cut funding for many ministries, including those overseeing education, health, and unemployment benefits.⁴⁷ This situation has left the market forces unchecked in many countries. In response, the political landscape has recently shifted to the left; the governments have adopted more liberal policies.⁴⁸ Brazil, Venezuela, and Bolivia are already governed by interventionist politicians, and this trend could continue with many elections still to be held in 2006.⁴⁹ Of all the LAC countries, only Chile is truly considered to have had long-term success in economic growth.⁵⁰ Chile's success is attributable to many factors like high levels of FDI and the privatization of the country's pension funds.⁵¹ Moreover, new legislation that created an independent central bank was also important to control inflation.⁵²

Many factors are impeding economic growth in LAC. In the recent past, various attempts to reform land ownership were put into place but all failed to challenge the land distribution highly favoring the oligarchs; the only solution left for the rural poor was to leave for the city.⁵³ There is no clear solution to this seemingly deep-seated problem. On the economic side, the tax reforms and privatizations affects the access to services for low- and middle-income classes.⁵⁴ Politically, corruption involving high-level politicians and businessmen is problematic: an example of this situation is the case of Brazil, where sums of hard currencies have been allegedly sent overseas illegally by high political and business personalities, such as the former mayor of Sao Paulo, Paulo Maluf.⁵⁵

Institutions Reviewed

The initial institution that is essential is a “system of laws and courts” that must be enforced by legislators and police forces.⁵⁶ Without any effective laws and courts, the potential for economic growth is more limited. The second institution, highly intertwined with laws and courts, is property rights.⁵⁷ These clearly establish who owns money, land, intellectual property, and various assets. This helps reduce uncertainty related to exchanges because it “raise[s] the benefits of cooperative solutions or the cost[s] of defection.”⁵⁸ These institutions are often in place, but their establishment does not always mean that they function as initially intended. This is where the role of governance—respect for civil and political rights, bureaucratic efficiency, absence of corruption, enforcement of contractual agreement, and prevalence of law and order—becomes significant.⁵⁹ A rare exception to this case is China. China's property rights are ambiguous: most often it is the community that owns local companies, and without any contract defining ownership clearly.⁶⁰ Despite this, the private sector of China has progressed significantly and is responsible for a large part of the rapid economic growth of the country.⁶¹

⁴⁶ Birdsall, N. & Londono, J. L. (1997). Asset Inequality Matters: An Assessment of the World Bank's Approach to Poverty Reduction. *The American Economic Review*, 87 (2), p. 33.

⁴⁷ Lustig, N. (2000). Crises and the Poor: Socially Responsible Macroeconomics. *Economia*, 1(1). Retrieved September 13, 2006, from <http://muse.jhu.edu/journals/economia/v001/1.1lustig.pdf>

⁴⁸ San Pedro, Emilio. (2006, April 18). Analysis: Latin America's New Left Axis. *BBC News*. Retrieved July 12, 2006, from <http://news.bbc.co.uk/1/hi/world/americas/4916270.stm>

⁴⁹ Painter, James. (2005, November 24). Latin America faces year of change. *BBC News*. Retrieved July 13, 2006, from <http://news.bbc.co.uk/1/hi/world/americas/4435522.stm>

⁵⁰ Loayza, N., Fajnzylber, P. & Calderon, C, *supra* note 37, pp. 4-5.

⁵¹ Hojman, David E. (1995). Chile under Fire (Again): the First Latin American Tiger—or Just another Cat? *Bulletin of Latin American Research*, 14(2), pp. 127-128.

⁵² Mishkin, Frederic S. (2000). Inflation Targeting in Emerging-Market Countries. *The American Economic Review*, 90(2), pp. 107-108.

⁵³ Loayza, N., Fajnzylber, P. & Calderon, C, *supra* note 37, pp. 4-5.

⁵⁴ *Ibid.*, pp. 17-18.

⁵⁵ Osava, Maria. (2004, September 22). A Time Bomb Ready to Explode. *Inter Press Service*. Retrieved July 13, 2006, from <http://www.globalpolicy.org/nations/lauder/regions/2004/0922brazil.htm>

⁵⁶ Rodrik, *supra* note 38, p. 5.

⁵⁷ *Ibid.*, p. 6.

⁵⁸ North, *supra* note 29, p. 98.

⁵⁹ Loayza, N., Fajnzylber, P. & Calderon, C, *supra* note 37, pp. 23-24.

⁶⁰ Li, D.D. (1996). A Theory of Ambiguous Property Rights in Transition Economies: The Case of the Chinese Non-State Sector. *Journal of Comparative Economics*, 23(1), p. 2.

⁶¹ *Ibid.*

Regulatory institutions are also necessary to achieve economic growth.⁶² It is a well-established fact that financial systems that perform adequately under good supervision promote long-term growth.⁶³ Market forces that are not supervised and regulated can lead to difficulties, even crises. This was the case in 1997, when many countries of East Asia suffered from a financial crisis because their regulatory institutions did not adequately supervise the banking and financial sector.⁶⁴

Institutions for macroeconomic stabilization are also important.⁶⁵ Using fiscal, monetary, and financial policies wisely is useful to ensure high and stable economic growth.⁶⁶ Most advanced economies have acquired such institutions because they have come to realize that, despite their imperfections, it is better to have them than to sustain the negative impacts that can occur because of their absence.⁶⁷ However, this belief is not shared by all experts. This is precisely the case in Latin America. It is believed that the current fiscal and monetary configuration in the region has led to more instability and that the absence of such institutions or a different configuration might have been preferable.⁶⁸ Institutions for social insurance, which provide public insurance programs for the unemployed, are also believed to play a central role for economic growth.⁶⁹ Market economies need stable consumption trends. By giving income support to the unemployed, social insurance institutions help to sustain growth and maintain social stability and cohesion.⁷⁰

Finally, education is another institution of primary importance. In advanced societies it “is a highly developed institution.”⁷¹ The acquisition of human capital, the “education and training embodied in a human person that gives rise to increased future income,”⁷² is crucial for economic growth.⁷³ It organizes society by forming professionals and new professions.⁷⁴ It allows technological innovation and facilitates the absorption of technological transfers.⁷⁵ Many economists affirm that education entails a positive externality, a “benefit...to society or another person of a private action,”⁷⁶ and this calls for the governments to intervene in the distribution of this service.⁷⁷

Improving Institutions

Fiscal sustainability falls under the umbrella of institutions for macroeconomic stabilization. Many countries have had problems related to fiscal balance because they lack laws that constrain deficits, “hierarchical” budget procedures that give more power to the executive power, transparency, and judicial systems that control tax evasion and ensure swift resolutions of conflicts between federal and local governments.⁷⁸ The exception is Chile, which has managed to maintain fiscal balance through strong institutions.⁷⁹ This is possible because of the centralization of budgetary power, central government borrowing constraints, constraints on sub-national governments, and electoral rules that encourage political stability.⁸⁰ Tax reform proves to be a very difficult problem. Some success

⁶² Rodrik, *supra* note 38, p. 7.

⁶³ Loayza, N., Fajnzylber, P. & Calderon, C, *supra* note 37, p. 21.

⁶⁴ Fischer, Stanley. (1998) The Asian Crisis: A View from the IMF. *Midwinter Conference of the Bankers' Association for Foreign Trade*. Retrieved April 18, 2006, from <http://www.imf.org/external/np/speeches/1998/012298.htm>

⁶⁵ Rodrik, *supra* note 28, p. 7-8.

⁶⁶ Loayza, N., Fajnzylber, P. & Calderon, C, *supra* note 37, p. 24.

⁶⁷ Rodrik, *supra* note 28, p. 8.

⁶⁸ *Ibid.*

⁶⁹ *Ibid.*, p. 9.

⁷⁰ *Ibid.*

⁷¹ Meyer, John W. (1977). The Effects of Education as an Institution. *The American Journal of Sociology*, 83(1), pp. 55.

⁷² Rutherford, Donald. (2002). *Routledge Dictionary of Economics*, 2nd Edition. London: Routledge, p. 256.

⁷³ Loayza, N., Fajnzylber, P. & Calderon, C, *supra* note 37, p. 20.

⁷⁴ Meyer, John W. (1977). The Effects of Education as an Institution. *The American Journal of Sociology*, 83(1), pp. 55.

⁷⁵ Loayza, N., Fajnzylber, P. & Calderon, C, *supra* note 37, p. 21.

⁷⁶ Rutherford, *supra* note 72, p. 195.

⁷⁷ Gradstein, Mark. & Justman, Mosha. (2000). Democratic Choice of an Education System: Implications for Growth and Income Distribution. *Journal of Economic Growth*, 2, p. 172.

⁷⁸ International Monetary Fund. (2005). *Stabilization and Reform in Latin America: A Macroeconomic Perspective on the Experience since the Early 1990s*. Washington: IMF, p. 39.

⁷⁹ *Ibid.*

⁸⁰ *Ibid.*

has been achieved in lowering high marginal income tax and the introduction of value-added taxes.⁸¹ The best potential for improvements might come from the improvement of tax collection methods and a broadened tax base in certain countries.⁸²

Regulatory regimes are other institutions where much needs to be addressed. Bank supervision and regulation is a key area that countries continue to strengthen.⁸³ This means tightening loan classification, provisioning standards, and capital-adequacy guidelines.⁸⁴ Moreover, financial regulators' power and independence are being enhanced to ensure their efficiency.⁸⁵

Many international bodies, among them UNESCO, the World Bank and the Inter-American Development Bank, have expressed the need for education reform in LAC.⁸⁶ There are two types of reforms in the education sector, some related to its accessibility and the others related to enhancing quality.⁸⁷ The former include the addition of infrastructure, the expansion of bureaucracies and budgets, the hiring of administrators and service providers, and finally, the purchase of equipment.⁸⁸ The latter include improving management, increasing efficiency, altering the rules or behaviour of personnel, improving accountability and performance, and strengthening local control.⁸⁹

Economic Growth, but not at the Cost of Sustainable Development

Economic growth is a concern for developed and developing countries alike. The report *Our Common Future*, more commonly known as the *Brundtland Report*, was submitted in 1987 by the World Commission on Environment and Development in order to achieve sustainable development by the year 2000.⁹⁰ Its impact was not immediate. Today, it is established that economic growth has to be sustainable and must also take into consideration environmental, social, and institutional concerns if we wish to be able to let future generations prosper and enjoy a friendly habitat.⁹¹

In the year leading to the World Summit on Sustainable Development of 2002, ECLAC, in conjunction with the UN Environment Program, held a regional preparatory conference. The result of that conference was the document titled *Rio de Janeiro Platform for Action on the Road to Johannesburg 2002*.⁹² Many sections of this document address the importance of institutions in order to achieve sustainable growth. Clauses 10 and 11 address the issue of democratic institutions and civil society participation in creating policies that will bring growth without damaging the environment.⁹³ Part 1 of Section D addresses the issues of institutional structures for sustainable development and includes proposals relating to the education of regional and local leaders, the openness of public and private institutions, and the work of regional institutions and multilateral forums.⁹⁴ In December 2003, ECLAC organized an international seminar named "Latin American Growth: Why So Slow?"⁹⁵ This seminar gathered experts from

⁸¹ Lora, E. & Panizza, U. (2002). Structural Reforms in Latin America under Scrutiny. *IADB Research Department Working Report*, No 470, Washington: Inter-American Development Bank, p. 5.

⁸² *Ibid.*

⁸³ *Ibid.*, p. 77.

⁸⁴ *Ibid.*

⁸⁵ *Ibid.*

⁸⁶ Rodríguez-Gómez, R. & Alcántara, A. (2001). Multilateral agencies and higher education reform. *Journal of Education Policy* Vol 16(6).

⁸⁷ Grindle, M. S. (2004). *Despite the Odds: The Contentious Politics of Education Reform*. Princeton: Princeton University Press, p. 6.

⁸⁸ *Ibid.*

⁸⁹ *Ibid.*

⁹⁰ Spangenberg, Joachim H. (2004). Reconciling Sustainability and Growth: Criteria, Indicators, Policies. *Sustainable Development*, 12, p. 74.

⁹¹ *Ibid.*, pp. 74-75.

⁹² Economic Commission for Latin America and the Caribbean, United Nations Environment Program. (2001). *Rio de Janeiro Platform for Action on the Road to Johannesburg 2002*. Santiago: UN Economic Commission for Latin America and the Caribbean.

⁹³ Economic Commission for Latin America and the Caribbean, United Nations Environment Program, *supra* note 46.

⁹⁴ *Ibid.*

⁹⁵ Economic Commission for Latin American and the Caribbean. (n.d.). Latin American Growth: Why So Slow?. Retrieved July 14, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/de/agenda/2/13962/P13962.xml&xsl=/de/tpl-i/p3f.xsl&base=/de/tpl-i/top-bottom.xsl>

ECLAC, the Inter-American Development Bank, the World Bank, Inter-American Dialogue, and other organizations.⁹⁶ Many issues relating to economic growth and its sources were discussed and sub-regional results were presented for the Mercosur, the Andean Community, and Central America.⁹⁷

Various cooperation programs are in place to help bring the expertise of the developed countries in the region. ECLAC, in collaboration with the German government, is active in the project "Policy Strategies for Sustainable Development in Latin America and the Caribbean: Promotion of a Socially Sustainable Economic Policy".⁹⁸ It provides guidelines for policies that are consistent with social and sustainable development.⁹⁹

The New Millennium and the Impact of Information Technologies

The first phase of the World Summit on the Information Society was held in Geneva; its goal was to develop the political will necessary to establish an information society that would serve the entire humanity.¹⁰⁰ The role of information and communication technologies (ICTs) is critical. Many studies have found that the spread of ICTs fosters economic development and the respect of political rights and civil liberties.¹⁰¹ In a conference related to Latin America, The Deputy Managing Director of the International Monetary Fund stressed the importance of the role of ICTs to modernize the regulatory framework that must evolve rapidly.¹⁰²

ECLAC has taken notice of the importance of ICTs and is pursuing various initiatives. One of them is eLAC, which "aims to have a positive impact on the development of the information society in the region in a relatively short period of two years."¹⁰³ This plan of action contains many goals, which are to be attained by 2007, such as doubling the number of public schools and libraries connected to the World Wide Web or connecting half of local urban governments and a third of the rural local governments. This is only the first step in order to attain the Millennium Development Goals set for 2015.¹⁰⁴

Conclusion

Economic growth in Latin America and the Caribbean has not attained satisfactory levels. In order to improve its record, the region must address many issues. It must improve its institutions, which are key elements to fostering growth. The rule of law, property rights, regulatory regimes, and education are areas where reforms are possible. However, any reform should not be done without considering the impacts on all social groups, the environment and the institutions themselves. ECLAC can clearly push these issues forward by allowing better coordination of reforms. ECLAC is also vital to the reforms because it is an ideal forum to allow cooperation among its members.

Every country of the region has some expertise or knowledge to share about this issue. In order to play a substantial role in the debates, here are a few questions about your country's policies that you should be able to answer. What are the institutions that have the best potential for improvement? Are the issues of governance and corruption essential to solve the problem? Should the actions be taken at a regional level or be individually designed to each country? What role can the ICTs play in improving growth? How will these reforms affect the environment, the

⁹⁶ *Ibid.*

⁹⁷ *Ibid.*

⁹⁸ Economic Commission for Latin America and the Caribbean. (n.d.). Latin Partnership for development. Retrieved July 14, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/cooperacion/noticias/cooperacion/2/12672/P12672.xml&xsl=/cooperacion/tpl/p32f.xsl&base=/cooperacion/tpl/top-bottom.xsl>

⁹⁹ *Ibid.*

¹⁰⁰ World Summit on the Information Society (WSIS) (n.d.) Basic information: about WSIS. Retrieved July 15, 2006, from <http://www.itu.int/wsis/basic/about.html>

¹⁰¹ Balamoune-Lutz, M. (2003). An analysis of the determinants and effects of ICT diffusion in developing countries. *Information Technology for Development* 10, p. 166.

¹⁰² Aninat, Eduardo. (2000). Growth and Stability in Latin America and the Caribbean: Challenges for the Epoch of Globalization. Retrieved July 15, 2006, from <http://www.imf.org/external/np/speeches/2000/052600.htm>

¹⁰³ Economic Commission for Latin America and the Caribbean. (n.d.). Information Society Programme. Retrieved July 15, 2006, from <http://www.eclac.cl/socinfo/elac/default.asp?idioma=IN>

¹⁰⁴ Economic Commission for Latin America and the Caribbean, *supra* note 80.

society as a whole and the institutional general structure? The high-level issues are complex and careful attention should be given to the link between economic growth and sustainable development.

II. Creating Grassroots Economies: Developing Credit and Linkages to Social Programs in Rural Areas

*Efficient financial systems are vital for the prosperity of a community and a nation as whole. To ensure that poor people are included in the benefits of development, it is necessary that these vast numbers have consistent access to financial services, access that can translate into a key element of economic growth and poverty alleviation: options.*¹⁰⁵

Introduction

Creating grassroots economies in rural areas in Latin America and the Caribbean is an issue that the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the International Fund for Agricultural Development (IFAD), a specialized agency of the United Nations (UN), UN Development Fund for Women (UNIFEM) and other UN agencies have been dealing with for decades in cooperation with the local governments and non-governmental organizations (NGOs). The grassroots economy is an essential factor for social construction and successful development.¹⁰⁶ Thus, it is very important to understand the substantial components of this topic.

The *Charter of the United Nations* mandates ECLAC's promotion of rural economic and social development.¹⁰⁷ Article 1.3 states the UN's purpose "to achieve international co-operation in solving international problems of an economic, social, cultural or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms..."¹⁰⁸ Chapter X establishes the Economic and Social Council's (ECOSOC) mandate, and Article 68 authorizes the regional commissions to promote economic and social development.¹⁰⁹ Specifically, Article 55 states: "... the United Nations shall promote: (a) higher standards of living, full employment, and conditions of economic and social progress and development; (b) solutions of international economic, social, health, and related problems; and international cultural and educational cooperation..."¹¹⁰ Moreover, in 2000, the Member States declared through the *United Nations Millennium Declaration* (A/RES/55/2) their commitment to collaborate actively not only to halve extreme poverty by 2015, but to improve social development in an integrated manner as well through completion of the eight Millennium Development Goals (MDGs).¹¹¹

Recognizing the beneficial role of microcredit in improving rural livelihoods and enabling social development, the United Nations designated 2005 the International Year of Microcredit.¹¹² Generally, credit is "... [a] contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some later date."¹¹³ Microcredit, a small amount of money loaned to a client by a bank or other institution, plays an essential role in developing and promoting grassroots economies – local-level business, financial, and commercial systems –

¹⁰⁵ Ocampo, J. A. (2004, May/June). *Microfinance Matters*, (3). Retrieved September 3, 2006, from http://uncdf.org/english/microfinance/newsletter/pages/may_2004/featured_guest3.php

¹⁰⁶ World Bank. (1996). *The World Bank annual report 1996: 1996 regional perspectives: Latin America and the Caribbean* (section 4). Retrieved July 7, 2006, from <http://www.worldbank.org/html/extpb/annrep96/wbar08d.htm>

¹⁰⁷ United Nations. (1945). *Charter of the United Nations and Statute of the International Court of Justice*. San Francisco, CA: Author.

¹⁰⁸ *Ibid.*, Article 1.3.

¹⁰⁹ *Ibid.*, Chapter X and Article 68.

¹¹⁰ *Ibid.*, Article 55.

¹¹¹ United Nations General Assembly. (2000, September 8). *United Nations Millennium Declaration*, (A/RES/55/2). New York: Author.

¹¹² United Nations General Assembly. 53rd Session. (1998, August 10). *Role of microcredit in the eradication of poverty* (Rep. No. A/53/223). Retrieved August 14, 2006, from <http://www.un.org/documents/ga/docs/53/plenary/a53-223.htm>

¹¹³ Credit. (n.d.). In *InvestorWords*. Retrieved July 11, 2006, from <http://www.investorwords.com/1193/credit.html>

in the rural areas of Latin America and the Caribbean (LAC).¹¹⁴ It is successful because it emphasizes building up local, sustainable institutions to serve the poor. Largely it has been a private sector initiative, which has tried to avoid becoming politicized in the public sector.¹¹⁵

“Microfinance” refers broadly to loans, savings, insurance, transfer services, and other financial products that are targeted at low-income clients; thus, microcredit is only one of the microfinance tools used to engage very poor families in productive activities or to expand their small businesses.¹¹⁶ Microfinance is particularly effective for revitalizing the communities in the poorest rural areas.¹¹⁷ Because economic empowerment enables people to invest socially, creating and promoting grassroots economies in rural areas and communities is considered one of the preconditions for further development.¹¹⁸

Several UN agencies are active promoters of microfinance in its social dimensions. The International Fund for Agricultural Development (IFAD), the Food and Agriculture Organization of the United Nations (FAO), United Nations Capital Development Fund (UNCDF), and others have assisted in the efforts to improve developing credit and linkages to social programs in rural areas for Latin America and the Caribbean. For example, in the area of rural saving banks (*cajas rurales*) for the landless poor in Honduras, the IFAD has helped the poor to establish a semi-formal savings bank to establish a secure place for depositing the “savings community members may use for consumption smoothing and micro-enterprise investments.”¹¹⁹

The Present State of Affairs: Rural Economies in Latin America and the Caribbean

Almost 64 per cent of the rural population in Latin America and the Caribbean live below the poverty line and “the number of poor people has increased” in the last decades.¹²⁰ Poverty as such is characterized by social and economic exclusion and discrimination, by a lack of services that meet the basic needs of rural families and by income levels below the minimum needed to obtain basic goods and services. Thus, the rural poor in the regions face such “basic challenges as inadequate nutrition, poor health, and educational services, few opportunities for productive employment in agricultural, non-farm activities and a lack of sufficient levels of organization to lobby effectively for rural interests.”¹²¹

The rural setting in LAC is very diverse, defined by great variation in the geography and climate; often-extreme poverty; and unequal distribution of land, capital, education, and technology.¹²² Thus, these LAC regions remain the most unequal in the world, while inequality limits their chances of achieving the MDGs.¹²³ At the same time, agriculture and rural economic activities are major sources of employment in these regions, where indigenous people constitute the largest population group.¹²⁴ There are also serious policy and institutional weaknesses throughout the region, and access to and use of land constitutes serious problems as the majority of agricultural producers work small plots, located in marginal, low-productivity area. These issues are compounded by a lack of access to formal financial services, e.g. credit, savings deposit accounts, and insurance.¹²⁵ Moreover, many poor are

¹¹⁴ United Nations International Year of Microcredit 2005. (2005). *Why a year? – About microfinance and microcredit*. Retrieved July 12, 2006, from http://www.yearofmicrocredit.org/pages/whyayear/whyayear_aboutmicrofinance.asp

¹¹⁵ United Nations General Assembly, *Role of microcredit*, *supra* note 112.

¹¹⁶ Microfinance Gateway. *Frequently Asked Questions*. (n.d.). [Brochure]. Retrieved July 16, 2006, from <http://www.microfinancegateway.com/section/faq#Q2>

¹¹⁷ United Nations International Year of Microcredit 2005. (2005), *supra* note 112.

¹¹⁸ United Nations General Assembly, *Role of microcredit*, *supra* note 8.

¹¹⁹ International Fund for Agricultural Development of the United Nations (IFAD). (2004). *Rural finance policy*. Retrieved July 12, 2006, from <http://www.ifad.org/pub/basic/finance/ENG.pdf>

¹²⁰ International Fund for Agricultural Development of the United Nations (IFAD). (2004). *IFAD strategy for rural poverty reduction*. October 2001. Retrieved July 11, 2006, from <http://www.ifad.org/operations/regional/2002/pl/pl.htm>

¹²¹ Echeverria, R. G. (2000, April). Options for rural poverty reduction in Latin America and the Caribbean. *CEPAL Review*, 70, 151-164. Retrieved July 11, 2006, from http://www.eclac.cl/publicaciones/SecretariaEjecutiva/5/LCG2095PI/lcg2095i_Echeverria.pdf, p. 151.

¹²² *Ibid.*, p. 151.

¹²³ United Nations Economic Commission for Latin America and the Caribbean (ECLAC). (2000). *The Millennium Development Goals: A Latin American and Caribbean Perspective*. Retrieved July 12, 2006, from <http://www.eclac.cl/publicaciones/SecretariaEjecutiva/1/LCG2331/lcg2331.pdf>, p. 291.

¹²⁴ International Fund for Agricultural Development of the United Nations (IFAD), *IFAD strategy*, *supra* note 16.

¹²⁵ *Ibid.*

not in a position to undertake an economic activity because they lack business skills and the incentive for training. Hence, for several reasons rural financial markets are shallow and inefficient, with imperfect information accompanied with many risks (*e.g.*, yield, price).¹²⁶

From the 1930s to the early 1970s, the majority of States in the region followed the growth strategy called “import substitution industrialization” (ISI), which recommended that developing States should shift their focus from agriculture to manufacturing to establish higher-value industry domestically and diversify away from dependence on low-income primary commodities.¹²⁷ Industrial growth was encouraged at the expense of agriculture: LAC States channeled fiscal resources away from agricultural promotion, investing instead in industrial development. LAC governments borrowed heavily to finance industrial development, which created large public debts that in turn contributed to the region’s economic collapse in the 1980s. During the “lost decade,” the average annual per capita rate of growth for the region was one percent.¹²⁸ Gradual stabilization and structural adjustment measures in the 1990s that were intended to improve the situation included price deregulation in goods and factor markets, trade liberalization and reducing the role of the public sector in the economy. These improvements, however, did not reflect in the living conditions of the poor. In addition, several international economic crises and natural disasters – such as El Niño, Hurricane Mitch, and earthquakes – further destabilized rural areas and diminished development progress.¹²⁹

Although some international efforts achieved positive results, the rural development programs carried out in the 1970s and early 1980s were, on average, insufficient to meet their targets and even less effective in benefiting low-income groups. The principal causes include a lack of institutional capacity, inadequate coordination between executing agencies, over-ambitious goals, and a lack of reliable information.¹³⁰

What Influences Rural Development?

There are two main types of poverty in the LAC region: structural and transitory. The former one is a kind of “hard” poverty and is found mainly among indigenous communities, rural women, and ethnic minorities. The latter one applies to farming families and rural households that have limited access to land and “are vulnerable to changes brought about by social and political instability.”¹³¹

Rural poverty is concentrated among small-scale farmers with less agricultural potential and landless groups. Of the roughly 850 million people living in chronic hunger, small-scale farmers constitute half.¹³² However, there are farmers with agricultural potential who are poor as well because of a lack of water for irrigation, uncertainty of land ownership, restricted access to technology and credit, or weak access to markets for products.¹³³ Even worse, small-scale farmers often cause environmental degradation, contributing to deforestation, soil nutrient depletion, and soil erosion.¹³⁴

In addition, there is a need to develop commercial agriculture, providing greater access to land, promotion of micro-enterprises and private and public investment in infrastructure to promote rural development. Advocates have also called for a new institutional base that could enable a larger number of rural inhabitants to obtain loans. More emphasis should be placed on developing rural markets, strengthening economic linkages between rural and urban

¹²⁶ Wenner, M., & Proenza, F. J. (2000). *Rural finance in Latin America and the Caribbean: Challenges and opportunities*. Retrieved July 18, 2006, from <http://www.iadb.org/sds/doc/MICChallengesOpportunities.pdf>

¹²⁷ *Ibid.*

¹²⁸ *Ibid.*; Franko, P. (2003). Import substitution industrialization: Looking inward for the source of economic growth. In *The puzzle of Latin American economic development* (2nd ed., pp. 51-77). Boulder, CO: Roman & Littlefield.

¹²⁹ International Fund for Agricultural Development of the United Nations, *supra* note 120.

¹³⁰ Echeverria, *supra* note 121, p. 158.

¹³¹ International Fund for Agricultural Development of the United Nations (IFAD), *IFAD strategy*, *supra* note 16.

¹³² United Nations Millennium Project. (2006). *Investing in development: A practical plan to achieve the Millennium Development Goals*. Retrieved July 12, 2006, from <http://www.unmillenniumproject.org/documents/MainReportChapter5-lowres.pdf#search=%22850%20million%20people%20living%20in%20chronic%20hunger%2C%20small-scale%20farmers%20constitute%20half%22>, p. 65.

¹³³ Echeverria, *supra* note 121.

¹³⁴ United Nations Millennium Project, *supra* note 132, p.67.

areas, expanding essential services, and thus gradually improving the lives of the rural poor.¹³⁵ In the context of landless groups, rural non-farming employment alternatives are important for reducing poverty in the region. In other words, there is a need to improve the ability of rural inhabitants, landless peasants, and rural town residents to enter the labor market and to generate non-agricultural sources of employment and income.¹³⁶ The participatory nature of microfinance projects has raised hopes of reducing poverty through this approach.

Along with indigenous populations, rural women are one of the poorest population groups; however, small businesses owned by women are particularly fast growing, providing a possible remedy. “The development of small and micro-businesses in rural areas can also be aided by efforts to decentralize and improve rural financial services especially if access to small loans can be increased.”¹³⁷

Poor infrastructure is another obstacle to rural development. In many regions, the lack of all-weather roads or any roads at all is a severe drawback in efforts to attract private-sector investments to rural industry, mining, or tourism and inhibits basic contact with other regions and communities.¹³⁸ Thus, investments in infrastructure are needed to aid the generation of employment and the promotion of private investment and trade, helping the rural poor to escape the poverty trap.

Latin America and the Caribbean’s experience confirms that economic growth alone is not sufficient for reducing poverty; investments in health, education and infrastructure are essential for building sustainable, grassroots economies. While many financial institutions and organizations operate as solely credit associations, others have initiated social investment projects in order to improve the infrastructure and living conditions of the rural poor. Nonetheless, these “tie-ins” are scarce and depend exclusively on the initiative of the bank lenders.¹³⁹

Corruption and lack of citizen trust in the presidency, political parties or congress has a negative impact on economic activity. Political instability and economic instability in Latin America exacerbate the problem since they detract from consumption, investment, and gross domestic product. Furthermore, businesses complain that they lack access to the formal financial system as a mechanism for obtaining credit, and that governments do not adequately appreciate the situation.¹⁴⁰ In addition, for many rural areas, national social and political institutions have not been sufficiently responsive to the requests for greater economic security and communities have to struggle more or less on their own.¹⁴¹

During the “lost decade” of the 1980s, most of the increase in poverty in Latin America was urban; thus, poverty reduction strategies tended to focus on the urban sector. Now the situation has reversed and many new programs have been developed and applied to rural areas. However, sometimes the overall strategy for rural poverty reduction is missing, and there is no clear indication of the role of each institution in implementing the strategy.¹⁴²

Social Linkages to Grass Roots Economies

As Mark Malloch Brown, Administrator of the UNDP, states, “Microfinance is much more than simply an income generation tool ... it has become one of the key driving mechanisms towards meeting the Millennium Development Goals, specifically the overarching target of halving extreme poverty and hunger by 2015.”¹⁴³ The research shows

¹³⁵ United Nations Millennium Project, *supra* note 132, p.71.

¹³⁶ Echeverria, *supra* note 121, p. 161.

¹³⁷ *Ibid.*

¹³⁸ *Ibid.*, p.162.

¹³⁹ United Nations Millennium Project, *supra* note 132, p.68.

¹⁴⁰ Zevallos, E. V. (2003, April). Micro, small and medium-sized enterprises in Latin America. *CEPAL Review* No. 79, 51-68. Retrieved September 5, 2006 from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/revista/noticias/articuloCEPAL/5/20055/P20055.xml&xsl=/revista/tpl-i/p39f.xsl&base=/revista/tpl/top-bottom.xsl>, p.58.

¹⁴¹ Rodrik, D. (2001, April). Why is there so much economic insecurity in Latin America? *CEPAL Review* No. 73, 10.

¹⁴² Morley, S. A. (2000, January). *Case studies of programs to combat rural poverty in Latin America*. Retrieved July 13, 2006, from <http://www.rimisp.cl/getdoc.php?docid=1725>

¹⁴³ United Nations International Year of Microcredit 2005. (2005). *Fast facts, microfinance and the Millennium Development Goals*. Retrieved July 12, 2006, from http://www.yearofmicrocredit.org/pages/reslib/reslib_rereading.asp

that the best results are produced, when developing-State governments and NGOs work hand-in-hand and integrate social sectors (e.g., education, empowerment of women, health, etc.).

Gender & Education

It is essential to increase access to microcredit loans in order to increase the assets and real income of the rural poor. For example in Bolivia, microcredit-loan clients doubled their income in two years, which enabled more clients to access health care for themselves and their families, and made them more likely to send their children to school. In Honduras, “the microcredit-loan clients increased earnings, which also enabled them to send their children to school.”¹⁴⁴ Furthermore, women have increased their self-confidence and improved their status within their communities after becoming microfinance clients. The microcredit programs have significantly increased women’s security, autonomy, self-confidence and the status within the household.¹⁴⁵ Thus, the International Year of Microcredit was an ideal platform to start engaging States in the alignment of their financial sectors to achieve the Millennium Development Goals by 2015.¹⁴⁶

Health

Recent years have seen a number of successful health programs, created by governments in cooperation with other actors to improve rural health policy. *Fertisuelos* in Bolivia works with families to promote long-term self-sufficiency about basic foods by providing microloans for the purchase of fertilizers, for example.¹⁴⁷ There are also a number of initiatives directed toward women. For example, since 1982, health banks in Bolivia and Honduras have concentrated on the development of medical education programs through Project HOPE. In 1993, the project began operating a Village Health Banking program in the region and providing small loans to impoverished women. When the Village Health Bank program started, it was one of the first ever to integrate health education with microcredit. Today the program has reached sustainability and is operating on its own resources.¹⁴⁸

Development of the Microfinance Sector

In February 1997, the United Nations Development Program (UNDP) and the United Nations Capital Development Fund (UNCDF) launched the MicroStart program with the objective of building a new generation of microfinance institutions (MFIs) that have transparent records of accomplishment and solid institutional and financial performance. MicroStart “aims to improve the practice of microfinance within the UN system by establishing guidelines, providing technical assistance, promoting training and learning opportunities.”¹⁴⁹ Women account for 92.7 per cent of UNCDF and UNDP clients through the MicroStart program.¹⁵⁰

Microfinance institutions have been successful in reaching the very poor by lending to groups, through village or community banks and directly to individuals, in this way also reducing the administrative costs, easing the loan procedure and paperwork.¹⁵¹ Banrural, a commercial bank in Guatemala, has increased microfinance clients from 22,469 to 34,261 in 15 months and plans to expand its coverage to clientele with even lower incomes. The MicroStart program has enhanced the access of poor micro-entrepreneurs to financial services in order to expand their businesses, improve their incomes, and augment employment. New technologies have also expanded lending

¹⁴⁴ *Ibid.*

¹⁴⁵ United Nations. General Assembly. 53rd Session. (1997, December 18). *Resolution 52/194: Role of microcredit in the eradication of poverty*. Retrieved August 11, 2006 from <http://www.un.org/ga/documents/gares52/res52194.htm>

¹⁴⁶ United Nations Capital Development Fund (UNCDF). (2005, March). *Countries around the world highlight the importance of microfinance: Nearly 80 now involved in the International Year of Microcredit*. Retrieved July 12, 2006, from http://www.uncdf.org/english/microfinance/newsletter/pages/2005_03/year_update.php

¹⁴⁷ International Fund for Agricultural Development of the United Nations (IFAD). (2004). *Balance between food security and the sustainable management of natural resources in Latin America and the Caribbean*. Retrieved July 13, 2006, from <http://www.fao.org/Regional/Lamerica/LARC/XXVII/022ing.pdf>

¹⁴⁸ *Project HOPE in Honduras*. Retrieved July 12, 2006, from <http://www.projecthope.org/where/hondurasvhh.html>

¹⁴⁹ United Nations Capital Development Fund (UNCDF). (n.d.). *About MicroStart*. Retrieved July 12, 2006, from <http://www.uncdf.org/english/microfinance/microstart/programme.php>

¹⁵⁰ *Ibid.*

¹⁵¹ United Nations, *Resolution, supra* note 145.

opportunities: by introducing a digital fingerprinting system it has been possible for the banks to circumvent the illiteracy barrier, expand their outreach to remote areas, and offer services to a large number of indigenous clients.¹⁵²

In Mexico the microfinance sector is highly fragmented, weakly supplied, and hindered by low coverage; there is a small number of MFIs, which are emerging as market leaders. “However, this sector still remains dominated by the *cajas* system, in which each cooperative or savings and loan association demonstrates limited capacity for outreach and sustainability.” In rural areas, where microfinance institutions MFIs are focus mostly on the agricultural sector and few have the capacity to support micro-entrepreneurs, the question of the MFIs’ sustainability is acute.¹⁵³ *Banco Solidario* of Bolivia has grown from a credit-providing NGO to a fully licensed commercial bank, providing financial services to more than one-half of the total number of clients in the entire Bolivian banking system. The Association for the Development of Micro-Enterprises of the Dominican Republic and *Acción Comunitaria del Perú* has also achieved sustainability.¹⁵⁴ In another instance, the *Acción Internacional* network, a non-profit development agency in Latin America, “since 1987 has grown from 13,000 to more than 285,000 active borrower clients.”¹⁵⁵

Furthermore, Brazil provides an example of a successful public initiative called the Zero Hunger Project, which combined poverty-reduction and nutrition objectives. Launched by President Luiz Inácio Lula da Silva on January 30, 2003 with sponsorship from the United Nations Food and Agricultural Organization (FAO), the Zero Hunger Project was designed to battle hunger and to reduce the population’s dependence on immediate aid and assistance programs in the long-term. Later it was replaced with a program called Family Fund.¹⁵⁶ Recognizing that low incomes are the main cause of chronic hunger in Brazil, officials mandated that to benefit from the Zero Hunger project the families must prove that their children attend school and vaccinate their babies, while adult family members have to enroll in training programs.¹⁵⁷

In Bolivia, some MFIs give small-scale group loans in increasing increments rather than one large sum. “The group members cannot access the next higher loan amount until all the members have repaid their part of the group loan”. In this way, the rural groups are trained in credit, financial planning, and decision-making. Moreover, the program builds communal self-identification.¹⁵⁸ Such mechanisms are also effective disseminators of valuable information on ways to improve the health, legal rights, and sanitation of the poor.¹⁵⁹

Measures Taken by the UN and ECLAC

The UN has declared that the eradication of poverty is “an ethical, social, political, and economic imperative of humankind” and has adopted a number of resolutions, reports, and recommendations in order to improve the current situation.¹⁶⁰ UN General Assembly resolution 50/107 “Observance of the International Year for the Eradication of Poverty and proclamation of the first United Nations Decade for the Eradication of Poverty” on December 20, 1995 States “people living in poverty should have the access to the resources and opportunities necessary to escape from

¹⁵² United Nations Capital Development Fund (UNCDF), *supra* note 149.

¹⁵³ United Nations Capital Development Fund (UNCDF). (n.d.). *Mexico*. Retrieved July 12, 2006, from <http://www.uncdf.org/english/countries/mexico/index.php>

¹⁵⁴ United Nations, *Resolution*, *supra* note 145.

¹⁵⁵ *Ibid.*

¹⁵⁶ Reid, M. (Ed.). (2006, March). The Americas [special section]. *The Economist*, 378(8467), 49-51.

¹⁵⁷ International Fund for Agricultural Development of the United Nations (IFAD). (2004). *Brazil receives US\$1 million for Zero Hunger Project from FAO*. Retrieved July 12, 2006, from <http://www.fao.org/english/newsroom/news/2003/13420-en.html>; Osava, M. (2005, September 12). The root cause of poverty in Latin America. *Inter Press Service*. Retrieved July 12, 2006, from <http://www.globalpolicy.org/soecon/inequal/2005/0912redis.htm>

¹⁵⁸ Ecumenical Church Loan Fund. (n.d.). *Free use loans*. Retrieved July 13, 2006, from <http://www.eclof.org/english/innovateloan.html>

¹⁵⁹ United Nations, *Resolution*, *supra* note 145.

¹⁶⁰ United Nations. General Assembly. 52nd Session. (1997, November 5). *Sustainable development and international economic cooperation: First United Nations Decade for the Eradication of Poverty: Observance of the International Year for the Eradication of Poverty (1996) and recommendations for the rest of the Decade* (Rep. No. A/52/573). Retrieved August 17, 2006 from <http://www.un.org/documents/ga/docs/52/plenary/a52-573.htm>

poverty”.¹⁶¹ In this manner, access to microcredit is a key piece of the poverty-reduction puzzle it gives individuals and communities the chance to develop and thus improve the situation.

Through resolution 52/573, “Observance of the International Year for the Eradication of Poverty and Recommendations for the rest of the Decade,” the General Assembly noted that although domestic efforts are very important, international economic cooperation is also essential in reducing poverty. It also stressed the importance of the social networks of people, which can facilitate development.¹⁶² In the *Declaration and Plan of Action of the Microcredit Summit*, the international community announced its willingness to launch a global movement in order to reach the poorest of the poor with the microcredit for self-employment and in this way to fight against poverty and promote economic and social development.¹⁶³ The Microcredit Summit Campaign is an initiative directed towards the achieving the MDGs, and it has involved not only the poorest, but has also tried to empower the women.

In December 1997, the General Assembly recognized microcredit as an effective tool in freeing people from poverty and for helping them to increase their participation in the economic and political processes (A/RES/52/194). Additionally, at the World Summit for Social Development in 1995 global leaders called upon States to review their national legislation to promote credit on reasonable terms and to expand financial networks.¹⁶⁴

The Consultative Group to Assist the Poorest (CGAP), established by the World Bank and comprised of 25 Members, including UN bodies, is an effort to address the problems facing microfinance, which include a lack of: access to information, measuring loan delinquency, setting of interest rates, and developing business projects. Many UN organs – such as IFAD, FAO, and UNCDF – support microfinance initiatives, mainly under the leadership of the UNDP, focusing particularly on capacity building, institutional strengthening, training, and consultations to spread best practices.¹⁶⁵

Prospects for the Future

Microfinance and its capacity to effect sustainable change in Latin America and the Caribbean are developing. Yet, there is still a need to integrate microfinance into the financial systems of the countries, which evidence sub-regional differences and specific trends.¹⁶⁶ Increasing microfinance capacity is essential for rural development: there should be chances for rural area inhabitants to get access to financial systems as such.

Investments in infrastructure are very essential. Here Chile demonstrates a good practice: the Government of Chile has established legal and regulatory procedures that investors trust. As *The Economist* summarizes the perspective of Antonio Vives of the Inter-American Development Bank (IDB), “... [T]here is some new thinking, if not yet enough new roads.” Furthermore, *The Economist* notes, “Investment in infrastructure pays big dividends for the poor and reduces inequality”; therefore, more work should be done in this sphere.¹⁶⁷

Furthermore, developing small and micro-businesses is essential for the LAC economies because the micro-enterprise sector is the largest contributor to GDP.¹⁶⁸ In a recent report, ECLAC asserts, “In addition to increasing and improving levels of assistance, it is also crucial to develop financing mechanisms and devise innovative sources

¹⁶¹ United Nations. General Assembly. 50th Session. (1995, December 20). *Observance of the International Year for the Eradication of Poverty and proclamation of the first United Nations Decade for the Eradication of Poverty* (A/RES/50/107). Retrieved August 17, 2006 from <http://www.un.org/documents/ga/res/50/ares50-107.htm>

¹⁶² United Nations, *Sustainable*, *supra* note 160.

¹⁶³ Microcredit Summit Campaign. (1997). *Declaration and the plan of action*. Retrieved February 2, 1997, from <http://www.microcreditsummit.org/declaration.htm>

¹⁶⁴ United Nations, *Resolution*, *supra* note 145.

¹⁶⁵ United Nations, *Role of microcredit*, *supra* note 143.

¹⁶⁶ Marulanda, B., & Otero, M. (2005). *The Profile of microfinance in Latin America in ten years: Vision & characteristics*. Retrieved July 19, 2006, from http://www.accion.org/file_download.asp?f=23

¹⁶⁷ Reid, M. (Ed.). (2006, June). The Americas [special section]. *The Economist*, 379(8482), 53-54.

¹⁶⁸ Ramirez, A. (2004, October). *The microfinance experience in Latin America and the Caribbean*. Keynote speech presented at LAEBA Research Conference on Microfinance in Latin America and Asia, Manila, Philippines.

of financing for development and for hunger and poverty reduction, and to guarantee the stability of these external flows.”¹⁶⁹

Meeting the MDGs is one of the issues that should be a priority for the global society, and poverty reduction is essential for achieving them. As UN Member States have recognized in many declaration and resolutions that every person should have the right to live in dignity and have access to the resources necessary to escape from the poverty.¹⁷⁰ The eradication of poverty is an imperative of humankind, and everyone should take part in it. Furthermore, microcredit, as a critical component of building grassroots economies, is essential for poverty reduction.

Conclusion

In order to meet the Millennium Development Goals, States must create poverty-reduction programs that use microfinance strategies targeted at rural communities in order to increase the social welfare of LAC’s rural populations. Yet, in doing this there are many obstacles to overcome. In your research, please consider the following questions:

- What innovative credit techniques is your State implementing to create self-sustaining rural economies?
- Has sufficient field research been done to find out the best solutions and means of microfinance?
- Microcredit is not a panacea; thus, what should States and NGOs do to provide lasting financial assistance to the rural poor?
- If you are representing a NGO, what programs are your organizations currently undertaking? What is the likelihood that these programs could work in other Latin American and Caribbean countries?
- How should the microcredit industry position itself to the poor people and gain their trust especially after bad examples (*e.g.*, the Bolivian microfinance crisis)?
- What kind of institutional interventions would be the best solution for strengthening financial institutional retail capacity? Should the NGOs (or commercial banks, microfinance institutions) be upgraded in order to regulate financial entities?

III. Bolstering Regional Macroeconomic Coordination

*We believe that the central challenge we face today is to ensure that globalization becomes a positive force for all the world’s people. For while globalization offers great opportunities, at present its benefits are very unevenly shared, while its costs are unevenly distributed.*¹⁷¹

Introduction

In recent years, the process of globalization and regional integration in Latin America and the Caribbean (LAC) has demonstrated that economic interdependence has profound social effects.¹⁷² Increased regional trade and financial integration can promote pro-poor economic growth that benefits the region’s 50 million people who live in extreme poverty.¹⁷³ However, globalization’s tendency to exacerbate existing inequality demands that

¹⁶⁹ United Nations Economic Commission for Latin America and the Caribbean (ECLAC), *supra* note 123, p. 295.

¹⁷⁰ United Nations. General Assembly, *Observance*, *supra* note 161.

¹⁷¹ United Nations General Assembly. (2000, September 8). *United Nations Millennium Declaration*, (A/RES/55/2). New York: Author, Art. 5.

¹⁷² Economic Commission for Latin America and the Caribbean (ECLAC), Division of International Trade and Integration. (2004). *Latin America and the Caribbean in the world economy: Trends 2005*. Santiago, Chile: Author. Retrieved July 11, 2006, from <http://www.eclac.org/cgi-bin/getProd.asp?xml=/publicaciones/xml/0/22470/P22470.xml&xsl=/comercio/tpl-i/p9f.xsl&base=/comercio/tpl-i/top-bottom.xsl>, p. 7-11.

¹⁷³ Winters, L. A. (2002). Trade policies for poverty alleviation. In B. Hoekman, A. Mattoo, & P. English (Eds.), *Development, trade, and the WTO: A handbook* (p. 28-37). Washington, DC: World Bank, p. 28-37; World Bank. (2006, March). *Latin American and Caribbean regional brief*. Retrieved July 14, 2006, from <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/0,,contentMDK:20340156~menuPK:815394~pagePK:146736~piPK:226340~theSitePK:258554,00.html>

the LAC States coordinate macroeconomic policies and jointly address the social development aspects of economic globalization to ensure that it benefits, not harms, the poor.¹⁷⁴

Recognizing this challenge, the United Nations (UN) Economic Commission for Latin America and the Caribbean (ECLAC) has provided research, fostered policy dialogue, and supported efforts for regional macroeconomic coordination since its establishment in 1948.¹⁷⁵ ECLAC's charter mandates the Commission to: "promot[e] economic and social development through regional and subregional cooperation and integration," "assis[t] in bringing a regional perspective to global problems and forums and introduc[e] global concerns at the regional and subregional levels".¹⁷⁶

In their recent work, *Globalization and Development: A Latin American and Caribbean Perspective* (2003), Ocampo and Martin define globalization as "... the growing influence exerted at the local, national, and regional level by financial, economic, environmental, political, social, and cultural processes that are global in scope".¹⁷⁷ Scholars view globalization as a process, defined by three phases.¹⁷⁸ During the first phase, 1870-1913, labor and capital were mobile and trade boomed until World War I and the global recession of the 1930s; in the second, 1945-1973, the post-World War II powers attempted to stabilize international financial and trade flows through the Bretton Woods system.¹⁷⁹ In the third phase, 1973-present, foreign exchange rates were liberalized along with trade and financial flows; however, labor mobility remained relatively constrained.¹⁸⁰ This greater interdependence contributed both to increased, albeit uneven, economic growth and to greater vulnerability of populations to international economic forces.¹⁸¹

Ocampo and Martin explain, "One of the central features of the third stage of globalization is the widening of inequality...", that is, a growing disparity in global income distribution within and between States.¹⁸² This tendency of international economic forces to distribute income unevenly therefore aggravates LAC's high economic inequality; the region maintains the highest average Gini coefficient of inequality, 0.53 on a scale of zero to one, beyond sub-Saharan Africa (2006).¹⁸³ Scholars also agree that inequality negatively affects economic growth.¹⁸⁴ This means that inequality and poverty are national concerns: a recent World Bank study finds that annual growth declines by one per cent for each ten percent increase in poverty (2006).¹⁸⁵ Compounding these economic asymmetries is a lack of international "economic governance" demonstrated most clearly in LAC by macroeconomic volatility and exogenous – international trade and financial – shocks.¹⁸⁶ In short, global interdependence and asymmetries challenge poverty reduction by intensifying inequality and pose obstacles to overall economic growth.¹⁸⁷ Such challenges require regional cooperation to reduce macroeconomic instability and enhance pro-poor growth.¹⁸⁸

Often economists define "macroeconomic coordination" narrowly as "an attempt to significantly modify national policies—monetary policy, fiscal policy, exchange-rate policy—in recognition of international

¹⁷⁴ Ocampo, José Antonio, & Martin, Juan (Eds.). (2003). *Globalization and development: A Latin American and Caribbean perspective*. Washington, DC: World Bank; Palo Alto, CA: Stanford University Press, p. 99-128.

¹⁷⁵ Economic Commission for Latin America and the Caribbean (ECLAC). (2006). *About ECLAC: The institution*. Retrieved July 13, 2006, from http://www.eclac.org/cgi-bin/getprod.asp?xml=/noticias/paginas/0/21710/P21710.xml&xsl=/tpl-i/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

¹⁷⁶ Economic Commission for Latin America and the Caribbean (ECLAC). (2000). *About ECLAC: Mandate and mission*. Retrieved July 14, 2006, from http://www.eclac.org/cgi-bin/getprod.asp?xml=/noticias/paginas/7/21477/P21477.xml&xsl=/tpl/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

¹⁷⁷ Ocampo, *supra* note 174, p. 1.

¹⁷⁸ *Ibid.*, p. 2.

¹⁷⁹ *Ibid.*, p. 2-3.

¹⁸⁰ *Ibid.*, p. 3.

¹⁸¹ *Ibid.*, p. 99.

¹⁸² *Ibid.*

¹⁸³ World Bank, LAC regional brief, *supra* note 176.

¹⁸⁴ Ocampo, *supra* note 174, p. 109.

¹⁸⁵ Perry, G. E., Arias, O. S., López, H. J., Maloney, W. F., & Servén, L. (2006). *Poverty reduction and growth: Virtuous and vicious circles*. Washington, DC: World Bank, p. 116.

¹⁸⁶ Ocampo, *supra* note 174, p. 13.

¹⁸⁷ *Ibid.*, p. 99-128.

¹⁸⁸ Perry, *supra* note 185, pp. 75-102.

economic interdependence”.¹⁸⁹ However, to capture the social and economic development facets of the major macroeconomic issues confronting Latin America and the Caribbean that ECLAC outlines in *Latin America and the Caribbean in the World Economy: Trends 2005* (2004), “macroeconomic coordination” will be interpreted broadly to include the policy-dialogue and cooperative policy options necessary to address the issues that follow in a manner that promotes pro-poor growth.¹⁹⁰

The United Nations has long promoted international and regional cooperation to foster economic and social development. The *Charter of the United Nations* Article 1.3 calls upon Member States “[t]o achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms...” and Article 55 affirms this mandate for the Economic and Social Council (ECOSOC), the parent organization of ECLAC.¹⁹¹

The *International Covenant on Economic, Social and Cultural Rights*, which entered into force January 3, 1976, calls upon Party States to cooperate internationally to guarantee the basic economic, social, and cultural rights enumerated, such as education, health, environmental safety, and an adequate standard of living.¹⁹² In 1986, the General Assembly (GA) reaffirmed the “inalienable human right” to development and the critical role of international cooperation through the *Declaration on the Right to Development* (A/RES/41/128).¹⁹³ Then, in 2000, the GA issued the *United Nations Millennium Declaration* (A/RES/55/2).¹⁹⁴ Through it, the Member States declared, “No individual and no nation must be denied the opportunity to benefit from development,” and, stressing the “shared responsibility” among States for social and economic development, they resolved to halve extreme poverty and hunger by 2015.¹⁹⁵ Echoing this sentiment, the *Doha Declaration* (2001) of the World Trade Organization (WTO) commits Member States to a “development” round of trade negotiations.¹⁹⁶

Present State of Affairs: Regional Economic Integration, Trade, and Development

Regional integration of Latin America and the Caribbean is at a crossroads.¹⁹⁷ The slow pace of the current Doha Round of WTO negotiations, particularly the key issues of agriculture and development, propelled developing LAC States to pursue a myriad of bilateral and regional free trade agreements (FTAs) with industrialized States, beyond existing regional organizations, to gain improved market access in the 2004-2006 period.¹⁹⁸

LAC’s major regional integration organizations include: the Caribbean Community and Common Market (CARICOM), a customs union formed in 1973; the Central American Common Market (CACM, customs union, 1960) whose Members joined the United States of America (U.S.A.)-Central America-Dominican Republic FTA (CAFTA-DR) in 2005; the Andean Pact (Andean Community, customs union, 1969); the Common Market of the South (MERCOSUR, customs union, 1991); the North American FTA (NAFTA, 1991); and the Latin American Integration Association (LAIA, 1980).¹⁹⁹

¹⁸⁹ Carbaugh, R. J. (2004). *International economics* (9th ed.). Mason, OH: South-Western Thomson Learning, p. 507.

¹⁹⁰ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 2, Summary, p. 1-28; Perry, *supra* note 15, p. 75-102.

¹⁹¹ United Nations. (1945). *Charter of the United Nations and Statute of the International Court of Justice*. San Francisco, CA: Author, Art. 1.3 and 55.

¹⁹² International Covenant on Economic, Social and Cultural Rights (opened for signature December 16, 1966). 993 U.N.T.S. 3.

¹⁹³ United Nations General Assembly. (1986, December 4). *Declaration on the Right to Development*, (A/RES/41/128). New York: Author.

¹⁹⁴ United Nations General Assembly, *Millennium Declaration*, *supra* note 1.

¹⁹⁵ *Ibid.*, Art. 6 and 19.

¹⁹⁶ World Trade Organization (WTO). (2001, November 14). *Doha WTO Ministerial 2001: Ministerial Declaration*, (WT/MIN(01)/DEC/1). Retrieved July 14, 2006, from http://www.wto.org/English/thewto_e/minist_e/min01_e/mindecl_e.htm, Article 2.

¹⁹⁷ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 190, p. 79.

¹⁹⁸ *Ibid.*, p. 15.

¹⁹⁹ Schiff, M., & Winters, L. A. (2003). *Regional integration and development*. New York: Oxford University Press, p. 26-27; Portman, R. (2006, March 31). *Statement of USTR Portman regarding entry into force of the U.S. - Central America - Dominican Republic Free Trade Agreement (CAFTA-DR) for Honduras and Nicaragua*. Retrieved July 13, 2006, from [http://www.ustr.gov/Document_Library/Press_Releases/2006/March/Statement_of_USTR_Portman_Regarding_Entry_Into_Force_of_the_US_-_Central_America_-_Dominican_Republic_Free_Trade_Agreement_\(CA.html](http://www.ustr.gov/Document_Library/Press_Releases/2006/March/Statement_of_USTR_Portman_Regarding_Entry_Into_Force_of_the_US_-_Central_America_-_Dominican_Republic_Free_Trade_Agreement_(CA.html)

The degree of economic integration among Member States defines each type of regional integration organization. In the most basic arrangement, a free trade area (FTA), “[t]rade within the group is duty free but members set their own tariffs on imports from non-members.”²⁰⁰ Members of a customs union “apply a common external tariff.”²⁰¹ A common market allows the free movement of both labor and goods and establishes a common external tariff.²⁰² In a monetary union, such as the European Monetary Union, States agree to circulate only one common currency among themselves.²⁰³ An economic union is the most integrated economic arrangement in which “... national, social, taxation, and fiscal policies are harmonized and administered by a supranational institution.” It “... requires an agreement to transfer economic sovereignty to a supranational authority.”²⁰⁴

Macroeconomic Coordination: The Prisoner’s Dilemma

Although the *Charter of the United Nations* and subsequent international declarations and treaties have urged Member States to coordinate macroeconomic policies, three important political obstacles impede cooperation among the LAC States.²⁰⁵ First, with a simple cost-benefit analysis, Ghymers states that numerous uncertainties cause the estimated costs of macroeconomic cooperation to overcome the perceived benefits in LAC States’ calculus.²⁰⁶ These uncertainties include: a lack of evaluative capacity for policy options, caution regarding other States’ reactions, lack of continuity among policy-makers, concern for policy legitimacy among domestic constituents and “fear of having one’s hands tied vis-à-vis one’s neighbours”, and the “absence of credible regional or arbitration institutions.”²⁰⁷ These uncertainties contribute to the classic prisoner’s dilemma.²⁰⁸ The LAC States singularly pursue national policies to either maximize their national outcome or minimize harm to themselves.²⁰⁹ With cooperation, they could achieve Pareto-optimal results – that is, the regional would collectively maximize economic benefits – such as the creation of one large market that would enable domestic industry to maximize economies of scale.²¹⁰

The second impediment, Ghymers explains, is the lack of national political will that results from the erroneous assumption that regional integration implies centralization, posing the “... notion of regional agencies as competitors of national governments.”²¹¹ Although a degree of national sovereignty must be ceded to manage a customs or monetary union, he emphasizes the need for non-partisan, technical exchange among governments as an important part of macroeconomic coordination that does not reduce economic sovereignty.²¹² Third, Ghymers notes the institutional credibility necessary to buttress supranational commitments is deficient, such that States weakly enforce regional accords.²¹³

²⁰⁰ World Trade Organization (WTO). (2006). *Glossary*. Retrieved July 24, 2006, from http://www.wto.org/english/thewto_e/glossary_e/glossary_e.htm

²⁰¹ *Ibid.*

²⁰² Carbaugh, *supra* note 189, p. 266.

²⁰³ *Ibid.*, p. 266.

²⁰⁴ *Ibid.*, p. 266.

²⁰⁵ Ghymers, C. (2005, April). *Fostering economic policy coordination in Latin America: The REDIMA approach to escaping the prisoner’s dilemma*. Santiago, Chile: Economic Commission for Latin America and the Caribbean (ECLAC). Retrieved July 3, 2006, from <http://www.eclac.cl/publicaciones/DesarrolloEconomico/0/LCG2270PI/lcg2270i.pdf>, p. 111.

²⁰⁶ *Ibid.*, p. 112.

²⁰⁷ *Ibid.*, p. 112.

²⁰⁸ Escaith, H. (2004, April). Regional integration and macroeconomic coordination in Latin America. *CEPAL Review*, 82. Retrieved July 22, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/revista/noticias/articuloCEPAL/4/20904/P20904.xml&xsl=/revista/tpl-i/p39f.xsl&base=/tpl-i/top-bottom.xslt>, p. 3.

²⁰⁹ *Ibid.*, p. 3-4.

²¹⁰ *Ibid.*

²¹¹ Ghymers, *supra* note 205, p. 113.

²¹² *Ibid.*, p. 114-115.

²¹³ *Ibid.*, p. 115.

Another important obstacle to LAC macroeconomic coordination is the lack of its primary motivator, regional trade and financial interdependence.²¹⁴ (By virtue of the economic linkages among highly integrated economies, such as the Members of the European Union (EU), the events and policies of one country “spill over” and affect the economies of others.²¹⁵ The more cross-border investment and trade there is between States, the more susceptible they are to these spill-over effects.)²¹⁶

Intraregional trade accounts for only 17% of LAC’s total foreign trade, whereas it reaches significantly higher levels in the EU and Asia, 62 per cent and 34 per cent respectively.²¹⁷ ECLAC attributes this low volume of regional commerce to “... slow economic growth, the small size of subregional markets, and the presence of similar export structures that tend to be concentrated in natural resources and that consequently cater primarily to industrialized markets”.²¹⁸ Indeed, LAC States focus a large share of their exports on external markets, such as the U.S.A. and EU. This trend varies in degree from Chile, which focuses 65 per cent of its trade on external markets (2004), to the Central American Common Market, which maintains the highest intraregional trade at 28 per cent (2004).²¹⁹

Despite the region’s relatively low integration, macroeconomic instability in LAC is problematic, and it makes economic growth volatile.²²⁰ A World Bank survey attributes this instability to three sources – terms-of-trade volatility, high volatility in national monetary and fiscal policies, and underdeveloped national financial markets and weak ties to international credit markets – which are exacerbated by external trade and financial shocks.²²¹

MERCOSUR exemplifies how macroeconomic coordination can mitigate regional instability. In 1997, the Asian financial crisis spread to Brazil, troubling the over-valued Brazilian *real* and exacerbating the fiscal deficit, as \$3.8 billion fled Brazil in the first days of September 1998.²²² The Brazilian Government raised interest rates to 43 per cent and initiated an \$18 billion legislative effort “to cut the budget deficit by 2.5% of GDP”.²²³ However, the pressure on the *real* was too strong, and Brazil devalued its currency eight per cent against the U.S.A. dollar on January 13, 1999 despite protests from Argentina, which exports a third of its merchandise to Brazil.²²⁴ Since 1991, Argentina had pegged the *peso* one-to-one to the U.S.A. dollar under a “convertibility” scheme designed to control inflation, and a currency board used foreign reserves to maintain the exchange parity.²²⁵ However, when Brazil devalued the *real*, a third of Argentina’s exports instantaneously became eight per cent more expensive, which made them less competitive; since Argentina could not devalue, reducing production costs domestically became the only way to make its exports competitive.²²⁶ This shock, combined with other factors, drove Argentina into an economic recession and “to default on its \$155 billion public debt” in December 2001.²²⁷ Although the financial crises might not have been wholly averted, Ghymers notes that macroeconomic coordination between Brazil and Argentina

²¹⁴ Machinea, J. L., & Rozenwurcel, G. (2005, December). *Macroeconomic coordination in Latin America: Does it have a future?* (Reports and Special Studies Series No. 15). Santiago, Chile: Economic Commission for Latin America and the Caribbean (ECLAC). Retrieved July 3, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/publicaciones/xml/0/23510/P23510.xml&xsl=/tpl-i/p9f.xsl&base=/tpl-i/top-bottom.xsl>, p. 9.

²¹⁵ Ghymers, *supra* note 205, p. 23.

²¹⁶ Machinea, *supra* note 214, p. 9.

²¹⁷ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 190, p. 19.

²¹⁸ *Ibid.*, p. 19.

²¹⁹ *Ibid.*, p. 83; ProChile. (2005). *Chile facts and figures: Foreign trade: Market diversification*. Retrieved July 12, 2006, from http://www.chileinfo.com/index.php?accion=info_comercial

²²⁰ De Ferranti, D., Perry, G. E., Gill, I. S., & Servén, L. (Eds.). (2000). Macroeconomic volatility in Latin America and the Caribbean: Causes and remedies. In *Securing our future in a global economy*. Washington, DC: World Bank, p. 45-71.

²²¹ The region’s concentrated natural resource exports, relative trade openness, and export-led growth strategies combine to make LAC economies vulnerable to volatile global commodity prices. For example, Latin American economies have boomed with rubber and coffee exports and have busted when international prices of those commodities drops; this results in LAC’s “boom and bust” cycles. *Ibid.*, p. 45-61.

²²² *Economist, The.* (1998, September 10). *The battle royal for Brazil’s real*. Retrieved July 25, 2006, from http://www.economist.com/displaystory.cfm?story_id=164382

²²³ *Ibid.*

²²⁴ *Ibid.*; *Economist, The.* (1999, January 14). *Storm clouds from Brazil*. Retrieved July 25, 2006, from http://www.economist.com/displaystory.cfm?story_id=182028

²²⁵ *Economist, The.* (2002, February 28). *Argentina’s collapse: A decline without parallel*. Retrieved July 25, 2006, from http://www.economist.com/displaystory.cfm?story_id=1010911

²²⁶ *Ibid.*

²²⁷ *Ibid.*

would have softened the blow to both economies and their icy relations that put the future of MERCOSUR in question.²²⁸

Despite this low rate of economic interdependence, Machinea and Rozenwurcel (2005) argue that the demand for economic stability in the region is sufficient ground for regional coordination of economic and fiscal policies.²²⁹ They suggest a two-phase implementation process, which progresses from “soft” to “hard” coordination.²³⁰ In the preliminary or “soft” phase, national governments should standardize statistics, regularly exchange information, hold periodic meetings, and establish “supranational” policy forums for systematically addressing economic concerns.²³¹ Although they emphasize the gradual nature of macroeconomic coordination, they underscore that a *de minimis* level of good faith is critical for maintaining the public political will necessary for later integration and macroeconomic coordination.²³²

In the second, “hard” phase of macroeconomic coordination, Machinea and Rozenwurcel recommend regional organizations adopt a specific set of convergence criteria by which they will align their macroeconomic policies.²³³ Based on the foremost example of the EU, another international economist defines the necessary convergence criteria generally as: (1) controlled inflation, (2) “low long-term interest rates”, (3) stable exchange rates, and (4) sound fiscal policy.²³⁴ By setting monetary, fiscal and foreign exchange targets, States can work together to alleviate variances in their business cycles that deter intraregional trade and can respond more cohesively to external economic shocks in a way that mitigates the effects for all participants.²³⁵ In this “hard” phase, Machinea and Rozenwurcel stress both the need for flexibility to maintain members’ political will as well as firmness to establish institutional credibility within the region and in the broader international community.²³⁶

In practice, policy coordination is complicated by the fact each economy is different and thus may possess different political interests.²³⁷ Carbaugh summarizes these as: variances in (1) economic goals, such as reducing unemployment; (2) national institutions, such as the relative strength of the presidency or parliament; (3) “national political climates” that can shift left or right, pro-globalization or anti-globalization, *etc.*, over time; and (4) “phases in the business cycle” whose misalignment deters cross-border investment and trade.²³⁸ Notably, any of these factors can inhibit macroeconomic coordination; however, it is precisely such challenges to cooperative regional economic growth that macroeconomic coordination is intended to overcome.²³⁹

North-South Trade with the U.S.A.: Challenges and Potential for Growth

The U.S.A. maintains a host of regional and bilateral FTAs with LAC States. The region’s major such “north-south” agreements in effect include: NAFTA, CAFTA-DR, and several bilateral agreements such as the Chile

²²⁸ Ghymers, *supra* note 205, p. 106-110; *Economist, The.* (2001, October 11). *South American trade: Sticking-plaster for Mercosur.* Retrieved July 25, 2006, from http://www.economist.com/displaystory.cfm?story_id=813954

²²⁹ Machinea, *supra* note 214, p. 27.

²³⁰ *Ibid.*, p. 28.

²³¹ *Ibid.*, p. 28.

²³² *Ibid.*, p. 28.

²³³ *Ibid.*, p. 28-29.

²³⁴ Carbaugh, *supra* note 189, p. 273.

²³⁵ Machinea, *supra* note 214, p. 27-42.

²³⁶ *Ibid.*, p. 29-30.

²³⁷ *Ibid.*, p. 43-46.

²³⁸ Carbaugh, *supra* note 189, p. 509.

²³⁹ Machinea, *supra* note 214, p. 43-46.

U.S.A. FTA that entered into force in 2004 and the recently signed U.S.A. bilateral agreements with Colombia and Peru (2006).²⁴⁰

These bilateral FTAs and regional free trade agreements (RTAs) pose institutional challenges to the effective functioning of existing agreements.²⁴¹ One problem is added complexity: U.S.A. agreements are broader in scope (and include complex tariff structures, rules of origin, and intellectual property protections, for example) and cause an asymmetry of commitments that result in more extensive revision of domestic legislation and regulations for developing States.²⁴² Implementing these agreements can prove very costly for LAC States.²⁴³ In the case of the CAFTA-DR and Andean Community Members, ECLAC cautions north-south accords often detract from the strengthening and updating of existent regional agreements.²⁴⁴ Nonetheless, ECLAC suggests that such investment and integration decisions prompted by FTA commitments can pull members of regional organizations together with adequate macroeconomic consultation.²⁴⁵

Nevertheless, strong growth incentives for FTAs with the U.S.A. exist.²⁴⁶ With a \$12.5 trillion gross domestic product (GDP) in 2005, the U.S.A. is the world's largest economy and a lucrative export market: in 2005 the U.S.A. imported over \$1.6 trillion of merchandise from the rest of world and over \$122 billion from LAC.²⁴⁷ In the short-term, LAC governments and businesses seek greater U.S.A. market access to promote the productivity of domestic export businesses and greater consumer welfare (through lower prices).²⁴⁸ In the long-term, trade integration theoretically boosts economic growth by allowing domestic industry to take advantage of economies of scale both in production and sales to an expanded market, by promoting the competitiveness of domestic industry, and by stimulating investment.²⁴⁹

In practice, however, asymmetries in natural resources, technology, financial and human capital, transportation and infrastructure costs, and costs of implementing FTAs contribute to the uneven distribution of economic gains from trade among and within States.²⁵⁰ Hence, an important area for regional LAC collaboration is the design of trade policy agendas that address these issues in key export areas vis-à-vis the U.S.A. For example, NAFTA exhibited the important social effects – namely, migration – on Mexico from the U.S.A.'s high agricultural productivity. A Carnegie Endowment report, *NAFTA's Promise and Reality: Lessons from Mexico for the Hemisphere* (2003),

²⁴⁰ Office of the United States Trade Representative (USTR). (2006, March). Annex III: List of trade agreements. In *The President's 2006 trade policy agenda and 2005 annual report on the trade agreements program*. Washington, DC: Author. Retrieved July 17, 2006, from http://www.ustr.gov/Document_Library/Reports_Publications/2006/2006_Trade_Policy_Agenda/Section_Index.html, p. 4, 7, 22; Office of the United States Trade Representative (USTR). (2004, June 4). *The U.S.-Chile Free Trade Agreement: An early record of success*. Retrieved July 13, 2006, from http://www.ustr.gov/Document_Library/Fact_Sheets/2004/The_US-Chile_Free_Trade_Agreement_An_Early_Record_of_Success.html; Office of the United States Trade Representative (USTR). (2006, February 27). *United States and Colombia conclude Free Trade Agreement*. Retrieved July 12, 2006, from http://www.ustr.gov/Document_Library/Press_Releases/2006/February/United_States_Colombia_Conclude_Free_Trade_Agreement.html; Office of the United States Trade Representative (USTR). (2006, April 12). *The U.S. and Peru sign the U.S.-Peru Trade Promotion Agreement (USPTA)*. Retrieved July 13, 2006, from <http://www.buyusa.gov/peru/en/56.html>

²⁴¹ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 197, p. 80.

²⁴² *Ibid.*, p. 80.

²⁴³ World Bank. (2005, June 28). *The World Bank and the DR - Central America Free Trade Agreement (DR-CAFTA)* (Press release). Retrieved July 13, 2006, from <http://inweb18.worldbank.org/LAC/LAC.nsf/ECADocbyUnid/9E56B2DC8514948085256DB20073248F?Opendocument>

²⁴⁴ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 197, p. 80.

²⁴⁵ *Ibid.*

²⁴⁶ Schiff, *supra* note 199, p. 124-137.

²⁴⁷ *Economist*, The Economist Intelligence Unit, & Country ViewsWire. (2006, May 1). *United States factsheet*. Retrieved July 13, 2006, from <http://www.economist.com/countries/USA/profile.cfm?folder=Profile-FactSheet>; United States Department of Commerce. (2006). *TradeStats Express: U.S.A. merchandise imports from the world and Latin America and the Caribbean* [Data file]. Retrieved July 13, 2006, from <http://tse.export.gov/>

²⁴⁸ Carbaugh, *supra* note 189, pp. 267-268.

²⁴⁹ *Ibid.*, pp. 270-271.

²⁵⁰ *Ibid.*, pp. 231-263.

attributes the loss of 1.3 million Mexican agricultural jobs and the accompanying migration in significant degree to the increase of U.S.A. agricultural imports to Mexico between 1994 and 2003.²⁵¹ In 2004, Central and South America's agricultural exports totaled almost \$80 billion and comprised 13 per cent of the region's exports.²⁵² Given the weight of agriculture in the regional economy, addressing potential the economic and social dislocation of the sector is an important issue for future trade negotiations.²⁵³

On April 24-28, 2006, the UN Food and Agricultural Organization (FAO) convened the 29th Regional Conference for Latin America and the Caribbean in Caracas to discuss agricultural trade and its effects on rural poverty, social development, and food security.²⁵⁴ Such regional forums not only facilitate policy dialogue, they also encourage regional coordination toward effectively integrating the important social effects of economic integration into the policy discussion.²⁵⁵

The potential for sudden trade diversion from third-party exporting States is another concern with the implementation of some of the region's bilateral accords with the U.S.A.²⁵⁶ Trade diversion occurs when an FTA diverts trade flows from a previous trade partner who is not party to the new agreement to one who is.²⁵⁷ For example, the U.S.A. and Colombia signed a bilateral FTA in February 2006, which will displace an estimated \$170 million of Bolivian soya exports to Colombia.²⁵⁸ Now a large Bolivian industry must adjust or seek alternative markets in a matter of months.²⁵⁹ Writing on the prisoner's dilemma and macroeconomic coordination, Ghymers asserts, "The subregional level is the main building block for macroeconomic cooperation among national administrations but also for dissemination and discussion among the different subregions of Latin America and with other regions (the European Union, NAFTA, ASEAN)." States must therefore incorporate regional-level concerns into national dialogue and effectively utilize regional fora for macroeconomic coordination to be successful.²⁶⁰

Doha and Development

Historically, developing States remained on the periphery of global trade negotiations.²⁶¹ However, in November, 2001, the 140 Member States of the WTO committed to making the current Doha Round of trade negotiations a

²⁵¹ Papademetriou, D., Audley, J., Polaski, S., & Vaughn, S. (2003, November). *NAFTA's promise and reality: Lessons from Mexico for the hemisphere*. Washington, DC: Carnegie Endowment, Introduction, p. 6, and Chapter 1, p. 2.

²⁵² World Trade Organization (WTO). (2006). *Trade by sector: I. Agricultural products: Table IV.6: Exports of agricultural products by region, 2004* [Data file]. Retrieved July 13, 2006, from http://www.wto.org/english/res_e/statis_e/its2005_e/its05_bysector_e.htm

²⁵³ Stiglitz, J. E., & Charlton, A. (2005). *Fair trade for all: How trade can promote development*. Oxford, UK: Oxford University Press, p. 120-124.

²⁵⁴ Food and Agriculture Organization (FAO). (2006, April 20). *Ministers of agriculture of Latin America and the Caribbean meet to strengthen regional integration*, (Press release regarding the FAO's 29th Regional Conference for Latin America and the Caribbean in Caracas, Venezuela, April 24-28, 2006). Retrieved July 13, 2006, from <http://www.fao.org/newsroom/en/news/2006/1000279/index.html>

²⁵⁵ Inter-American Development Bank (IDB). (2006, June 27). *The poverty impact of trade integration* (Workshop press release). Retrieved July 8, 2006, from <http://www.iadb.org/NEWS/articledetail.cfm?Language=En&parid=4&artType=WS&artid=3152>

²⁵⁶ Kuwayama, M., Durán Lima, J., & Silva, V. (2005, December). *Bilateralism and regionalism: Re-establishing the primacy of multilateralism, a Latin American and Caribbean perspective* (International Commerce Series No. 58). Santiago, Chile: Economic Commission for Latin America and the Caribbean (ECLAC). Retrieved July 11, 2006, from <http://www.eclac.org/cgi-bin/getProd.asp?xml=/publicaciones/xml/5/23615/P23615.xml&xsl=/comercio/tpl-i/p9f.xsl&base=/comercio/tpl/top-bottom.xsl>

²⁵⁷ Carbaugh, *supra* note 189, p. 270.

²⁵⁸ *La Razón*. (2006, March 2). La soya pierde su principal mercado [Soya loses its principal market]. *La Razón*, online edition. Retrieved July 13, 2006, from http://www.la-razon.com/versiones/20060302_005468/nota_248_254666.htm

²⁵⁹ *Ibid.*

²⁶⁰ Ghymers, *supra* note 205, p. 83-86.

²⁶¹ Tussie, D., & Lengyel, M. F. (2002). Developing countries: Turning participation into influence. In B. Hoekman, A. Mattoo, & P. English (Eds.), *Development, trade, and the WTO: A handbook*. Washington, DC: World Bank, p. 485-487.

development round.²⁶² This gave developing States a vital stake in the negotiations, and as Brazil's stalwart leadership of the Group of 20 (G-20) has shown, Latin America and the Caribbean are no exception.²⁶³

There are several reasons for making Doha a truly "development" round.²⁶⁴ Past rounds created "regressive asymmetries" and yielded the present international trade system in which, "...after the implementation of Uruguay Round commitments, the average OECD [Organisation for Economic Co-operation and Development country] tariff on imports from developing countries is four times higher than on imports originating in the OECD..."²⁶⁵ Moreover, developing States accepted an extensive and costly set of obligations in prior rounds in exchange for often non-binding commitments from industrialized States, resulting in fewer comparative gains for many developing States.²⁶⁶ Indeed, Stiglitz and Charlton cite one estimate that the Uruguay Round commitments cost the 48 least-developed countries (LDCs) \$600 million each year on net.²⁶⁷

Yet, simple liberalization of developed-country markets is not the answer.²⁶⁸ Agriculture epitomizes the challenge: "It represents almost 40 per cent of their [developing countries'] GDP, 35 per cent of exports, and 70 per cent of employment."²⁶⁹ Simply liberalizing agricultural trade would reduce consumer prices worldwide, but it would also reduce the incomes of millions of poor farmers.²⁷⁰ Agriculture must be addressed carefully in the Doha Round and changes must be implemented gradually to avoid jeopardizing rural development and food security.²⁷¹ Statistically, it is estimated that Latin America would only capture 14 per cent of global purchasing-power increases (that benefit consumers) if agricultural tariffs and price supports were abolished (2001).²⁷² Yet, agriculture composes over 20 per cent of the LAC region's exports, and the World Bank projects agricultural producers will earn over 75 per cent of the potential income gains from fully liberalizing merchandise trade (2002).²⁷³ Thus, if developed States grant greater market access to developing States, reduce price supports, and cut tariff and other non-tariff barriers, small agricultural producers in developing States could witness important gains.²⁷⁴

A recent ECLAC trade policy study notes that because of their various economic sizes and structures, the LAC States have incentives to negotiate in various divergent groups in the Doha Round.²⁷⁵ The authors recommend LAC States should focus on convergent interests, particularly development and agriculture dimensions, and build complementary "domestic agendas" that promote "... competitiveness, infrastructure, technological innovation and the modernization of small and medium-sized enterprises (SMEs)".²⁷⁶

Doha represents an equally important issue integrated with trade policy, what the World Bank calls "pro-poor growth".²⁷⁷ Pro-poor growth stems from the idea that poverty is dynamic and has reciprocal social and economic

²⁶² World Trade Organization (WTO), *Doha*, *supra* note 200.

²⁶³ *Economist*, *The*. (2005, November 3). *Brazilian agriculture: The harnessing of nature's bounty: The inexorable rise of Brazil as an agricultural superpower forms an important backdrop to world trade negotiations*. Retrieved July 12, 2006, from http://www.economist.com/printedition/displayStory.cfm?story_id=5107849&fsrc=RSS

²⁶⁴ Stiglitz, *supra* note 253, p. 41-65.

²⁶⁵ "OECD" is often used to refer to the developed or industrialized States. The cited study is Laid, S. (2002). Market access and the WTO: An overview. In Bernard Hoekman, Aadyita Mattoo, & Philip English (Eds.), *Development, trade, and the WTO: A handbook*. Washington, DC: World Bank, p. 97-104; *Ibid.*, p. 47.

²⁶⁶ Stiglitz, *supra* note 253, p. 48-49.

²⁶⁷ *Ibid.*, p. 47.

²⁶⁸ *Ibid.*, pp. 115-132.

²⁶⁹ *Ibid.*, p. 120.

²⁷⁰ *Ibid.*

²⁷¹ *Ibid.*, p. 120-124; Burfisher, M. E. (2002). Options for agricultural policy reform in the World Trade Organization negotiations. In M. D. Ingco (Ed.), *Agriculture, trade, and the WTO: Creating a trading environment for development* (p. 135-144). Washington, DC: World Bank, p. 135.

²⁷² Burfisher, *supra* note 271, p. 136.

²⁷³ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 197, p. 59; Kuwayama, *supra* note 256, p. 18.

²⁷⁴ Stiglitz, *supra* note 253, p. 120-124.

²⁷⁵ Kuwayama, *supra* note 256, p. 18-21.

²⁷⁶ *Ibid.*, p. 21.

²⁷⁷ Perry, *supra* note 185, p. 1.

ramifications; thus, the World Bank and many international pundits argue that poverty-reduction strategies must be integrated with social and economic policies.²⁷⁸

Stiglitz and Charlton (2005) argue that trade can promote such pro-poor growth.²⁷⁹ The challenge, as the World Bank outlines it, is for each country to integrate its trade policy *with* its economic development strategy to promote pro-poor growth and thus reduce income inequality.²⁸⁰ Beyond Sub-Saharan Africa, LAC maintains the highest economic inequality in the world: 48 per cent of total income accrues to the region's wealthiest ten per cent of the population, while the poorest ten per cent survive on only 1.6 per cent.²⁸¹ Furthermore, the World Bank finds that poverty negatively affects economic growth in the region.²⁸²

All of this underscores the importance of reducing economic inequality and the social inequality that perpetuates it.²⁸³ International economic theory explains that there will be winners and losers from trade, that is, gains from trade will be distributed unevenly among States as well as within them depending on the ownership of resources.²⁸⁴ To date, the "losers" of trade have been the poor simply because they are poor – they do not have the means to adjust to changes in the economy and employment that accompany trade liberalization.²⁸⁵ In a region where over 25 per cent of the population lives on income under \$2 per day, trade policy must be integrated with national pro-poor growth strategies to ensure not only that the poor benefit from the Doha "Development" Round, but also ensure that it reduces inequality.²⁸⁶ Since virtually every country in Latin America and the Caribbean battles poverty and income inequality, this is common ground for cooperation on trade policy and efforts to ameliorate the social effects of trade.²⁸⁷

The People's Republic of China: Strategic Challenge or Partner for Growth?

Increasingly the People's Republic of China (PRC) plays an important role in Latin American and the Caribbean, both as a major importer of natural resource commodities and as an investor in regional infrastructure.²⁸⁸ The PRC exhibited 9.5% real growth over the period 2001-2005, consuming large quantities of tin, zinc, soya, aluminum, and copper from LAC.²⁸⁹ In an effort to secure resources for its exponential growth, the PRC has extended its regional influence over the last five years as an important market for LAC exports, especially natural resources and their derivative manufactures, which comprise 70 per cent of LAC exports to the PRC (2004).²⁹⁰ Between 2000 and 2004, Chinese imports of Latin American and Caribbean primary materials increased at an average rate of 42 per cent per annum.²⁹¹ Indeed, the PRC's demand for primary inputs has driven up the international prices of iron ore, gold, petroleum, soya, and other commodities that LAC exports, resulting in greater regional income.²⁹² However,

²⁷⁸ *Ibid.*, p. 1-19. See also Sachs (2005), Sen (1999), and Stiglitz and Charlton (2005).

²⁷⁹ Stiglitz, *supra* note 256, p. 11-40.

²⁸⁰ Perry, *supra* note 185, p. 11-19.

²⁸¹ World Bank, Office of the Chief Economist for Latin America and the Caribbean. (2006). *Main figures: Poverty reduction and growth: Virtuous and vicious circles*, (Statistical highlights of report). Retrieved July 13, 2006, from <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/EXTLACOFFICEOFCE/0,,contentMDK:20819439~pagePK:64168445~piPK:64168309~theSitePK:870893,00.html>

²⁸² *Ibid.*

²⁸³ Mercado, A. F., Anderson, L. E., & Brooks, A. J. (2005, July). Macroeconomic policies to increase social mobility and growth in Bolivia. *Revista Latinoamericana de Desarrollo Económico* [Latin American Journal of Economic Development], *Special edition*, 65-102.

²⁸⁴ The theory in question is the Factor-Endowment or Heckscher-Ohlin Theory.

²⁸⁵ *Ibid.*, p. 80-83.

²⁸⁶ Perry, *supra* note 185, pp. 1-19, 21.

²⁸⁷ *Ibid.*, pp. 1-19.

²⁸⁸ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 197, p. 145.

²⁸⁹ *Economist*, The Economist Intelligence Unit, & Country ViewsWire. (2006, May 1). *China factsheet*. Retrieved July 13, 2006, from <http://www.economist.com/countries/China/profile.cfm?folder=Profile-FactSheet>; *Ibid.*, p. 146.

²⁹⁰ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 197, p. 155.

²⁹¹ *Ibid.*, p. 152.

²⁹² *Ibid.*, p. 145.

international commodity prices are volatile, and their windfall rents are often short-term. Thus, many economists caution against long-term dependence on natural resource exports and prefer export diversification strategies.²⁹³

From a strategic standpoint, many pundits have raised the question of whether the PRC is a strategic challenge to Latin America and the Caribbean, particularly regarding Chinese trade and investment patterns and their effects on economic development in the region.²⁹⁴ In 2003, the PRC's strong demand for regional foodstuffs, minerals, and other goods yielded LAC a trade surplus of approximately \$three billion.²⁹⁵ This growth in primary exports to the PRC runs contrary to the region's overall trend of increasing the role of manufactures in total exports.²⁹⁶ The important question, therefore, is not simply the PRC and LAC's static balance of trade, but how those trade dynamics affect the region's prospects for long-term growth.²⁹⁷ Traditionally, Latin American economists have turned to the manufacturing sector for dynamic growth because the introduction of technology generally adds value to production and produces more positive technology and skilled-knowledge spill-over.²⁹⁸ Thus, although the region's natural resource exports are growing, how that growth affects the manufacturing sector will be a greater determinant in the success of the PRC-LAC relationship.²⁹⁹

Chinese investment patterns in LAC show a bias toward natural resources.³⁰⁰ According to ECLAC, the PRC's foreign direct investment (FDI) stock in LAC totaled \$4.62 billion by the end of 2004, most of which was directed toward mineral production and transportation infrastructure to secure the raw inputs for the PRC's booming economy at low cost.³⁰¹ In addition, the composition of Chinese exports poses a competitive challenge to some LAC exports. Chinese exports to Latin America and the Caribbean tend to be low-technology products, and in some sectors – namely, textiles, footwear, and toys – LAC manufactures compete with Chinese products both domestically and internationally for market share.³⁰² Thus, the effect of Chinese trade on the region's manufacturing sector may be product-specific rather than sector-wide.³⁰³

As a policy response, some LAC States have legislated protection for domestic manufactures that compete with Chinese imports.³⁰⁴ However, ECLAC recommends integrating LAC firms into Chinese production chains, thereby promoting trade and growth.³⁰⁵ The Commission advises: “The Latin American and Caribbean region must work to increase the degree of processing of its resource-based exports and seek new markets in the PRC for differentiated, higher-value-added goods”.³⁰⁶ With cooperation, greater market access to the PRC, and reciprocal investment, the LAC States might optimize a partnership to diversify and expand their exports in the PRC's market.³⁰⁷

Measures Taken by ECLAC, the UN, & the International Community

²⁹³ Auty, R. M. (1997, June). Natural resources, the state and development strategy. *Journal of International Development*, 9(4), 651-663; Gylfason, T., Herbertsson, T. T., & Zoega, G. (1999, June). A mixed blessing: Natural resources and economic growth. *Macroeconomic Dynamics*, 3(2), 204-225.

²⁹⁴ Devlin, R., Estevadeordal, A., & Rodríguez, A. (Eds.). (2005, March). *The emergence of China: Opportunities and challenges for Latin America and the Caribbean*. Washington, DC: Inter-American Development Bank (IDB). Retrieved July 12, 2006, from <http://enet.iadb.org>, p. 88-136.

²⁹⁵ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 197, p. 156.

²⁹⁶ *Ibid.*, p. 156.

²⁹⁷ *Ibid.*, p. 156.

²⁹⁸ Franko, P. (2003). Import substitution industrialization: Looking inward for the source of economic growth. In *The puzzle of Latin American economic development* (2nd ed., p. 51-77). Boulder, CO: Roman & Littlefield.

²⁹⁹ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 197, p. 156.

³⁰⁰ Devlin, *supra* note 124, p. 150-151.

³⁰¹ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 197, p. 157.

³⁰² *Ibid.*, p. 155.

³⁰³ Devlin, *supra* note 294, pp. 88-104.

³⁰⁴ Economic Commission for Latin America and the Caribbean (ECLAC), *Trends 2005*, *supra* note 197, p. 155.

³⁰⁵ *Ibid.*, p. 157.

³⁰⁶ *Ibid.*, p. 159.

³⁰⁷ *Ibid.*, pp. 159-160.

On July 6, 2006, the Economic and Social Council considered the UN report, “Sustained Economic Growth for Social Development, including the Eradication of Poverty and Hunger” (E/2006/56).³⁰⁸ At its introduction, the Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs, Patrizio Civili, remarked to the effect that “... economic growth alone [will] not lead to social equity and social development unless social goals [are] pursued as key objectives of macroeconomic policies”.³⁰⁹

Since its established in 1948, ECLAC has fostered policy dialogue and research toward the greater macroeconomic coordination of the Member States.³¹⁰ To this end, ECLAC, with financial support and technical cooperation from the EU, fashioned the Macroeconomic Dialogue Network (REDIMA I) to foster dialogue among the region’s central bankers and ministers of economy and finance.³¹¹ REDIMA I organized the dialogue by sub-region – the Andean Community, MERCOSUR, and CACM – to promote exchange over pertinent issues of the respective sub-regions and thus to engender policy cohesion within each sub-regional organization.³¹²

After the successful completion of REDIMA I in 2003, ECLAC launched REDIMA II with continued support of the EU to solidify institutions for macroeconomic coordination in 2005-2006.³¹³ The project’s main objectives are: (1) to engender policy dialogue among ministers and central bankers for better policy coordination within existing sub-regional organizations; (2) to bolster research and analysis on integration schemes, particularly the harmonization of economic and financial policies, and policy measures; and (3) to standardize and improve statistics used in regional policy analysis.³¹⁴ In addition, REDIMA II also calls upon Member States to broaden their agenda to incorporate discussion of economic growth and human development in the regional integration dialogue.³¹⁵ To effect its agenda, REDIMA II will provide technical studies on priority concerns to Member States, and it will convene biannual meetings for each of the three sub-regional organizations and an annual plenary session for dialogue among all Members.³¹⁶ At the first REDIMA II plenary meeting in Santiago in November 2005, delegates took up questions of exchange rate appreciation in LAC and the policy implications of creating a regional debt market.³¹⁷

Emphasizing the importance of regional cooperation, on December 23, 1994, the UN General Assembly designated December 19 as United Nations Day for South-South Cooperation by Resolution 58/220.³¹⁸ The date commemorates the GA’s declaration of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (A/RES/33/134).³¹⁹ Noting the close of the United Nations Decade for the Eradication of Poverty, designated as 1997-2006, the GA re-emphasized the importance of cooperation for eradicating poverty and promoting social development on December 22, 2004 through Resolution 59/247.³²⁰

In addition, other inter-governmental organizations foster macroeconomic coordination. Through its Regional Policy Dialogue initiative, the Inter-American Development Bank (IDB) sponsored the VII Hemispheric Meeting of

³⁰⁸ United Nations Information Service. (2006, July 6). *Economic and Social Council discusses sustained economic growth for social development*, (ECOSOC/6214). Retrieved July 13, 2006, from <http://www.unis.unvienna.org/unis/pressrels/2006/ecosoc6214.html>

³⁰⁹ *Ibid.*

³¹⁰ Economic Commission for Latin America and the Caribbean (ECLAC), *Institution*, *supra* note 202.

³¹¹ Economic Commission for Latin America and the Caribbean (ECLAC). (2006). *Macroeconomic Dialogue Network (REDIMA) II Project*. Retrieved July 13, 2006, from <http://www.eclac.cl/cgi-bin/getprod.asp?xml=/redima/noticias/paginas/1/21151/P21151.xml&xsl=/de/tpl/p18f.xsl&base=/redima/tpl/top-bottom.xsl>

³¹² *Ibid.*

³¹³ *Ibid.*

³¹⁴ *Ibid.*

³¹⁵ *Ibid.*

³¹⁶ *Ibid.*

³¹⁷ Economic Commission for Latin America and the Caribbean (ECLAC). (2005, November). Agenda: First REDIMA II plenary meeting. In *Macroeconomic Dialogue Network (REDIMA II)*. Retrieved July 14, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/redima/noticias/paginas/9/23709/P23709.xml&xsl=/redima/tpl/p18f.xsl&base=/redima/tpl/top-bottom.xslt>

³¹⁸ United Nations Information Service. (2006, July 14). *United Nations international years, decades, days and conferences in 2006*. Retrieved July 14, 2006, from <http://www.unis.unvienna.org/unis/en/calendar2006.html>

³¹⁹ *Ibid.*

³²⁰ *Ibid.*

the Trade and Integration Network June 20-21, 2006.³²¹ On this occasion, the network brought together policy-makers, scholars, and other concerned parties to discuss pertinent LAC issues of the Doha Round.³²²

Conclusion

Latin America and the Caribbean face many important challenges as well as opportunities. Regional integration among themselves, FTAs with the U.S.A., the Doha “Development” Round of trade negotiations, and the PRC’s expanding market all present important opportunities for growth and challenges. Through regional macroeconomic coordination, LAC can address these concerns and maximize its economic gains as pro-poor growth. During your research, you should consider the following questions:

- What is the status of your country’s legal institutions and investment framework? Has your country formed a clear national consensus on further regional integration – that is, does it possess the necessary political will to implement changes to domestic policy?
- How might regional organizations reduce the prisoner’s dilemma? Of which regional economic organization(s) is your country a member? How might macroeconomic and trade policy coordination be improved within the organization(s)? Within the region?
- How might LAC respond more cohesively to potential trade-diversion and commitment asymmetries presented by north-south agreements?
- How can Member States better cooperate on the development and agricultural issues of the Doha Round? What can be done at the regional level to coordinate pro-poor growth and to mitigate the social effects of trade liberalization on the poor?
- Does the PRC pose a threat to Latin America and the Caribbean? What are the prospects for trade and investment flows? How does the LAC-PRC economic relationship affect the region’s pro-poor growth and social development? How can LAC States act regionally to improve the relationship for all?

Annotated Bibliography

History of the Economic Commission of Latin America and the Caribbean

Ghymers, C. (2005, April). *Fostering economic policy coordination in Latin America: The REDIMA approach to escaping the prisoner’s dilemma*. Retrieved July 14, 2006, from <http://www.eclac.cl/publicaciones/DesarrolloEconomico/0/LCG2270PI/lcg2270i.pdf>
Christian Ghymers is a member of the Center of International Economics and Finance as well as a senior in the European Commission. In this text, he provides an interesting comparison between the European Union and Latin America and the Caribbean and aims to find out if the integrative approach used by the EU is applicable to Latin America. As an example of cooperation on research and advocacy, this text tries to see whether the method can possibly be imported considering the differences between the two regions.

Ground, R. L. (1986) A Survey and Critique of IMF Adjustment Programme, in *Debt, Adjustment, and Renegotiation in Latin America: Orthodox and Alternatives*. UN ECLAC, Boulder, Colorado: L. Rienner Publishers.
Ground develops an analysis of the IMF Adjustment Programs and tries to highlight their weaknesses. Among these, he counts the inability of the Fund to develop approaches that are inclusive and that take into account the interactions between the different areas in which the IMF wishes to implement changes. He thus argues that the approach is an inherent problem to the inefficiency of the programs in different countries.

³²¹ Inter-American Development Bank (IDB). (2006). *Regional Policy Dialogue: VII Hemispheric Meeting of the Trade Network*. Retrieved July 12, 2006, from <http://www.iadb.org/int/redes/rpd/index.aspx?red=true&mid=50&rid=4>

³²² *Ibid.*

Guerguil, M. (1986) *The International Financial Crisis: Diagnosis and Prescriptions*, in *Debt, Adjustment, and Renegotiation in Latin America: Orthodox and Alternative Approaches*. UN ECLAC, Boulder, Colorado: L. Rienner Publishers.

In order to develop possible solutions to the financial crisis, which undermined the Latin American economy in the 1980s, Guerguil analyzes the international recession. In the process, he highlights the elements that are systemic and those that are only part of the conjuncture. Then, he tries to give directions for solutions that would work in the context of the Latin America.

United Nations Economic Commission for Africa. *About UNECA*. Retrieved August 12, 2006, from <http://www.uneca.org/overview.htm>

The Economic Commission for Africa is one of the four other regional Commissions created by the ECOSOC and was established in 1958. The Web site is interesting because it supplies general information about the role of the different regional Commission under the administration of the UN. It also gives an element of comparison between the two Commissions in the organization of their work and how they relate to their mission.

United Nations Economic Commission for Latin America and the Caribbean. *Events relevant to South-South Cooperation*. Retrieved August 12, 2006, from

http://www.eclac.cl/cooperacion/noticias/paginas/4/25934/south_south_relevantevents.pdf

Cooperation is one of the pillars of the mission the ECLAC undertakes according to its mandate. On this page, we are given information about the forums of discussion organized under the aegis of the ECLAC. It also show how the events of the past decades have been relevant to the development of a regional strategy.

United Nations Economic Commission for Latin America and the Caribbean. (1990). *Latin America and the Caribbean: Options to Reduce the Debt Burden*. Santiago, Chile.

This document completes the book Debt, Adjustment, and Renegotiation in Latin America.

Written 4 years after the latter, it analyzes the same situation but from another point in time.

Such a choice can allow us to see the evolution both in the panorama and the way in which the ECLAC finds solution to the problems the region is faced with.

United Nations Economic Commission for Latin America and the Caribbean. *Member States*. Retrieved July 5, 2006, from http://www.eclac.cl/cgi-bin/getprod.asp?xml=/noticias/paginas/7/21497/P21497.xml&xsl=/tpl-i/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

The ECLAC membership has evolved over its years of existence, as at first, it did not include Caribbean countries. This page shows how the number of member states has changed and when each joined the institution. It also presents the associate members which have a different statute from the other members.

United Nations, Economic Commission for Latin America and the Caribbean. (1995). *Policies to Improve Linkages with the Global Economy*. Santiago, Chile.

Based on the work made in Social Equity and Changing Production Patterns, this book presents the changes that happened in the Latin American panorama after the publication of the first book. It analyzes the impeding obstacles as well as the favorable factors to the economic and social development of Latin America and the Caribbean. It allows for a comparative approach and also an analysis of the evolution.

United Nations Economic Commission for Latin America and the Caribbean. (1992). *Social Equity and Changing Production Patterns: An Integrated Approach*. Santiago, Chile,

One of the missions undertaken by the ECLAC is to develop policy analysis and advocacy. Here the author builds upon a monist approach instead of a dualist approach related to economy and social equity so as to be fitted to Latin American reality. Instead of approaching social policies as a way to "correct" the inequalities produced by economic policies it analyzes development in both the economic and social fields as parts of the same policy.

United Nations Economic Commission for Latin America and the Caribbean. (1996). *The Economic Experience of the Last Fifteen Years: Latin America and the Caribbean, 1980-1995*. Santiago, Chile.

This book analyzes the institutional framework in which Latin American and Caribbean countries developed over the 1980s and 1990s. It also gives an account of the experience acquired and the context in which countries developed and how they had to adapt. However because it was published in the 1995, it does not give an idea of the evolution over the past ten years.

United Nations. (1954). *The Economic Growth of Twenty Republics: the work of the Economic Commission for Latin America*. United Nations Publications.

Published in 1954, this book is interesting because of its date. It also shows how the commission, as soon as 1947, has evolved very quickly as far as its way of working was concerned. It demonstrates the way reality and concerns of efficiency has influenced the choices of the commission.

United Nations Economic Commission for Latin America and the Caribbean. (2006, July 27). *ECLAC and Spanish Cooperation Agency Sign Collaboration Agreement: Operating Plan for 2006 sets out cooperation projects*. Press Center. Retrieved August 12, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/6/26216/P26216.xml&xsl=/prensa/tpl-i/p6f.xsl&base=/tpl-i/top-bottom.xsl>

This article provides a perfect example of the work of the ECLAC to build partnerships not only within the region but also with external actors. Here the collaboration is organized with the Spanish Cooperation Agency. This also shows how the ECLAC finds funding to implement its mandate to bring technical assistance to governments.

United Nations Economic Commission for Latin America and the Caribbean. *About ECLAC*. Retrieved July 14, 2006, from <http://www.eclac.cl/acerca/default-i.asp>

The ECLAC was established by the ECOSOC in 1948; this page provides us with information about the formation of the Commission. It also provides a short description of the institution and gives general information about the commission. This is an introduction to the basic history of the Commission and its way of functioning.

United Nations Economic Commission for Latin America and the Caribbean. *The Mandate and Mission*. Retrieved July 14, 2006, from http://www.eclac.cl/cgi-bin/getprod.asp?xml=/noticias/paginas/7/21477/P21477.xml&xsl=/tpl/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

The Secretariat of the Commission was organized according to ECOSOC Res 106 (VI). As part of the ECLAC Web site, this page gives a summary of the mandate and mission of the institution. This is a short presentation of the ECLAC, which content is specified and detailed on the pages dedicated to the different divisions of the institution.

United Nations Economic Commission for Latin America and the Caribbean. *Evolution of ECLAC Ideas*. Retrieved July 14, 2006, from http://www.eclac.cl/cgi-bin/getprod.asp?xml=/noticias/paginas/4/14004/P14004.xml&xsl=/tpl-i/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

Over its fifty years of existence, the ECLAC has showed an incomparable ability to adapt its approaches to the reality it had to face. This page gives an overview of the different phases, which the ECLAC went through. It also describes the way the institution actually divided this fifty-year period into stages and how its method changed to deal efficiently with each of them.

United Nations Economic Commission for Latin America and the Caribbean. *Divisions*. Retrieved July 5, 2006, from <http://www.eclac.cl/divisiones/default.asp?idioma=IN>

There are different units around which the ECLAC organizes its work, which are all described on this page. The latter provides links to each of these divisions, which are dedicated to their work. Each shows how the unit prepares its work and its activities; these can be trainings, workshops, conferences, or projects.

Additional Sources

United Nations (press center), *Annan says global development goals can be achieved through local actions*. Retrieved July 28, 2006 from <http://www.un.org/apps/sg/sgstats.asp?nid=1660> and <http://www.un.org/apps/news/storyAr.asp?NewsID=15724&Cr=world&Cr1=summit&Kw1=global&Kw2=&Kw3>

This article and speech were written in September 2005 before the Millennium Summit. The speech was addressed to the organization United Cities and Local Government in the context of the fight against AIDS. It is also relevant in the case of the other Millennium Development Goals as the title of the article assumes.

United Nations, Kofi Annan. (1 May, 2006). *Regional cooperation in the economic, social and related fields: Report of the Secretary-General (E/2006/15)*. Retrieved August 12th 2006, from http://www.eclac.cl/prensa/noticias/comunicados/8/25958/SGregionalcooperation_ing.pdf
Delegates should start here for a broad view of the UN's regional work. This document is the latest report of the Secretary-General concerning the work of the Regional Commissions. It gives an account of what the ECLAC (and the other Commissions) have accomplished in the different fields of action they had planned for the year.

United Nations Economic Commission for Latin America and the Caribbean. (7 August, 2006). *Sustainable Cities for Latin America Press Center*. Retrieved August 12, 2006 from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/9/26309/P26309.xml&xsl=/prensa/tpl-i/p6f.xsl&base=/tpl-i/top-bottom.xsl>

This article gives an example of the different workshop held by the Commission to facilitate knowledge sharing and also to be a link between the global and regional discourse. This article can be referred to Annan's speech on the role of local authorities in the implementation of global goals. It shows how the ECLAC fills its role as a regional commission of the United Nations.

United Nations Economic Commission for Latin America and the Caribbean. (n.d.). *Analyses and Research led under the authority of the ECLAC*. Retrieved July 14th 2006 from <http://www.eclac.cl/analisis/default.asp?idioma=IN>

This page gathers the information about the different research led under the direction of the ECLAC. It is organized by theme rather than by division, which allows the reader to see how different divisions can sometimes work on the same theme but with a different emphasis. It also show how they will coordinate their effort.

United Nations Economic Commission for Latin America and the Caribbean. *Debt, Adjustment, and Renegotiation in Latin America: Orthodox and Alternatives Approaches*. Boulder, Colorado, 1986
Debt, Adjustment, and Renegotiation in Latin America is an analysis of the process led under the aegis of the IMF in Latin America after the economic crisis of the early 80s. It focuses on alternative approaches to the IMF and develops approaches from the periphery as opposed to the "orthodox approach" of the IMF. The aim is to show that politics developed from the center are not always relevant to the regions where they are going to be implemented.

United Nations Economic Commission for Latin America and the Caribbean. (n.d.). *Projects*. Retrieved July 14, 2006 from <http://www.eclac.cl/cooperacion/noticias/cooperacion/division.asp?idioma=IN>

This link provides a list of the different projects and programs led within the ECLAC organized according to the office or division or executing office in charge of leading/implementing it. You can find for example the "Human Development Report in Brazil" published by the office in Brazil, the document on "Economic, Social and Environmental Impact of Disasters: Valuation as a Tool for the Reduction of Disaster Risk in Developing Countries" published by the subregional office in Mexico. It also allows finding examples of the cooperation as in the document "Regionalism in Asia and Latin America: a Comparative Review of Regional Experiences.

I. Building Institutions for Economic Growth

- Aninat, Eduardo. (2000). Growth and Stability in Latin America and the Caribbean: Challenges for the Epoch of Globalization. Retrieved July 15, 2006, from <http://www.imf.org/external/np/speeches/2000/052600.htm>
Mr. Aninat, an IMF official gave a speech that traced the progress made in Latin America regarding economic and social issues. It highlights the performance of the different countries of the region. Finally, it enumerates the conditions that are essential to the future success of Latin America; good governance and transparency in economic policymaking, the need to continually modernize the regulatory framework, transitioning toward the knowledge economy, need to ensure the reliability and cost-efficiency of utilities, and the need to cushion the impact of adverse fluctuations in the international economic environment by erecting contingency mechanisms.
- Balassa, Besa. (1998). The Lessons of East Asian Development: An Overview. *Economic Development and Cultural Change*, 36(3).
The reasons that allowed the economic success that was witnessed in East Asia between 1960-1990 are discussed by the author. It compares the success with the Latin American region and presents economic data. It highlights the fact that the growth of exports is significant in fostering a strong economic performance.
- Balioune-Lutz, M. (2003). An analysis of the determinants and effects of ICT diffusion in developing countries. *Information Technology for Development* 10.
This journal article presents findings on the links between ICT and some macroeconomic indicators for developing countries. It finds that ICT and ICT infrastructure is highly dependent on income level. The level of political rights and civil liberties are positively correlated with ICT access. ICT also fosters economic growth. Finally, education is not associated with ICT.
- Birdsall, N. & Londono, J. L. (1997). Asset Inequality Matters: An Assessment of the World Bank's Approach to Poverty Reduction. *The American Economic Review*, 87 (2).
The strategy adopted by the World Bank to fight poverty and an analysis of the strategy for the Latin American region are the theme of this article. It emphasizes the importance of inequality in fighting poverty. It finds that inequality in education and the inequality in distribution of human capital and productive assets might limit long-term growth in the region.
- Bulmer-Thomas, Victor. (1996) Introduction in Bulmer-Thomas, Victor (Ed.), *The New Economic Model in Latin America and its Impact on Income Distribution and Poverty*. Basingstoke: Macmillan Press Ltd
This book chapter introduces the lector to the issues of poverty and income distribution in Latin America. It makes a brief return through time to explain the far extent of the problems faced by the region. It explains how the current problems come from as far as the early settlement of the Spanish and Portuguese in the region.
- Burki, Shahid Javed. (1998). Beyond the Washington consensus: institutions matter. Washington: World Bank.
World Bank assessments emphasize the importance of institutions for development. This particular work suggests that reforms are possible and continues with analyses of various sectors: finance, capital market, schools, judicial system and the public administration. The analysis is wide in range and addresses all the main areas under reform.
- Economic Commission for Latin America and the Caribbean. (n.d.) Information Society Programme. Retrieved July 15, 2006, from <http://www.eclac.cl/socinfo/elac/default.asp?idioma=IN>
An overview of the information and communication technologies programs elaborated by the ECLAC is a helpful starting point in the research process. This article presents the eLAC initiative as well as the OSILAC initiative. It describes the aims of the initiatives, the participants and various other facts.
- Economic Commission for Latin American and the Caribbean. (n.d.) Latin American Growth: Why So Slow? Retrieved July 14, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/de/agenda/2/13962/P13962.xml&xsl=/de/tpl-i/p3f.xsl&base=/de/tpl-i/top-bottom.xsl>
A conference held in 2003 in Santiago was dedicated to understanding the sources of growth, and this article gives links to various sub-regional studies—MERCOSUR, the Andean Community and Central America—that

were presented during the conference. With experts from ECLAC, the Inter-American Development Bank, the World Bank, Inter-American Dialogue, and other institutions, the conference was able to discuss more closely the relevant points of economic growth cycles.

Economic Commission for Latin America and the Caribbean. (n.d.) Latin Partnership for development. Retrieved July 14, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/cooperacion/noticias/cooperacion/3/13463/P13463.xml&xsl=/cooperacion/tpl/p32f.xsl&base=/cooperacion/tpl-i/top-bottom.xslt>

Germany and ECLAC are currently cooperating in a program that aims to provide help in the elaboration of policies that are sustainable and that are inclusive of all the different groups of the local population. It gives a special attention to the poorest groups within communities. It is one of many cooperation programs sponsored by Germany.

Economic Commission for Latin America and the Caribbean, United Nations Environment Program. (2001). *Rio de Janeiro Platform for Action on the Road to Johannesburg 2002*. Santiago: UN Economic Commission for Latin America and the Caribbean.

This is a declaration that was adopted in 2001 that puts down on paper the different positions of the Latin America and Caribbean countries in regards to sustainable development. It addresses the need to build an institutional structure that will allow the countries to achieve the commitments made. Actions are also proposed to implement the commitments made.

Fernández-Arias, Eduardo., Montiel, Peter. (1997). Reform and Growth in Latin America: All Pain, No Gain?. *Inter-American Development Bank, Working Paper #351*.

The authors examine the evidence of reform in Latin America and question its success. It finds that reforms were not sufficient and that the economic environment of the first half of 1990s was not particularly favorable. The reforms did not create an immediate significant economic boom, but they should however increase the long-term growth rates of the region.

Fischer, Stanley. (1998) *The Asian Crisis: A View from the IMF. Midwinter Conference of the Bankers' Association for Foreign Trade*. Retrieved April 18, 2006, from <http://www.imf.org/external/np/speeches/1998/012298.htm>

In the views of the IMF, the origins of the Asian financial crisis are the following: a failure to dampen an overheating economy, pegged exchange rates, and lax prudential rules and financial oversight. The role the IMF played in solving the crisis is also presented. The IMF asked for rise in interest rates, fiscal program adjustments, and more strict rules on the banking sector.

González, Gustavo. (2003) *LATIN AMERICA: More Poverty, Fewer Social Services. World Social Forum*. Retrieved July 24, 2006, from <http://www.ipsnews.net/fsm2003/eng/note1.shtml>

A difficult reality faces the region: poverty affects more and more people since the reforms have been undertaken in Latin America. Specific attention here is given to the case of Chile, which is thought to be a success in economic growth and eradication of poverty. Highlights of many economic statistics are provided and the authors suggest that the region will have a hard time reaching the Millennium Development Goals.

Gradstein, Mark. & Justman, Mosha. (2000). Democratic Choice of an Education System: Implications for Growth and Income Distribution. *Journal of Economic Growth*, 2.

Education's role in economic growth and the associated distribution of incomes is the core issue discussed by the authors. An examination of the differences between providing subsidies for private education or the public provision of education is analyzed. The provision of education through public systems is thought to be preferable.

Grindle, M. S. (2004). *Despite the Odds: The Contentious Politics of Education Reform*. Princeton: Princeton University Press.

This book analyses education reform. The opposing positions of the various actors involved are presented. The problems and solutions in designing reforms are discussed and the role of the executive power of government, as sponsors of reforms, is analyzed.

Hojman, David E. (1995). Chile under Frei (Again): the First Latin American Tiger—or Just another Cat? *Bulletin of Latin American Research*, 14(2).

Chile's economic performance is put into question in this article. The attraction of a lot of FDI and the high savings due to the privatized pension funds have allowed good economic growth in the late 1980s and early 1990s. However, the picture is not perfect and any rapid conclusion that Chile is gaining the status of a Tiger, like a few Asian countries, might be premature.

International Monetary Fund. (2005). Stabilization and Reform in Latin America: A Macroeconomic Perspective on the Experience since the Early 1990s. Washington: IMF

Various reforms have been implemented in Latin America and the IMF analyses them. It presents what has been done and suggests future options to improve reforms. It also highlights persisting problems like macroeconomic imbalances, the lack of financial system supervision, and the lack of consistency of structural reforms. It also brings some light on the role that the IMF can play to help the region.

Li, D.D. (1996). A Theory of Ambiguous Property Rights in Transition Economies: The Case of the Chinese Non-State Sector. *Journal of Comparative Economics*, 23(1).

Property rights in transition economies is a very complex topic and quite different from property rights in well-established market economies. The article demonstrates, through the example of China, how unconventional property rights systems still manage to assure economic growth. The author explains how ownership is claimed ex post, how people have to fight for their property rights without any contract clearly defining them.

Loayza, N., Fajnzylber, P. & Calderon, C. (2004). Economic Growth in Latin America and the Caribbean: Stylized Facts, Explanations, and Forecasts. *Central Bank of Chile*, Working Paper No 265.

This Working Paper sets out the trends in economic growth since the 1960s in Latin America. Structural policies and institutions, education, financial depth, international trade openness, government burden, public services and infrastructure, and governance are the main determinants of economic growth according to the research. Finally, the future prospects of the countries of the region are established.

Lora, E. & Panizza, U. (2002). Structural Reforms in Latin America under Scrutiny. *IADB Research Department Working Report*, No 470, Washington: Inter-American Development Bank

The current state of reforms in Latin America is the main theme addressed here. Trade, finance, tax, privatization and labor issues are all under reform and are given attention. The authors put into question the reforms and their implications and present the complaints addressed during the World Social Forum, the main one concerning the inequality due to the privatization process.

Lustig, N. (2000). Crises and the Poor: Socially Responsible Macroeconomics. *Economia*, 1(1). Retrieved September 13, 2006, from <http://muse.jhu.edu/journals/economia/v001/1.1lustig.pdf>

Latin America has been troubled by many episodes of economic recessions in the last 25 years. The impact has been much more significant on the poor people. The reason is due to the cuts in funding of many services that are really important to the poor populations. Ways to adopt pro-poor policies are provided and emphasis is given to safety nets.

Mauro, Paolo. (1995). Corruption and Growth. *The Quarterly Journal of Economics*, 110(3).

With an eye for the impact on economic growth, this article examines the impact of corruption, the level of red tape, the efficiency of judicial systems and various categories of political stability. The econometric results found through this research are quite clear. Corruption lowers investment in a country, which leads to significant lower economic growth.

Meyer, John W. (1977). The Effects of Education as an Institution. *The American Journal of Sociology*, 83(1).

The structuring role of education as an institution that socializes individuals appears quite obvious. Education also creates and expands the elites in societies, which is generally positive. Meyer's research emphasizes the importance of education to foster progress and democratize a country.

Mishkin, Frederic S. (2000). Inflation Targeting in Emerging-Market Countries. *The American Economic Review*, 90(2).

Inflation targeting as a solution for countries that opted-out of pegged-rate regimes is a strategy scrutinized by Mishkin. He mentions that the success is highly dependent on the support given to the central bank by the local institutions. This makes the work of the central much easier and allows better coordination.

- Naím, Moisés. (2000). Washington Consensus or Washington Confusion? *Foreign Policy*, 118.
Naím presents the various trends that have been associated with the Washington consensus and claims that no consensus actually exists. He also addresses the fact that there needs to be more than just macroeconomic reforms. A key element to ensure that macroeconomic reforms are effective is to make sure that the institutions in place are strong and effective.
- Morley, Samuel A. (2000). Distribution and Growth in Latin America in an Era of Structural Reform. *OECD Development Centre*. Retrieved July 13, 2006, from <http://www.oecd.org/dataoecd/55/0/2682354.pdf>
Examining the inequalities in Latin America, this study and develops on the impact of structural reforms on growth. It highlights the fact that most countries' exports sector are not very effective and do not lead their economies.
- North, Douglass C. (1991). Institutions. *Journal of Economic Perspective*, 5(1).
This article presents what are institutions and their role in a society. North was one of the first to study institutions and their importance to a society. The key concept revolves around the influence of institutions on markets and the economy and the evolution of institutions through history.
- Osava, Maria. (2004, September 22). A Time Bomb Ready to Explode. *Inter Press Service*. Retrieved July 13, 2006, from <http://www.globalpolicy.org/nations/laundry/regions/2004/0922brazil.htm>
The issue of corruption in Brazil is quite important and interesting. The author reveals a potential scandal involving politicians and businessmen. The issue is so contentious and far reaching that the commission investigating is itself being accused of corruption. What is clear is that politicians are highly linked with businessmen who are not always very ethical.
- Painter, James. (2005, November 24). Latin America faces year of change. *BBC News*. Retrieved July 13, 2006, from <http://news.bbc.co.uk/1/hi/world/americas/4435522.stm>
Starting in late November 2005, there have been or will be 12 political elections. Those elections could completely change the fundamentals of Latin American politics. It is believed that many socialist-oriented governments could be awarded power and the effects of that possibility are briefly addressed.
- Rodríguez-Gómez, R. & Alcántara, A. (2001). Multilateral agencies and higher education reform. *Journal of Education Policy* Vol 16(6)
The Volume 16(6) of the Journal of Educational Policy is completely dedicated to educational policies in Latin America. The article of Rodríguez-Gómez and Alcántara compares the different views of the multilateral institutions that are concerned by education. Education is in need of reform and each institution's position on the matter is addressed.
- Rodrik, Dani. (2000). Institutions for High-Quality Growth: What They Are and How to Acquire Them. *Studies in Comparative International Development*, 35(3).
The types of institutions that allow the best performance of markets are presented by the author. According to Rodrik the institutions that matter are the following: property rights, regulatory institutions, institutions for macroeconomic growth like sound fiscal management, institutions for social insurance like unemployment insurances, and institutions of conflict management. Two ways are possible to acquire them, either by emulating the practices of the developed states or by developing practices that are more suitable considering local particularities.
- Rodrik, Dani., Subramanian, Arvid., Trebbi, Francesco. (2004). Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development. *Journal of Economic Growth*, 9, pp. 131-165.
The different factors that explain income distribution in the world are established by the authors. Its main conclusion is that institutions are the primary explanation for wealth. Therefore, attention should be focused on them in order to allow better distribution of wealth.

Rutherford, Donald. (2002). *Routledge Dictionary of Economics*, 2nd Edition. London: Routledge.
This book is a dictionary of economics. It gives definition of economic terms and explains them in more details with examples.

San Pedro, Emilio. (2006, April 18). Analysis: Latin America's New Left Axis. *BBC News*. Retrieved July 12, 2006, from <http://news.bbc.co.uk/1/hi/world/americas/4916270.stm>
A recent shift to the left of governments in Latin America has been observed through the elections of Hugo Chavez of Venezuela and Luis Inacio Lula da Silva in Brazil. The article presents views expressed by some people saying that despite being presented as a politician belonging to the left, Luis Inacio Lula da Silva is actually much more conservative than people think.

Spangenberg, Joachim H. (2004). *Reconciling Sustainability and Growth: Criteria, Indicators, Policies. Sustainable Development*, 12.
Spangenberg's article presents the links between economic growth, the environment, social matters, and institutions. Reconciling opposing perspectives in the drafting of policies is a very complex process and careful attention to all aspects must be applied. Concerns over long term impacts must be included and this makes the decision for politicians who are elected on short term basis quite difficult.

Transparency International. (2006) Corruption Perception Index. Retrieved July 24, 2006, from <http://ww1.transparency.org/cpi/2005/cpi2005.sources.en.html#cpi>
Each year, Transparency International conducts a survey measuring the corruption perception index. It measures the levels of corruption around the world and makes a comparison between all the countries under scrutiny. Although not perfect, this index is generally representative of the situation of corruption in most of the countries of the world.

World Summit on the Information Society (n.d.) Basic information: about WSIS. Retrieved July 15, 2006, from <http://www.itu.int/wsis/basic/about.html>
The World Summit on the Information Society is a UN initiative. It aims at making sure the information technologies are used effectively by all countries, especially the developing ones and it calls for cooperation between States to help promote economic, social and environmental issues.

II. Creating Grassroots Economies: Developing Credit and Linkages to Social Programs in Rural Areas

Echeverria, R. G. (2000, April). Options for rural poverty reduction in Latin America and the Caribbean. *CEPAL Review*, 70, 151-164. Retrieved July 11, 2006, from http://www.eclac.cl/publicaciones/SecretariaEjecutiva/5/LCG2095PI/lcg2095i_Echeverria.pdf
The author presents several options, which could be useful in reducing rural poverty in the region. He also presents lessons learned from programmes and projects dealing with rural poverty reduction. Moreover, the author also indicated important factors that are essential nowadays and can be crucial for improving the situation in rural areas.

Ecumenical Church Loan Fund. (n.d.). *Free use loans*. Retrieved July 13, 2006, from <http://www.eclof.org/english/innovateloan.html>
This website of ECLOF provides information on its collective microcredit programme in Bolivia. There is an interesting example of the Solidarity Group Loan Programme that might be useful for other NGOs. The Web site offers information about the loans they have provided. Details about the country participants are also provided.

International Fund for Agricultural Development of the United Nations (IFAD). (2004). *Balance between food security and the sustainable management at Natural Resources in Latin America and the Caribbean*. Retrieved July 13, 2006, from <http://www.fao.org/Regional/Lamerica/LARC/XXVII/022ing.pdf>
One of the main objectives of FAO is to lead international efforts to defeat hunger, which is an essential part of MDGs. This paper contains an annex with number of project led by different actors in order to improve the situation in rural areas, especially in terms of food, its production, environment, and non-agricultural jobs. The paper also gives insight in the recent evolution of Latin American agriculture.

- International Fund for Agricultural Development of the United Nations (IFAD). (2004). *Brazil receives US\$1 million for Zero Hunger Project from FAO*. Retrieved July 12, 2006, from <http://www.fao.org/english/newsroom/news/2003/13420-en.html>
This article provides information on the Brazilian government's Zero Hunger Project and FAO's program support toward poverty reduction. This is a good example of cooperation between States and UN agencies. Many other articles are available, which might be useful for the researcher.
- International Fund for Agricultural Development of the United Nations (IFAD). (2004). *IFAD strategy for rural poverty reduction*. October 2001. Retrieved July 11, 2006, from <http://www.ifad.org/operations/regional/2002/pl/pl.htm>
One of main objectives of IFAD is to assist in agricultural policies and development, including rural agriculture, which is one of the fields that need further attention in order to achieve the MDGs. The paper includes a historic overview of agricultural and rural economic activities in the region, the trends in rural poverty, the IFAD experience in the region. The webpage also supplies basic information on IFAD's activities and programs in Latin America and the Caribbean.
- International Fund for Agricultural Development of the United Nations (IFAD). (2004). *Rural finance policy*. Retrieved July 12, 2006, from <http://www.ifad.org/pub/basic/finance/ENG.pdf>
This is in-depth analysis of rural finance and IFAD's role in this policy. It gives great insight in this topic and displays the recent developments in rural finance and microfinance. Examples of rural finance projects in different countries and the statistical numbers on IFAD's active portfolio of projects with rural finance components are also enumerated.
- Investorwords.com. (1997-2006). *Financial glossary*. Retrieved July 11, 2006, from <http://www.investorwords.com/>
This is a financial glossary on the web, offering explanations of financial terms. Explanations of many terms are available, which delegates might meet during their research. It has convenient links to other related terms as well.
- Marulanda, B., & Otero, M. (2005). *The Profile of microfinance in Latin America in ten years: Vision & characteristics*. Retrieved July 19, 2006, from http://www.accion.org/file_download.asp?f=23
This paper gives deep insight into the status of microfinance in Latin America. The authors discuss the characteristics in the field in the near future and offer detailed statistics. The source is useful for understanding the situation and the key characteristics of microfinance in Latin America and to understand better the types of institutions involved in the microfinance sector.
- Microcredit Summit Campaign. (1997). *Declaration and the plan of action*. Retrieved February 2, 1997, from <http://www.microcreditsummit.org/declaration.htm>
This Microcredit Summit declaration is a paper, whose main aim is to launch a global movement to reach the poorest families around the world with credit for self-employment. This is a good source to understand the essential components of microfinance as such and the different methodologies. The website is a good information source about different microcredit programs and the situation in different States.
- Microfinance Gateway. *Frequently Asked Questions*. (n.d.). [Brochure]. Retrieved July 16, 2006, from <http://www.microfinancegateway.com/section/faq#Q2>
This website provides a wide range of documents concerning microfinance as such and the whole industry. In addition, it offers useful information on non-governmental organizations, which are doing research in order to start microfinance activities. The Web site's discussion groups are a chance to argument the delegate's point of view.
- Morley, S. A. (2000, January). *Case Studies of programs to combat rural poverty in Latin America*. Retrieved July 13, 2006, from <http://www.rimisp.cl/getdoc.php?docid=1725>
This article provides information on different methods of poverty reduction in the region as well as specific strategies and objectives of various programmes. The author draws one's attention to the measures of impact of these programmes, the deficiency of the papers and general studies of anti-poverty programmes and such issues as coordination and overall strategy for rural development.

- Ocampo, J. A. (2004, May/June). *Microfinance Matters*, (3). Retrieved September 3, 2006, from http://uncdf.org/english/microfinance/newsletter/pages/may_2004/featured_guest3.php
The newsletter provides current news in the microcredit sphere and offers a wide range of information. It also furnishes information about different actors involved in microfinance. Additionally, it considers different cases that might help the researching delegate construct a more complete view of microfinance. Furthermore, it provides links to other institutional Web sites, which are related with the microfinance and rural sectors.
- Osava, M. (2005, September 12). The root cause of poverty in Latin America. *Inter Press Service*. Retrieved July 12, 2006, from <http://www.globalpolicy.org/socecon/inequal/2005/0912redis.htm>
This article gives an overview of the rural situation and development in the context of the MDGs in a number of countries in Latin America. The article contains some numbers, which sometimes are crucial in demonstrating which goals and issues need more attention.
- Project HOPE in Honduras*. Retrieved July 12, 2006, from <http://www.projecthope.org/where/hondurasvhhb.html>
This website is a source for information about project Hope in Honduras, which provides small loans, health education, and is focused on women. The Web site offers information about this project in other States in Latin America and all over the world, the history of the project, national organizations and other useful information.
- Ramirez, A. (2004, October). *The microfinance experience in Latin America and the Caribbean*. Keynote speech presented at LAEBA Research Conference on Microfinance in Latin America and Asia, Manila, Philippines.
The author describes in this speech the evolution of microfinance processes in Latin America. He illustrates an interesting comparison in this situation with the States in Asia. Another useful detail might be the description of the economic and social importance of the microcredit sector in this region.
- Reid, M. (Ed.). (2006, March). The Americas [special section]. *The Economist*, 378 (8467), 49-51.
This article is giving insight into the political and economic situation in Brazil and contains a portion of an interview with Luiz Inácio Lula da Silva, President of Brazil. In addition, it discusses the president's initiation of anti-poverty programs and their progress, as well about the plans, visions, and reforms in different sectors.
- Reid, M. (Ed.). (2006, June). The Americas [special section]. *The Economist*, 379(8482), 53-54.
Reid discusses the situation of development infrastructure in Latin America. In particular, he considers the obstacles for successful infrastructural development, as well are some good practice examples. He also provides an overall analysis of the situation in Brazil in infrastructural development and the government's role in it.
- Rodrik, D. (2001, April). Why is there so much economic insecurity in Latin America? *CEPAL Review* No. 73, 7-30.
Rodrik explains the sources of economic insecurity and the weakness of the institutions. There are some statistics on employment security and economic security, which demonstrates the situation in region. The author also addresses specific issues regarding the institution with attention to political participation.
- United Nations. (1945). *Charter of the United Nations and Statute of the International Court of Justice*. San Francisco, CA: Author. From <http://www.icj-cij.org/icjwww/ibasicdocuments/ibasictext/ibasicunchart.htm>
The Charter of the United Nations spreads the main principles and purposes of the United Nations where along with the international peace and security, justice is mentioned as one of the core principles and aims. Chapter IX defines the international cooperation in economical and social spheres and the composition of the Economic and Social Council.
- United Nations. General Assembly. 50th Session. (1995, December 20). *Observance of the International Year for the Eradication of Poverty and proclamation of the first United Nations Decade for the Eradication of Poverty (A/RES/50/107)*. From <http://www.un.org/documents/ga/res/50/ares50-107.htm>

This resolution asserts the rights of the poor to access opportunities and resources in order to fight poverty and to improve the rural situation. It also stresses the importance of ensuring coherent, comprehensive, and integrated activities for the Decade for the Eradication of Poverty and calls upon States to participate actively in the financial and technical support of the Decade.

United Nations. General Assembly. 52nd Session. (1997, November 5). *Sustainable development and international economic cooperation: First United Nations Decade for the Eradication of Poverty: Observance of the International Year for the Eradication of Poverty (1996) and recommendations for the rest of the Decade* (Rep. No. A/52/573). Retrieved August 17, 2006 from UN website:

<http://www.un.org/documents/ga/docs/52/plenary/a52-573.htm>

The Report gives insight in the problems of reducing the poverty and provides with the overall context of the situation. There are strategies used by states to fight against the poverty and the insight in the international cooperation fighting against the poverty.

United Nations. General Assembly. 53rd Session. (1997, December 18). *Resolution 52/194: Role of microcredit in the eradication of poverty*. Retrieved August 11, 2006 from

<http://www.un.org/ga/documents/gares52/res52194.htm>

This resolution stresses the role of microcredit in eradication of poverty and encourages different social actors and governmental institutions to take active part in these processes. It also marks the important contribution made by the United Nations system to assist the poorest communities, to develop and to disseminate the best practice among all organizations engaged in the processes of the poverty reduction.

United Nations. General Assembly. 53rd Session. (1998, August 10). *Role of microcredit in the eradication of poverty* (Rep. No. A/53/223). Retrieved August 14, 2006, from

<http://www.un.org/documents/ga/docs/53/plenary/a53-223.htm>

This UN report gives the insight in role of microcredit in poverty eradication and in the trends of international support to microcredit lending. This report is useful resource to understand the international context and development of microcredit policy, as well as roles, which different international organizations are playing.

United Nations. General Assembly. 55th Session. (2000, September 8). *United Nations Millennium Declaration* (A/RES/55/2). New York: Author.

The Millennium Declaration outlines eight Millennium Development Goals (MDGs) to which the international community committed to meeting by 2015 to improve the situation of the world's most disadvantaged populations. MDGs 1 and 8 form the parameters of microfinance. MDG 1 calls for the halving of extreme poverty and hunger by 2015. MDG 8 commits the international community, including public and private organizations, to cooperate in meeting the goals. Nonetheless, the intervening MDGs 2-7 commit the international community improving education, health, sanitation, etc. for all.

United Nations Capital Development Fund (UNCDF). (n.d.). *About MicroStart*. Retrieved July 12, 2006, from

<http://www.uncdf.org/english/microfinance/microstart/programme.php>

This Web site provides a valuable overview of UNDP/UNCDF's MicroStart program, specifically its features, partner organizations, results, and country summaries about their participating in this program. The website contains reports, results, evaluations by countries and documents on microfinance policy. It further demonstrates the Microfinance Unit's role in the UN system and the main duties, policy, and the elements of its effectiveness.

United Nations Capital Development Fund (UNCDF). (2005, March). *Countries around the world highlight the importance of microfinance: Nearly 80 now involved in the International Year of Microcredit*. Retrieved July 12, 2006, from

http://www.uncdf.org/english/microfinance/newsletter/pages/2005_03/year_update.php

This paper gives insight into the International Year of Microcredit and the role of the National Committees and their functions in the frame of this program. Delegates will find helpful information on donor countries' policy and the expected results of this program. It also provides a calendar highlighting up-coming microfinance events.

United Nations Capital Development Fund (UNCDF). (n.d.). *Mexico*. Retrieved July 12, 2006, from <http://www.uncdf.org/english/countries/mexico/index.php>
The United Nations Capital Development Fund provides information on the Latin American and Caribbean countries, their situation with microfinance, and the characteristic features of each country. Additionally, it provides useful information on UNCDF activities in these countries as well as program evaluations about each State and different documents and reports.

United Nations Economic Commission for Latin America and the Caribbean (ECLAC). (2000). *The Millennium Development Goals: A Latin American and Caribbean perspective*. Retrieved July 12, 2006, from <http://www.eclac.cl/publicaciones/SecretariaEjecutiva/1/LCG2331/lcg2331.pdf>
ECLAC is one of leading United Nations agencies dealing with Latin America and Caribbean countries, their economical policies, and strategies for poverty reduction. This paper presents the main findings about the situation in the region and the main policy challenges facing the region. The paper gives in-depth information about the situation and progress in Latin America and the Caribbean towards meeting the MDGs, supplemented with graphics and statistical data.

United Nations International Year of Microcredit 2005. (2005). *Fast facts, microfinance and the Millennium Development Goals*. Retrieved July 12, 2006, from http://www.yearofmicrocredit.org/pages/reslib/reslib_recreading.asp
This article provides one with concise information concerning microfinance and its role in meeting the Millennium Development Goals. Delegates will find useful statistical data, good practice examples, and evidence of microcredit's impact on women and their status in the community. There is also available information concerning the major activities that took place in the Year of Microcredit and its impact on particular communities.

United Nations International Year of Microcredit 2005. (2005). *Why a Year? – About Microfinance and Microcredit*. Retrieved July 12, 2006, from http://www.yearofmicrocredit.org/pages/whyayear/whyayear_aboutmicrofinance.asp
There are basic facts about the differences between microcrediting and microfinancing. There can be found some statistical data, good practice examples and microcredit's impact on women and their status in their communities in this Web site. There is also available information concerning the major activities, which took place in the International Year of Microcredit and its impact on particular communities.

United Nations Millennium Project. (2006). *Investing in development: A practical plan to achieve the Millennium Development Goals*. Retrieved July 12, 2006, from <http://www.unmillenniumproject.org/documents/MainReportChapter5-lowres.pdf#search=%22850%20million%20people%20living%20in%20chronic%20hunger%2C%20small-scale%20farmers%20constitute%20half%22>
The United Nations Millennium Project Web site is one of the leading sources of information on the MDG campaign and international progress on them. The site is an excellent source for information on public investments to empower poor people, the current situation in different countries, reports, in-depth information on the MDGs, and a handbook for achieving the MDGs.

Wenner, M., & Proenza, F. J. (2000). *Rural finance in Latin America and the Caribbean: Challenges and opportunities*. Retrieved July 18, 2006, from <http://www.iadb.org/sds/doc/MICChallengesOpportunities.pdf>
This working paper presents the main problems of formal rural financial services and offers some possible solutions for promotion of financial services and innovations. The authors analyze the current situation in rural financial markets, which is supplemented with statistical data. Wenner and Proenza also discuss the level of accessibility to deposit services and the corresponding main obstacles.

World Bank. (1996). *The World Bank annual report 1996: 1996 regional perspectives: Latin America and the Caribbean* (section 4). Retrieved July 7, 2006, from <http://www.worldbank.org/html/extpb/annrep96/wbar08d.htm>

This report gives insight into the regional perspective in Latin America and the Caribbean ten years ago; thus, it is useful material for comparing with nowadays. The material analyzes the long-term challenges the region faces (like insufficient economic growth, poverty, and inequality among the society, insufficient human resource development, etc.). The Web site contains a wide range of information about the States, their financial situation, the projects, partners, different operations and other useful information for research.

Zevallos, E. V. (2003, April). Micro, small and medium-sized enterprises in Latin America. *CEPAL Review* No. 79, 51-68. Retrieved September 5, 2006 from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/revista/noticias/articuloCEPAL/5/20055/P20055.xml&xsl=/revista/tpl-i/p39f.xsl&base=/revista/tpl/top-bottom.xsl>

The article reflects the situation of micro, small, and medium size enterprises (SMEs) in Latin America. It contains the analyses of the role of business environment. In addition, the author analyzes and offers suggestions on developing SMEs in rural areas, an essential tool for developing grassroots economies.

Additional sources

Food and Agriculture Organization (FAO). (2006). *Rural women's access to land in Latin America* [Pamphlet].

Rome: Author. Retrieved July 14, 2006, from <ftp://ftp.fao.org/sd/AccessLand.pdf>

this is a pamphlet designed to inform the reader about the situation on rural women's access to land. It includes some country examples and explains their main programmatic limitations. The Web site contains a variety of information connected with food and agricultural policy in different fields, and the information on different countries is useful for further research.

International Food Policy Research Institute (IFPRI). (2002). *Mexico: ProgresA: Breaking the cycle of poverty*

[Pamphlet]. Washington, DC: Author. Retrieved July 12, 2006, from <http://www.ifpri.org/pubs/ib/ib6.pdf>

This is an IFPRI in-depth evaluation of Mexico's PROGRESA, an anti-poverty program, which is concentrated on education, health, nutrition intervention, and rural poverty. It lists the costs of the program and its impact on the local community (e.g. household, child education, labor etc.).

United Nations Conference on Trade and Development (UNCTAD). (2002). *Statistical database online*. Retrieved July 14, 2006, from <http://www.unctad.org/Templates/Page.asp?intItemID=1923&lang=1>

This is a link to the UNCTAD Web site providing a wide range of statistical data on foreign direct investment (FDI) in countries all over the world, which could help delegates in their research processes and in understanding the situation and latest directions of development in particular countries. Additionally, it offers useful information about the role the statistics play in the current microfinance processes and in the international community.

United Nations Development Fund for Women (UNIFEM). (2006). *UNIFEM*. Retrieved September 5, 2006 from <http://www.unifem.org/>

UNIFEM actively promotes women's issues around the world. This Web site is a helpful tool for understanding the gender dimension of basic human rights, violence against women, women's role in governance, rural economics, and women's empowerment, and the gender aspects of the MDGs. Moreover, it is a good source of news, training, seminars, and programs on women and poverty-reduction initiatives.

United Nations Population Fund (UNFPA). (2004). *Promoting gender equality*. Retrieved July 14, 2006, from <http://www.unfpa.org/gender/index.htm>

Promoting gender equality is an important activity of both the UNFPA and ECLAC. This Web site offers information on gender issue and the UNFPA's role in this process in different countries through various assistance strategies. The Web site is a good source for news of current developments in various spheres of daily life in different communities and States, dealing with women's roles in society and the gender balance.

III. Bolstering Regional Macroeconomic Coordination

- Auty, R. M. (1997, June). Natural resources, the state and development strategy. *Journal of International Development*, 9(4), 651-663.
Auty discusses natural-resource endowments, specifically whether they detract from the manufacturing sector and higher economic growth over the long run by focusing national energies on the production of lower-value commodities. Since developing States often utilize export-led growth strategies heavily weighted with natural resources whose international prices can be volatile, the study recommends export diversification to stabilize greater, long-term growth.
- Burfisher, M. E. (2002). Options for agricultural policy reform in the World Trade Organization negotiations. In M. D. Ingco (Ed.), *Agriculture, trade, and the WTO: Creating a trading environment for development* (p. 135-144). Washington, DC: World Bank.
Burfisher analyzes the potential benefits and costs of reforming agricultural trade. She provides useful information on the consumer gains and producer costs associated with fully liberalizing agricultural trade. Furthermore, she briefly examines policy options for reforming market access, domestic price support, and export subsidies. It is a useful tool for understanding agricultural issues of the on-going WTO Doha Round trade negotiations.
- Carbaugh, R. J. (2004). *International economics* (9th ed.). Mason, OH: South-Western Thomson Learning.
This international economics textbook offers an explanation of the basic international economic theory in addition to helpful definitions. While the author's primary intent is to present the theoretical argument for international economic behavior, he presents a fair introduction to the global politics and array of national policy and social challenges that accompany economic integration. Although this author finds this particular text extraordinarily helpful, delegates should be able to locate equally useful international economics texts in their university library.
- De Ferranti, D., Perry, G. E., Gill, I. S., & Servén, L. (Eds.). (2000). Macroeconomic volatility in Latin America and the Caribbean: Causes and remedies. In *Securing our future in a global economy* (p. 45-71). Washington, DC: World Bank.
The authors summarize the main sources of macroeconomic volatility in Latin America and the Caribbean, providing helpful examples and graphical evidence. Comparing the LAC States to the East Asian and industrialized States, they find LAC has greater terms-of-trade volatility, greater swings in macroeconomic policy, and shallow financial markets. It is a helpful primer for the delegate searching for a descriptive explanation of regional economic volatility.
- Devlin, R., Estevadeordal, A., & Rodríguez, A. (Eds.). (2005, March). *The emergence of China: Opportunities and challenges for Latin America and the Caribbean*. Washington, DC: Inter-American Development Bank (IDB). Retrieved July 12, 2006, from <http://enet.iadb.org>
This paper is a primer on the emerging debate surrounding China's growing influence in Latin America. It is a collection of perspectives meant to prompt discussion; it is not an official policy statement of the IDB, nor its Member States.
- Economic Commission for Latin America and the Caribbean (ECLAC), Division of International Trade and Integration. (2004). *Latin America and the Caribbean in the world economy: Trends 2005*. Santiago, Chile: Author. Retrieved July 11, 2006, from <http://www.eclac.org/cgi-bin/getProd.asp?xml=/publicaciones/xml/0/22470/P22470.xml&xsl=/comercio/tpl-i/p9f.xsl&base=/comercio/tpl-i/top-bottom.xsl>
This is an indispensable work for exploring the integrated social and political aspects of regional macroeconomic challenges. Chapter III defines the region's prospects for greater sub-regional integration and the effects of bilateral and plurilateral FTAs with the United States. Chapter V outlines the ramifications of China's emerging status as an economic power and how its demand for natural resources and investment patterns affect the region.

Economic Commission for Latin America and the Caribbean (ECLAC). (2005, November). Agenda: First REDIMA II plenary meeting. In *Macroeconomic Dialogue Network (REDIMA II)*. Retrieved July 14, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/redima/noticias/paginas/9/23709/P23709.xml&xsl=/redima/tpl/p18f.xsl&base=/redima/tpl/top-bottom.xslt>

REDIMA II's first plenary meeting is a concrete example of ECLAC's commitment to regional macroeconomic coordination; it is also a hint to the researching delegate of the specific issues under discussion throughout the year and a resource for understanding what particular ministers are saying with respect to macroeconomic coordination.

Economic Commission for Latin America and the Caribbean (ECLAC). (2000). *About ECLAC: Mandate and mission*. Retrieved July 14, 2006, from http://www.eclac.org/cgi-bin/getprod.asp?xml=/noticias/paginas/7/21477/P21477.xml&xsl=/tpl/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

This site explains ECLAC's mandate on regional macroeconomic coordination. The mandate is based on two provisions, (c) and (h), which call upon ECLAC to support economic and social development by promoting regional cooperation and to link regional and global issues through dialogue and informational exchange. It establishes the framework of the Commission's work and the scope of delegates' research.

Economic Commission for Latin America and the Caribbean (ECLAC). (2006). *About ECLAC: The institution*. Retrieved July 13, 2006, from http://www.eclac.org/cgi-bin/getprod.asp?xml=/noticias/paginas/0/21710/P21710.xml&xsl=/tpl-i/p18f-st.xsl&base=/tpl-i/top-bottom_acerca.xsl

Delegates seeking a description the Commission's history are advised to examine the ECLAC history and introduction presented at the beginning of this topic. The ECLAC website also presents a concise history and brief description of the Commission, its mandate, and current activities.

Economic Commission for Latin America and the Caribbean (ECLAC). (2006). *Macroeconomic Dialogue Network (REDIMA) II Project*. Retrieved July 13, 2006, from <http://www.eclac.cl/cgi-bin/getprod.asp?xml=/redima/noticias/paginas/1/21151/P21151.xml&xsl=/de/tpl/p18f.xsl&base=/redima/tpl/top-bottom.xsl>

The REDIMA II page explains ECLAC's approach to bolstering regional macroeconomic coordination. It describes the Commission's preliminary efforts toward policy dialogue and standardizing statistical information through 2003. Secondly, it outlines the project objectives of periodic, regional and sub-regional meetings for high-level macroeconomists and the two-phase REDIMA II-approach to greater institutional credibility and policy exchange.

Economist, The. (2002, February 28). *Argentina's collapse: A decline without parallel*. Retrieved July 25, 2006, from http://www.economist.com/displaystory.cfm?story_id=1010911

This article describes the multiple causes of Argentina's financial crisis and economic recession. It explains in layman's terms how the Brazilian devaluation and Argentina's fixed exchange rate precipitated the economic collapse. Yet, it also explains other contributing factors that give the reader a better understanding of the complexity of national economies and illustrates the need for macroeconomic coordination.

Economist, The. (2005, November 3). *Brazilian agriculture: The harnessing of nature's bounty: The inexorable rise of Brazil as an agricultural superpower forms an important backdrop to world trade negotiations*. Retrieved July 12, 2006, from

http://www.economist.com/printedition/displayStory.cfm?story_id=5107849&fsrc=RSS

This Economist article primes the reader on Brazil's large agricultural industry and the manner in which it propels the country's trade agenda in the Doha trade negotiations. Specifically, it examines Brazil's extensive market leverage in the agricultural negotiations and the agricultural rationale for its leadership role in the G-20.

- Economist, The.* (2001, October 11). *South American trade: Sticking-plaster for Mercosur*. Retrieved July 25, 2006, from http://www.economist.com/displaystory.cfm?story_id=813954
This article sheds some light on the political tension between Brazil and Argentina following the Brazilian devaluation and Argentine financial crisis. It shows how the failure to coordinate macroeconomic policies strained relations and threatened the future of MERCOSUR. It is also a helpful backgrounder for the delegate looking to understand the regional effect of the Argentine and Brazilian macroeconomic crises.
- Economist, The.* (1999, January 14). *Storm clouds from Brazil*. Retrieved July 25, 2006, from http://www.economist.com/displaystory.cfm?story_id=182028
This article explains the timing and national politics of Brazil's currency devaluation in January 1999. For delegates looking for a prime example of the non-cooperation between interdependent economies, this is a helpful lesson. It also shows how international financial flows, in this case from Asia, can affect the LAC region.
- Economist, The.* (1998, September 10). *The battle royal for Brazil's real*. Retrieved July 25, 2006, from http://www.economist.com/displaystory.cfm?story_id=164382
The Economist succinctly describes the domestic economic factors, such as Brazil's large fiscal deficit, that contributed to the significant effect of the Asian financial contagion on the Brazilian economy. It discusses the measures taken by President Cardoso's government to avoid the devaluation. Lastly, it explains Argentina's concerns – namely, its export competitiveness – regarding the devaluation.
- Economist, The, Economist Intelligence Unit, & Country ViewsWire.* (2006, May 1). *China factsheet*. Retrieved July 13, 2006, from <http://www.economist.com/countries/China/profile.cfm?folder=Profile-FactSheet>
The Economist online provides useful economic statistics on respective countries. The PRC's average growth over the 2001-2005 period was cited to show the market potential for LAC exports as well as the growing political importance of relations with the PRC throughout the LAC.
- Economist, The, Economist Intelligence Unit, & Country ViewsWire.* (2006, May 1). *United States factsheet*. Retrieved July 13, 2006, from <http://www.economist.com/countries/USA/profile.cfm?folder=Profile-FactSheet>
The Economist online edition maintains a handy and up-to-date set of country economic profiles. The U.S. factsheet was tapped as an accessible and reliable resource on the U.S. GDP. For the delegate researching the economic background and international/regional issues of their representative country, The Economist online is a fantastic source for economic explanations in layman's terms.
- Escaith, H. (2004, April). Regional integration and macroeconomic coordination in Latin America. *CEPAL Review*, 82, 57-75. Retrieved July 22, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/revista/noticias/articuloCEPAL/4/20904/P20904.xml&xsl=/revista/tpl-i/p39f.xsl&base=/tpl-i/top-bottom.xslt>
Escaith presents the challenges of the prisoner's dilemma to LAC macroeconomic coordination. Using game theory, he analyzes major obstacles to regional cooperation and integration, concluding that while obstacles remain, the welfare benefits of cooperation are endogenous and thus cooperation will increase over time. This source was cited to explain the major obstacles to macroeconomic coordination; however, delegates will find Escaith's more in-depth analysis useful.
- Food and Agriculture Organization (FAO). (2006, April 20). *Ministers of agriculture of Latin America and the Caribbean meet to strengthen regional integration*, (Press release regarding the FAO's 29th Regional Conference for Latin America and the Caribbean in Caracas, Venezuela, April 24-28, 2006). Retrieved July 13, 2006, from <http://www.fao.org/newsroom/en/news/2006/1000279/index.html>
This FAO press release demonstrates one example of effective regional-government cooperation on a specific trade issue with important social implications. Furthermore, it shows the critical role international organizations play in facilitating dialogue among stakeholders. Lastly, it is an

example to the researcher of the various thematic UN and inter-governmental organizations that influence such issues as the international agricultural trade.

Franko, P. (2003). Import substitution industrialization: Looking inward for the source of economic growth. In *The puzzle of Latin American economic development* (2nd ed., p. 51-77). Boulder, CO: Roman & Littlefield. *Franko presents a brief, but informative history of Latin America's experience with Import Substitution Industrialization (ISI) in the mid-twentieth century. Importantly, it exhibits the southern hemisphere's trials and errors of industrialization that influence the region's current perspective on the need for trade and financial integration.*

Ghymers, C. (2005, April). *Fostering economic policy coordination in Latin America: The REDIMA approach to escaping the prisoner's dilemma*. Santiago, Chile: Economic Commission for Latin America and the Caribbean (ECLAC). Retrieved July 3, 2006, from <http://www.eclac.cl/publicaciones/DesarrolloEconomico/0/LCG2270PI/lcg2270i.pdf>
In this book, Ghymers explores the history of monetary and fiscal macroeconomic coordination in Europe. Then, he examines the challenges and opportunities for Latin America and recommends a cooperative, dialogue-based approach for coordination and further policy convergence in Latin America and the Caribbean.

Gylfason, T., Herbertsson, T. T., & Zoega, G. (1999, June). A mixed blessing: Natural resources and economic growth. *Macroeconomic Dynamics*, 3(2), 204-225.
Similar to Auty's survey, these authors analyze the long-run growth of economies concentrated on natural-resource exports. They find that, although evidence is mixed, national economic policy plays an important role in long-run growth in addition to international commodity prices and other factors.

Inter-American Development Bank (IDB). (2006). *Regional Policy Dialogue: VII Hemispheric Meeting of the Trade Network*. Retrieved July 12, 2006, from <http://www.iadb.org/int/redes/rpd/index.aspx?red=true&mid=50&rid=4>
The IDB is a regional development bank supported by a global partnership. The Regional Policy Dialogue and the meetings it convenes are additional examples of the ways in which inter-governmental agencies facilitate dialogue and macroeconomic analysis of regional issues. This example also demonstrates efficiency among cash-strapped governments; the IDB is an established supranational entity with the technical-knowledge capacity necessary for analyzing policy options already at hand.

Inter-American Development Bank (IDB). (2006, June 27). *The poverty impact of trade integration* (Workshop press release). Retrieved July 8, 2006, from <http://www.iadb.org/NEWS/articledetail.cfm?Language=En&parid=4&artType=WS&artid=3152>
This IDB press release summarizes the main policy and research recommendations from the workshop. The experts conclude that more research is needed to understand the impact of increased trade on poverty. Politically, they underscore the need to address social issues of trade integration, income inequality, and integrating these concerns into the national agenda. It is one example of the way the IDB serves as a regional economic forum.

International Covenant on Economic, Social and Cultural Rights (opened for signature December 16, 1966). 993 U.N.T.S. 3.
Entering into force on January 3, 1976, this covenant solidifies the legal recognition of the human rights enumerated in the Universal Declaration of Human Rights. It commits Party States to take the necessary steps to ensure basic human rights – such as education, health, and security. Although, many of these rights are still treated as goals today, the covenant is an important legal instrument of human rights and a guide for national development objectives.

Kuwayama, M., Durán Lima, J., & Silva, V. (2005, December). *Bilateralism and regionalism: Re-establishing the primacy of multilateralism, a Latin American and Caribbean perspective* (International Commerce Series No. 58). Santiago, Chile: Economic Commission for Latin America and the Caribbean (ECLAC). Retrieved July 11, 2006, from <http://www.eclac.org/cgi-bin/getProd.asp?xml=/publicaciones/xml/5/23615/P23615.xml&xsl=/comercio/tpl-i/p9f.xsl&base=/comercio/tpl/top-bottom.xsl>

The authors of this study explore the idea of “open regionalism” as regional integration that advances cooperation and facilitates, not inhibits, global multilateralism. It is a helpful backgrounder on the regionalism vs. multilateralism debate that often precedes discussions of macroeconomic coordination. However, the authors of this study provide an insightful map as to how LAC can utilize regionalism to further both the global multilateral trade negotiations and their own national interests through cooperation.

La Razón. (2006, March 2). La soya pierde su principal mercado [Soya loses its principal market]. *La Razón*, online edition. Retrieved July 13, 2006, from http://www.la-razon.com/versiones/20060302_005468/nota_248_254666.htm

The Spanish-language newspaper, La Razón, is based in La Paz, Bolivia. The article provides specific information on the value of soya exports to Colombia that Bolivia will lose when the U.S.A.-Colombia FTA takes effect. It is an illustration of the potential for trade-diverting effects.

Machinea, J. L., & Rozenwurcel, G. (2005, December). *Macroeconomic coordination in Latin America: Does it have a future?* (Reports and Special Studies Series No. 15). Santiago, Chile: Economic Commission for Latin America and the Caribbean (ECLAC). Retrieved July 3, 2006, from <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/publicaciones/xml/0/23510/P23510.xml&xsl=/tpl-i/p9f.xsl&base=/tpl-i/top-bottom.xsl>

The authors provide an excellent overview of the theoretical and practical incentives and disincentives for regional macroeconomic. In particular, they furnish a detailed explanation of the low intraregional trade and suggest policy options for addressing other calls for macroeconomic coordination.

Mercado, A. F., Anderson, L. E., & Brooks, A. J. (2005, July). Macroeconomic policies to increase social mobility and growth in Bolivia. *Revista Latinoamericana de Desarrollo Económico* [Latin American Journal of Economic Development], Special edition, 65-102.

With emphasis on Bolivia, the authors argue that social mobility, as an incentive to invest in human capital (through education) and business development, is important for economic growth. Through social and economic inequality, they stress that low social mobility reduces an economy's ability to efficiently redistribute labor and thus detracts from potential economic growth. In short, it presents a helpful economic argument for improving social equity. This is an English-Spanish journal; however, not all articles appear in English.

Ocampo, J. A., & Martin, J. (Eds.). (2003). *Globalization and development: A Latin American and Caribbean perspective*. Palo Alto, CA: Stanford University Press.

In Chapter 1, the authors provide an historical overview of globalization and a helpful discussion of its political, social, cultural, and economic implications. Chapter 4 neatly explains how the asymmetries of the present global trading system developed and how this affects development prospects for the developing States. It confronts global issues with a region-specific perspective that delegates will find very helpful for exploring the issues of development and trade.

Office of the United States Trade Representative (USTR). (2006, March). Annex III: List of trade agreements. In *The President's 2006 trade policy agenda and 2005 annual report on the trade agreements program*. Washington, DC: Author. Retrieved July 17, 2006, from http://www.ustr.gov/Document_Library/Reports_Publications/2006/2006_Trade_Policy_Agenda/Section_Index.html

Annex III of this political report lists the major U.S.A. trade agreements, naming the States party to each agreement and the date the agreement entered into force. This text was cited for factual

information only. This author does not endorse the opinions or normative assessments of the U.S. Government contained therein.

Office of the United States Trade Representative (USTR). (2004, June 4). *The U.S.-Chile Free Trade Agreement: An early record of success*. Retrieved July 13, 2006, from

http://www.ustr.gov/Document_Library/Fact_Sheets/2004/The_US-Chile_Free_Trade_Agreement_An_Early_Record_of_Success.html

This press release is cited to provide information – date of establishment and Member composition – of the U.S.-Chile FTA in an effort to introduce the reader to the various regional trade agreements (RTAs). This author does not endorse the opinions or normative assessments of the U.S. Government contained therein.

Office of the United States Trade Representative (USTR). (2006, April 12). *The U.S. and Peru sign the U.S.-Peru Trade Promotion Agreement (USPTA)*. Retrieved July 13, 2006, from

<http://www.buyusa.gov/peru/en/56.html>

This press release is cited to provide information – date of signature and Member composition – of the proposed U.S.-Peru FTA in an effort to introduce the reader to the various RTAs. This author does not endorse the opinions or normative assessments of the U.S. Government contained therein.

Office of the United States Trade Representative (USTR). (2006, February 27). *United States and Colombia conclude Free Trade Agreement*. Retrieved July 12, 2006, from

http://www.ustr.gov/Document_Library/Press_Releases/2006/February/United_States_Colombia_Conclude_Free_Trade_Agreement.html

This press release is cited to provide information – date of signature and Member composition – of the proposed U.S.-Colombia FTA in an effort to introduce the reader to the various RTAs. This author does not endorse the opinions or normative assessments of the U.S. Government contained therein.

Papademetriou, D., Audley, J., Polaski, S., & Vaughn, S. (2003, November). *NAFTA's promise and reality: Lessons from Mexico for the hemisphere*. Washington, DC: Carnegie Endowment.

This study of NAFTA's first decade provides evidence of the social impacts of increased U.S. agricultural exports to Mexico. For the researcher, it also provides policy recommendations for future U.S. bilateral and plurilateral trade agreements based on NAFTA's lessons.

Perry, G. E., Arias, O. S., López, H. J., Maloney, W. F., & Servén, L. (2006). *Poverty reduction and growth: Virtuous and vicious circles*. Washington, DC: World Bank.

The authors of this recent study argue for an integrated policy approach to "pro-poor growth". In their analysis, the authors find that poverty as well as economic and social inequality encumbers economic growth. Therefore, they recommend that national and regional growth strategies must be integrated with social and human development strategies to achieve optimal growth and social development.

Portman, R. (2006, March 31). *Statement of USTR Portman regarding entry into force of the U.S. - Central America - Dominican Republic Free Trade Agreement (CAFTA-DR) for Honduras and Nicaragua*. Retrieved July 13, 2006, from

http://www.ustr.gov/Document_Library/Press_Releases/2006/March/Statement_of_USTR_Portman_Regarding_Entry_Into_Force_of_the_US_-_Central_America_-_Dominican_Republic_Free_Trade_Agreement_CA.html

This U.S. Government statement is cited to provide information – date of establishment and Member composition – of the CAFTA-DR in an effort to introduce the reader to the various RTAs. This author does not endorse the opinions or normative assessments of the U.S. Government contained therein.

ProChile. (2005). *Chile facts and figures: Foreign trade: Market diversification*. Retrieved July 12, 2006, from

http://www.chileinfo.com/index.php?accion=info_comercial

ProChile is the official export-promotion agency of the Government of Chile. The ProChile site is referenced here to provide statistical information regarding Chile's regional exports in 2004. Researching delegates seeking trade statistics will find such national trade information or national statistical agency websites helpful. In addition, the UN Statistics Division, the World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD), World Bank, IMF, and the thematic UN agencies publish helpful statistics and data sets in print and online.

- Schiff, M., & Winters, L. A. (2003). *Regional integration and development*. New York: Oxford University Press. *This text offers a handy list of the region's major trade and cooperation agreements. However, it also provides a helpful primer the regionalism-versus-multilateralism debate and a historical overview of regional integration. It lists several helpful examples of the costs and benefits of regional integration in the development context. Furthermore, it discusses foreign direct investment (FDI), south-south versus north-south cooperation, role of geographic proximity, and economic openness with respect to growth and development.*
- Stiglitz, J. E., & Charlton, A. (2005). *Fair trade for all: How trade can promote development*. Oxford, UK: Oxford University Press. *Stiglitz and Charlton explain in plain language the need for a Doha "Development" Round and examine a specific set of proposals for doing so. They set out the important stake developing countries have in this WTO trade round and elaborates issues of agenda scope, market access, south-south cooperation, and other general "how-to" items for a development round.*
- Tussie, D., & Lengyel, M. F. (2002). Developing countries: Turning participation into influence. In B. Hoekman, A. Mattoo, & P. English (Eds.), *Development, trade, and the WTO: A handbook* (p. 485-492). Washington, DC: World Bank. *Tussie and Lengyel explain why developing States have historically remained on the periphery of global trade negotiations. Then, they argue developing States have a stake in global trade given its development potential. Finally, they outline issues of institutional capacity and WTO governance that must be addressed for the developing States to effectively participate in WTO trade negotiations.*
- United Nations. (1945). *Charter of the United Nations and Statute of the International Court of Justice*. San Francisco, CA: Author. *The Charter of the United Nations defines ECOSOC and ECLAC's mandate to foster cooperation and technical exchange in the region to promote economic and social development. (See Articles 1 and 55). The Charter provides the UN's legal foundation and international mandate for all its programmes and agencies as well as the work of all NMUN committees. Delegates should be familiar with the relevant Charter articles for all ECLAC topics.*
- United Nations General Assembly. (1986, December 4). *Declaration on the Right to Development*, (A/RES/41/128). New York: Author. *Reaffirming the principles enumerated in the International Covenant on Economic, Social and Cultural Rights, this declaration states the right to economic, cultural, social, and political development is an "inalienable" human right. It further defines the mission of ECLAC to promote social and economic development in the LAC region.*
- United Nations General Assembly. (2000, September 8). *United Nations Millennium Declaration*, (A/RES/55/2). New York: Author. *The Millennium Declaration outlines eight Millennium Development Goals (MDGs) to which the international community committed to meeting by 2015 to improve the situation of the world's most disadvantaged populations. MDGs 1 and 8 are of particular importance. MDG 1 calls for the halving of extreme poverty and hunger by 2015. MDG 8 commits the international community, including public and private organizations, to cooperate in meeting the goals.*

- United Nations Information Service. (2006, July 6). *Economic and Social Council discusses sustained economic growth for social development*, (ECOSOC/6214). Retrieved July 13, 2006, from <http://www.unis.unvienna.org/unis/pressrels/2006/ecosoc6214.html>
This press release and the summarized diplomatic discussion regarding the Secretary General's report (E/2006/56) stresses the need for an integrated policy approach to economic growth, poverty reduction, and other social-economic challenges. In particular, it explores the argument that economic growth is an enabler, sustainer of human development, but the collection of statements also reflects the reciprocal nature of human development and economic growth.
- United Nations Information Service. (2006, July 14). *United Nations international years, decades, days and conferences in 2006*. Retrieved July 14, 2006, from <http://www.unis.unvienna.org/unis/en/calendar2006.html>
This web page outlines a descriptive list of the UN's commemorative years, days, and conferences. In addition, it provides a historical and contextual background for each event. Specifically, this author cited the United Nations Day for South-South Cooperation (December 19) and the United Nations Decade for the Eradication of Poverty (1997-2006). Delegates will find the UN Information Service a helpful source of updates on current UN work and discussion as well.
- United States Department of Commerce. (2006). *TradeStats Express: U.S.A. merchandise imports from the world and Latin America and the Caribbean* [Data file]. Retrieved July 13, 2006, from <http://tse.export.gov/>
TradeStats Express is a user-friendly database of U.S.A. international trade by commodity, region, foreign-product destination and origin, or value. It was referenced here to provide information on total U.S.A. trade for illustrative purposes.
- Winters, L. A. (2002). Trade policies for poverty alleviation. In B. Hoekman, A. Mattoo, & P. English (Eds.), *Development, trade, and the WTO: A handbook* (p. 28-37). Washington, DC: World Bank.
Winters considers several policy options through which trade can alleviate poverty. He discusses the theoretical limitations of liberalism and need for policy planning. Additionally, he offers arguments on adjustment funds for developing States and complementary national policies for developing States.
- World Bank, Office of the Chief Economist for Latin America and the Caribbean. (2006). *Main figures: Poverty reduction and growth: Virtuous and vicious circles*, (Statistical highlights of report). Retrieved July 13, 2006, from <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/EXTLACOFFICEOFCE/0,,contentMDK:20819439~pagePK:64168445~piPK:64168309~theSitePK:870893,00.html>
This World Bank site highlights several key economic and social statistics from the recent Bank study of pro-poor growth strategies and policy options in LAC. Some of the statistics, such as the income spread, are illustrative of the social and economic situation in the region. It is also a good starting point for exploring the text of the report.
- World Bank. (2006, March). *Latin American and Caribbean regional brief*. Retrieved July 14, 2006, from <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/0,,contentMDK:20340156~menuPK:815394~pagePK:146736~piPK:226340~theSitePK:258554,00.html>
This World Bank website is a useful statistical aid and primer on LAC's social and economic development. It provides helpful, up-to-date statistics on the number of persons living in extreme poverty and several indicators of social and economic inequality in the world's most unequal region beyond Sub-Saharan Africa.
- World Bank. (2005, June 28). *The World Bank and the DR - Central America Free Trade Agreement (DR-CAFTA)*. Retrieved July 13, 2006, from <http://lnweb18.worldbank.org/LAC/LAC.nsf/ECADocbyUnid/9E56B2DC8514948085256DB20073248F?OpenDocument>
This site was cited to illustrate the World Bank's financial support for the implementation costs of CAFTA-DR as well as the magnitude of the costs. The loans were dedicated to such things as

customs modernization and rural development projects. It demonstrates the integral role of the Bank in helping countries finance these large costs.

World Trade Organization (WTO). (2001, November 14). *Doha WTO Ministerial 2001: Ministerial Declaration*, (WT/MIN(01)/DEC/1). Retrieved July 14, 2006, from

http://www.wto.org/English/thewto_e/minist_e/min01_e/mindecl_e.htm

This is an online version of the Doha Declaration (2001) in which the industrialized countries committed to making the WTO Doha Round of trade negotiations pro-development. This was the first time industrialized countries made such significant and broad commitments to advance the development interests of the developing countries in the trade context.

World Trade Organization (WTO). (2006). *Glossary*. Retrieved July 24, 2006, from

http://www.wto.org/english/thewto_e/glossary_e/glossary_e.htm

This multi-language glossary is a great aid for trade terminology from the agency charged with standardizing international trade regulations and information. The author consulted it for the definitions of "free trade area" and "customs union". The WTO Web site also maintains copies of regional trade and integration agreements, issue briefs and updates on Doha agenda items, and up-to-date international trade statistics.

World Trade Organization (WTO). (2006). *Trade by sector: I. Agricultural products: Table IV.6: Exports of agricultural products by region, 2004* [Data file]. Retrieved July 13, 2006, from

http://www.wto.org/english/res_e/statis_e/its2005_e/its05_bysector_e.htm

The WTO trade database was tapped to illustrate LAC's agricultural trade. Specifically, it shows the volume of LAC's external agricultural exports and gives the reader a better idea of the weight of agriculture in the region's national economies. The WTO is an excellent source of up-to-date global trade statistics, downloadable in Excel format.

Additional Sources

Cárcamo-Díaz, R. (2005, November). *Foundations of macroeconomic policy coordination: Fostering dialogue as a policy tool in Latin America* (Macroeconomía de Desarrollo Series No. 39). Santiago, Chile: Economic Commission for Latin America and the Caribbean (ECLAC). Retrieved July 14, 2006, from

<http://www.eclac.cl/cgi-bin/getprod.asp?xml=/publicaciones/xml/4/23684/P23684.xml&xsl=/de/tpl/p9f.xsl&base=/de/tpl/top-bottom.xsl>

This study quantitatively analyzes policy options for regional macroeconomic coordination using a game-theory economic model. The authors then offer policy suggestions for macroeconomic coordination on fiscal, monetary, and exchange-rate policy.

Hanson, J. A., Honohan, P., & Majnoni, G. (2003). Globalization and national financial systems: Issues of integration and size. In J. A. Hanson, P. Honohan, & G. Majnoni (Eds.), *Globalization and national financial systems: Issues of integration and size* (p. 1-32). New York: Oxford University Press.

This article describes the globalization of international financial flows and the ramifications for national economies. In particular, it discusses the effect of the small size of many developing States' financial markets on finance, globalization and the macroeconomy, banking, investments, and financial-sector regulation.

Hoekman, B., & Schiff, M. (2002). Benefiting from regional integration. In B. Hoekman, A. Mattoo, & P. English (Eds.), *Development, trade, and the WTO: A handbook* (p. 548-558). Washington, DC: World Bank.

This article is a great backgrounder for delegates beginning their research. It presents the major arguments for and against regional integration, the concepts of trade creation and diversion with examples, north-south issues, political dimensions, and a WTO discussion in brief.

Inter-American Dialogue. (2005, July). *A break in the clouds: Latin America and the Caribbean in 2005*.

Washington, DC: Author. Retrieved July 12, 2006, from <http://www.thedialogue.org/forum/default.asp>

The Inter-American Dialogue is a well-reputed hemispheric policy forum, which convenes periodic meetings of current and past ministers, academics, and leading regional pundits to debate policy options on regional challenges. This text outlines the PRC's emerging influence in the region, discusses cooperative approaches, and suggests items for a domestic agenda to strengthen the LAC countries internally.

Sachs, J. D. (2005). *The end of poverty: Economic possibilities for our time*. New York: Penguin Press.
This book is an argument for our generation to eradicate extreme poverty by 2025. It also provides a straight-forward glimpse of development issues: that is, in layman's language, and suggests a new framework for evaluating development issues called "clinical economics" for the interested delegate.

Sen, A. (1999). *Development as freedom*. New York: Anchor Books.
*As additional reading on the development debate, this is an insightful text. Sen argues that development should be pursued as the enhancement of basic human freedoms, which are both means and ends to basic human and economic development. It is a foundational work on the reciprocal socio-economic linkage of development that is echoed in other literature, particularly the World Bank's most recent report on LAC, *Poverty Reduction and Growth: Virtuous and Vicious Circles* (2006). (See "Perry" above.)*

World Bank. (2004). *Global economic prospects 2005: Trade, regionalism and development*. Washington, DC: Author. Retrieved July 7, 2006, from <http://www.eldis.org/static/DOC16709.htm>
This World Bank report examines the chronic question of regionalism versus global multilateralism in light of the slow pace and difficulties witnessed in the present Doha Round negotiations. With specific relevance to this topic, it queries whether further global trade integration can be pro-development.

Message from the Director General Regarding Position Papers for the 2006 NMUN Conference

Position papers are submitted for each committee in which a State/NGO participates at the NMUN Conference. Position papers should provide a concise review of each delegation's foreign policy regarding the topic areas under discussion and establish precise policies and recommendations in regard to the topics before the committee. International and regional conventions, treaties, declarations, resolutions, and programs of action of relevance to the policy of your State/NGO should be identified and addressed. Position papers also serve as a blueprint for individual delegates to remember their country's position throughout the course of the Conference.

Please be forewarned, delegates must turn in material that is entirely original. The NMUN Conference will not tolerate the occurrence of plagiarism. In this regard, the NMUN Secretariat would like to take this opportunity to remind delegates that although United Nations documentation is considered within the public domain, the Conference does not allow the verbatim recreation of these documents. This plagiarism policy also extends to the written work of the Secretariat contained within the committee background guides. Violation of this policy will be immediately reported to faculty advisors and may result in dismissal from Conference participation. Delegates should report any incident of plagiarism to the Secretariat as soon as possible.

An important component of the awards consideration process is the format of the position papers. Please refer to the sample paper on the following page for a visual example of what your work should look like at its completion. The following format specifications are **required** for all papers:

- All papers must be typed and formatted according to the example in the background guides
- Length must **not** exceed one double-sided page (two single-sided pages is **not** acceptable)

- Font **must** be Times New Roman sized between 10 pt. and 12 pt.
- Country/NGO name, School name and committee name clearly labeled on the first page
- Agenda topics clearly labeled in separate sections

To be considered timely for awards, please read and follow these directions:

1. A file of the position paper (.doc or .pdf) for each assigned committee should be sent to the committee email address. Each address is also listed in individual background guides which will be posted by November 15, 2006. These e-mail addresses will be active after November 15. Delegates should carbon copy (cc:) themselves as confirmation of receipt.
2. Each delegation should send one set of all position papers to: *positionpapers@nmun.org*. This set (held by the Director-General) will serve as a back-up copy in case individual committee directors cannot open attachments. *NOTE: This e-mail should only be used as a repository for position papers.*

Each of the above listed tasks needs to be completed no later than **February 22, 2007**. *E-mailed files should be in Microsoft Word (.doc), Rich Text (.rtf), or Adobe (.pdf) formats.*

PLEASE TITLE EACH E-MAIL/DOCUMENT WITH THE NAME OF THE COUNTRY & COMMITTEE.

A matrix of received papers will be posted online for delegations to check by March 1, 2007. If you need to make other arrangements for submission, please contact Jacob Schanzenbach, Director-General, Sheraton venue or Tracy Kingsley, Director-General, Marriott venue at dirgen@nmun.org.

Additionally, each delegation should submit a copy of their position paper to the permanent mission of the country being represented, along with an explanation of the Conference. Those delegations representing NGOs do not have to send their position paper to their NGO headquarters, although it is encouraged. This will assist them in preparation for the mission briefing in New York.

Finally, please consider that over 1,000 papers will be handled and read by the Secretariat for the Conference. Your patience and cooperation in strictly adhering to the above guidelines will make this process more efficient and is greatly appreciated. Should you have any questions please feel free to contact the conference staff, though as we do not operate out of a central office or location your consideration for time zone differences is appreciated.

Sample Position Paper

The following position paper is designed to be a sample of the standard format that an NMUN position paper should follow. While delegates are encouraged to use the front and back of a single page in order to fully address all topics before the committee, please remember that only a maximum of one double-sided page (or two pages total in an electronic file) will be accepted. Only the first double-sided page of any submissions (or two pages of an electronic file) will be considered for awards. Visit the download section at www.nmun.org to find an example of an award-winning position paper. When using these sources, please be mindful of the NMUN policy against plagiarism.

Delegation from _____ **Represented by The State of State University**
Position Paper for the General Assembly Plenary

The issues before the General Assembly Plenary are: The Situation in Sub-Saharan Africa; Racism and Racial Discrimination, and A Comprehensive Review of United Nations Peacekeeping Operations. The State of Tranquility a proud member of the Regional Alliance of Peaceful Countries and a fully supports other regional groups in their efforts to coordinated a regional plan for sustained and sustainable development. In that regard, the State of Tranquility recognizes the necessity of ensuring the full realization of the Right to Development as declared in the

Declaration on the Right to Development and the Final Report of the Working Group on the Right to Development. Tranquility fully supports the implementation of national development plans with the cooperation of regional organizations, the United Nations, and the international community. Tranquility is firmly committed to addressing the underlying factors.

I. The Situation in Sub-Saharan Africa

The State of Tranquility believes that the principles of sovereignty, territorial integrity and economic security lend themselves to the pacific settlement of disputes in Sub-Saharan Africa, the most ethnically diverse region in the world. The lack of development in the region constitutes the root cause of political instability and conflict. The report of the Secretary-General, *An Agenda for Peace: Recommendations*, if implemented, could enhance the work of the Organization in its efforts to bring about sustainable development in Africa. Tranquility also believes that the use of preventive development in Africa could ensure that conflicts such as those in Liberia, Rwanda, Angola, Somalia and the Democratic Republic of the Congo can be avoided before they erupt. While obstacles to be overcome are many, international support for effective national programs to ensure the relief to rehabilitation to development continuum through post-conflict peace-building, can enable Sub-Saharan Africa and the entire developing world to achieve the sustainable development which alone will guarantee regional peace and stability. The State of Tranquility fully supports the increased cooperation between the United Nations and regional organizations in all aspects of dispute settlement and peace-keeping. Increased support for such regional efforts, when combined with measures to eliminate the root causes of regional conflict, serves to further enhance the prospects for lasting peace, security and development in Sub-Saharan Africa and throughout the entire international community.

II. Racism and Racial Discrimination

The State of Tranquility believes that the World Conference against Racism, Racial Discrimination, Xenophobia, and Related Intolerance offers the global community an opportunity to establish an updated plan of action to completely eradicate racism and racial discrimination throughout the world. The necessity for all Member States to sign, accede to and ratify the International Convention on the Elimination of All Forms of Racial Discrimination is an integral part of this plan, as policies and practices based on racism and racial discrimination remain devastating to regional social, economic and infrastructure development. Tranquility encourage all States, international organizations and non-governmental organizations to increase their efforts to combat racism, racial discrimination and xenophobia and to provide assistance to those affected by such practices. The lack of financial resources that prevented the international community from realizing its objectives in the three previous United Nations Decades to Combat Racism and Racial Discrimination must not continue to hinder the international community in guaranteeing the fundamental human rights of all peoples.

III. A Comprehensive Review of United Nations Peacekeeping Operations

The State of Tranquility remains firmly committed in support of the continued role of the United Nations Security Council as the primary agent for the maintenance of international peace and security, as mandated under Chapters IV and V of the UN Charter. We strongly recommend the authorization, determination, composition and financing of peacekeeping operations should be determined by the Council, as authorized by Articles 24, 25 and 26 of the Charter and in conjunction with the recommendations of the Special Committee on Peacekeeping Operations. Additionally, the State of Tranquility endorses the current role of the Secretary-General as administrator of the Operations established by the Council. The State of Tranquility remains a central contributor for both financial and logistical support of the United Nations Peacekeeping forces and will continue to contribute to the United Nations Peacekeeping Budget throughout the duration of the current year. The State of Tranquility is firmly committed to addressing all threats to international peace and security through regional arrangements and multilateral forums. The international community must address the underlying causes of these conflicts and the destabilizing effects of such conflicts on entire regions. Tranquility is convinced that increased utilization of regional and sub-regional peacekeeping mechanisms can enhance the ability of peacekeeping missions to take into account historical, social, and cultural values and traditions within areas of conflict. As operation costs continue to escalate, however, our nation strongly urges all Member States and the Secretary-General to devote greater attention to the monetary and management aspects of peacekeeping operations and provide serious consideration for the establishment of operation termination dates. The State of Tranquility further supports the proposal endorsed within A/Res/44/49,

calling for Member States to develop and maintain an inventory of supplies and equipment to be made available for Operations on short-notice. In addition, the State of Tranquility calls upon Member States to recognize the need to maintain voluntary contributions for United Nations Peacekeeping Operations to reduce the continuing problems incurred by funding deficits.

Resolution Writing and Report Writing at the NMUN Conference

The substantive output of committees at the NMUN conference generally takes the form of either resolutions or reports. At the 2007 NMUN Conference, the ICTY will adopt a variation on these forms. The ICTY will create judgments. Please refer to the chart below which designates whether delegates will be writing resolutions or reports in the committee they are participating in at the 2007 NMUN Conference:

Resolution Writing Committees

- GA Plenary, GA 4th, CD, SC
- CCPCJ, ECOSOC Plenary, CND
- ADB, ARF, CoE, OAS
- WFP, WHO

Report Writing Committees

- CEIRPP
- ICTY, IHP, UNWTO
- ECLAC, ESCWA, OPEC-IEA

A resolution is the most appropriate means of applying political pressure on Member States, expressing an opinion on an important issue, or recommending action to be taken by the United Nations or some other agency. Most UN resolutions are not binding “law”; the only body which may produce resolutions that are binding upon the Member States of the United Nations is the Security Council. Under UN rules of procedure, unlike other more generalized rules of procedure, the topic on the floor is debated in its entirety. This means that during debate, delegates should discuss the whole issue and all of the resolutions regarding that issue. When debate is exhausted, or is ended, the body then votes on each resolution and amendment and the issue are considered closed. The National Model United Nations does not allow pre-written resolutions on any agenda topic. The NMUN process of writing resolutions during committee sessions is designed to teach delegates the concepts of negotiation and concession; pre-written resolutions hinder that learning process.

The goal of formal debate and caucusing is to persuade enough countries in the committee to support a particular solution to the topic under discussion. Resolutions formally state the agreed-upon solution by outlining the relevant precedents and describing the proposed actions. The committee is not limited to one resolution per topic; often the committee will pass multiple resolutions dealing with different aspects of a topic.

Report Writing

Some committees at the conference will draft reports during the course of negotiations, instead of resolutions. These reports represent the full work of the committee in question. These reports should not be confused with the summary reports of a committee’s work which are presented at the Saturday Plenary Sessions of either the General Assembly or ECOSOC. Directors of report writing committees will elaborate on the process used in reporting writing committees on opening night. Prior to the NMUN Conference in March 2007, a handout with a lengthier sample report for delegates to use as a model will be posted on the NMUN Conference website at www.nmun.org.

Reports are similar in nature to resolutions, with only a few key differences. Reports represent the formal recommendation and/or decision of the committee on the agenda topics at hand, in the same manner as resolutions, but in the form of one document. Committees that write resolutions typically produce a number of draft resolutions for each topic, and each one is subject to a substantive vote by the body. In a similar manner, committees that write reports produce several draft report segments and then vote on each one. The final report of these committees will combine the adopted draft reports into one comprehensive report at the end of the simulation.

Another key difference is the format of reports. While resolutions consist of one long sentence, reports are a series of complete sentences. Thus, where the clauses of a resolution each contain one whole concept, a report is composed of paragraphs, each constituted by a sentence or a few sentences which contain one whole concept.

What to Expect at the Simulation of Your Committee

Opening session: After a brief introduction of the dais and some announcements, delegates will discuss the order in which the committee will address agenda topics while in formal and caucus sessions. The committee will then vote on a motion from the floor to set the agenda in a proposed order, and will continue to vote on such motions until one passes by a majority vote. If the committee fails to reach agreement on the agenda order by the conclusion of the first evening, the director and assistant director reserve the right to set the agenda. After the agenda has been set, the chair will entertain motions for the opening of the speakers' list to address the first agenda topic.

It should be noted due to the special procedures used by the International Criminal Tribunal for the Former Yugoslavia [ICTY] a variation of this process will be used. Delegates participating in the ICTY should carefully follow the delegate preparation section of the Background Guide of the ICTY.

Rules of Procedure

The simulation is conducted through the use of the committee rules of procedure, which are included in this background guide. The rules of procedure for this committee, located in the middle of this background guide, are the rules of procedure that are only accepted during the simulation of this committee. Interpretation of these rules is left to the sole discretion of the Directors-General or her/his designate. It is extremely important to develop a thorough working knowledge of the rules, including when they should be introduced, and in what capacity. The rules of procedure are enforced to facilitate the efficient workings of the committee, not to hinder them. Therefore, the Director, Assistant Director and chair (with the approval of the Director) reserve the right to rule motions out of order which may be considered dilatory or disruptive to the committee proceedings. In this respect, one of the quickest ways for a delegate to alienate him/herself within a committee is to be labeled as someone who attempts to disrupt committee proceedings with the introduction of redundant, inappropriate or time-consuming motions.

Decorum

Decorum is a *de facto* rule throughout the week of the simulation. In both large and small committees, the ability to conduct normal business while in formal session is an arduous task when decorum is not maintained. Delegates will be asked for their assistance in this endeavor. Please see the Delegate Preparation Manual for a specific discussion of delegate decorum in committee and also, delegate behavior while at the Conference.

Caucusing

Caucusing is an important and logistically difficult component of the United Nations simulation. These informal meetings between voting blocs, as well as between States with positions that are diametrically opposed, often produce compromises acceptable to all parties. However, delegates are required to address issues within a week's time which, in many cases, the international community has failed resolve after years of debate and negotiation.

As a result, the bulk of informal negotiation and the construction of working papers will occur within, or in the close proximity of, the committee chambers. In consideration for the other Conference participants, delegates are asked to respect the formal proceedings occurring both within and between all committees participating at the Conference. Finally, given the importance of decorum within committee chambers, all caucusing should occur outside of the committee chambers while committee is in session.

Chairs and Rapporteurs

Delegates should also take note that the Director and Assistant Director (with the approval of the Directors-General) will select a committee chair and rapporteur (committee administrative assistant) following the conclusion of

interviews on the first evening of the Conference. For those interested in the opportunity to serve the committee as a chairperson or rapporteur, an application will be available online at www.nmun.org after January 1, 2007. The application should be completed and submitted to the Director no later than the opening night of the Conference. The successful candidate for chair will demonstrate an excellent working knowledge of the rules of procedure through a series of situations presented to her or him and exhibit qualities of leadership, patience and humility. The rapporteur will assist the chair, the Director and the Assistant Director with the abundance of paperwork and record keeping required in the efficient workings of the committee, as well as provide logistical support for the chair while in voting procedures. Multiple years of attendance at the NMUN Conference is preferred in candidates for the committee chair and rapporteur, but it is not the only defining characteristic used by the Directors and Assistant Directors to select chairs and rapporteur for committees.

Delegates selected to serve in these positions must forfeit their rights to participate in substantive debate within the committee. Although the chair and rapporteur continue to serve as representatives of their assigned State, their primary duty is to assist the director and assistant director in facilitating the professional operation of the committee. Additionally, delegates selected as committee chairs and rapporteurs do retain an equal eligibility for awards consideration. All delegates are encouraged to apply for these challenging and rewarding positions. Many individuals who serve as chairs and rapporteurs have in later years served as members of the NMUN Volunteer Staff.

Attire

In keeping with the spirit of the simulation, delegates are *required* to wear professional business attire. Further, national symbols of any kind are forbidden in committee chambers, in accordance with practices of the UN. Symbols associated specifically with the United Nations (e.g., the seal of the UN) are allowed in committee chambers.

Your Role as a Delegate at the 2006 NMUN Conference

Taking on the Role of a Diplomat

The most important aspect of participating as a delegate to the NMUN is your assumption of the role of a foreign diplomat. In this role, you are acting as a representative of the government and the peoples of the Member State or NGO to which you have been assigned. The only exception is those delegates who are serving as justices on the International Criminal Tribunal for the Former Yugoslavia (ICTY). In their capacities, those delegates serving as justices are serving as independent technical experts. While in preparation for and throughout the duration of the Conference, you may find personal disagreement with the foreign policy of the country you are representing or with the policy of the NGO you are representing. Your personal opinions are entirely inapplicable during the course of the simulation. Therefore, it is of the utmost importance for all delegates to arrive well-versed in the dynamics of their State's foreign policy or in that of their NGO, and anticipate possible obstacles their State or NGO may encounter during the simulation. The simulation's quality depends on the collective preparation of its participants.

As a delegate, you should be able to demonstrate thorough knowledge of your assigned country's policies, specific issues to be discussed, and the procedures, activities, and history of your committee. Delegates should also exhibit the ability to negotiate and compromise, demonstrate leadership, and the ability to influence by gaining the professional respect of fellow delegates. States and NGOs maintain specific and adaptive foreign policy methods and goals to allow delegates to function in the negotiation process. As a representative of the NGO or State to which you have been assigned, you will be expected to work within the historical confines of your NGO or country's foreign policy at the UN. Even though many Member States and Observer States do not assume strong leadership roles in the UN, the reality of the NMUN is that each delegation will be judged on its ability to provide leadership to other delegates throughout the Conference.

Delegates are reminded that professional diplomats conduct themselves, and regard one another, with the utmost dignity and respect, regardless of foreign policy affiliation or personal feelings. Even States and NGOs who observe severely conflicting ideological perspectives will work closely together within the UN on diplomatic matters of mutual concern. Likewise many delegates are forced to work together despite personal conflicts.

The Preparation and Introduction of Resolutions and Reports

Resolutions and reports adopted within respective committees represent Member States' decisions and recommended courses of action with respect to the topics under discussion. Clauses within the preamble of resolutions should provide a brief outline of historical and current perspectives and endeavors regarding the issues to be addressed within the operative clauses of the document. The operative clauses of resolutions provide the objectives and potential actions that Members designed to address the issues outlined within the preamble. More simply, the preamble states the problems before the committee in relation to the topic under deliberation and operative clauses outline the decisions of the committee for the solution of these problems.

Although delegates are encouraged to develop resolution and report writing skills, both in classroom scenarios and at regional MUN simulations, the NMUN will not accept any pre-written resolutions or reports, and which have not been developed by a plurality of the committee. This determination is at the sole discretion of the Secretariat. Due to the goal of creating an environment where the skill of compromise and conflict resolution skills can be learned, delegates may be asked to merge working documents with other individuals working on the same issue in a committee. In addition, *any delegates found to be submitting plagiarized material within resolutions will be subject to dismissal from further participation within the Conference.* Although UN documents are within the public domain, the verbatim exploitation of these documents *will not be permitted* at the Conference.

Resolutions and reports are developed in three stages. In the initial stage, a resolution or report is referred to as a working paper (in resolution writing committees) or a working draft report segment (in report writing committees). It is generally developed by States or experts that share common perspectives on the issues to be addressed. The working paper/working draft report segment is shared with other delegates in the committee for their input and support. Once the working paper/working draft report segment gathers the required signatories, it is to be submitted to the committee director for approval. On the approval of the Director, the working paper/working draft report segment will be copied by Conference Services and introduced by the chair to the committee as a draft resolution or report.

Once the working paper/working draft report has been approved by the committee Director, it will be copied by a member of the dais. Delegates in the committee are not required to copy approved working paper/working draft report. Yet, a working paper/working draft report which has not been approved by the committee Director will not be copied by the dais. It is the responsibility of the delegates to copy their own working paper/working draft report if they choose to share copies of the document which has not been submitted for approval. Any questions concerning this issue should be directed to the committee director or the assistant director. Also, questions concerning this rule can be directed to members of the NMUN Conference Service Staff.

Once the working paper/working draft report has been introduced as a draft resolution or draft report segment, it becomes the property of the committee and all references to sponsorship, with the exception of identifying the status of amendments while in voting procedure, are formally removed. The central contributors to the contents of the draft resolution or report will continue to enlist the advice and support of as many States or experts as possible to expand upon the substance of the draft and, thereby, gain as much input and support as possible prior to the closure of debate. Once the committee moves to closure on a given topic, all draft resolutions and draft report segment will be voted upon and when adopted, it will thereafter be recognized as formal resolutions or reports. Adopted resolutions and reports represent recommendations for States and the international community.

It is highly recommended that delegates introduce their ideas to the committee in the form of working papers/working draft report segments as soon as possible in order to contribute to the potential development and adoption of resolutions and reports which characterize the united representative strength and will of regional blocs or, ultimately, the committee as a whole. Typically, a number of working papers/working draft segments before any committee will overlap in content, style, and substance. In this event, the Director will request delegates to integrate their individual endeavors into a single and, thus, more comprehensive and internationally representative document.

The Executive Bureau, the General Committee and Plenary Sessions

By the conclusion of the first night session, the Economic and Social Council Plenary will select four vice presidents to assist the president (chair) as members of the Council Executive Bureau. Likewise, the General Assembly will

select 21 of its Members to the General Committee by the conclusion of the first evening meeting. The members of the Bureau and the General Committee are to be selected with regard for equitable geographic representation from: African States, Asian and Pacific States, Eastern European States, Latin American States and Western European and other States. The Bureau will meet on the evening prior to the Plenary session, following the conclusion of the regular session. The General Committee will be composed somewhat differently than the Bureau. It will be comprised of each committee chair from the General Assembly department. They will also meet at the end of regular sessions on the same evening.

The night before the Plenary session, the Bureau and General Committee will be briefed by a representative from each relevant committee regarding the work accomplished by their body throughout the week. After reviewing the reports and resolutions submitted by the committee representatives, the Bureau and General Committee will set the agenda for the Plenary sessions to deliberate upon each committee's recommendations to the Plenary.

ECOSOC Executive Bureau

The ECOSOC Plenary Session will deliberate upon the work of all the committees within the ECOSOC Department, as well as other relevant bodies, including most of the specialized agencies. During the prior evening's meeting, the Bureau will set an agenda order for the review of these reports for deliberation and potential adoption during Plenary sessions. Additionally, the ECOSOC Plenary session will deliberate upon a fourth topic to be prepared and introduced by the Director and Assistant Director.

This topic will encompass a broad theme that relates, as much as is possible, to issues discussed by each of the committees within ECOSOC and the Specialized Agencies.

GA General Committee

The General Assembly Plenary will deliberate upon the work submitted by each of the committees in the GA and Security Council department, as well as relevant non-governmental organizations and other bodies. Following the conclusion of regular sessions on the last evening of session, the General Committee will set the agenda order for the review of these reports and resolutions and for their potential adoption during the Plenary sessions.

Plenary Sessions

On the final day of the Conference, the ECOSOC Plenary, General Assembly Plenary, and Security Council will convene at United Nations Headquarters. Plenary deliberations will encompass the work of all Conference committees. All delegates are advised to participate in these sessions in order to assist Plenary representatives with their broad scope of work. Minimally, Member State representatives to the Plenary should be briefed in regard to the work of the committees that report to their respective departments. Ideally, the representatives of the committee whose work is being considered will sit with Plenary representatives as expert advisors to the State. The agenda for these sessions will be made available to all delegates.

The Role of Non-governmental Organizations in the Simulation

Non-governmental organizations (NGOs) are recognized in Article 71 of the *UN Charter* as consultative bodies in relationship to ECOSOC. These organizations also maintain a close working relationship with almost all ECOSOC funds and programs, Specialized Agencies, General Assembly committees, and regional organizations. In this role, NGOs are an invaluable resource to the UN system because they provide information on political, economic, social, humanitarian, and cultural developments in all parts of the world. Their recommendations may address potential solutions to global problems, speak to specific country or regional needs, or call attention to an emerging crisis. NGOs are a crucial link between policy-makers and the individuals directly affected by those policies. They represent civil society and its impact on the UN system. There are two primary advantages NGOs have over the UN in terms of information gathering and program implementation. First, NGOs are often locally based and have better knowledge of regional conditions, needs, and constraints. Second, NGOs may find it easier to gain the acceptance, trust and cooperation of the communities in which they work because they are more aware of the indigenous cultural climate than many intergovernmental organizations.

NGOs at the National Model United Nations Conference

Over the past several years, the NMUN has integrated the presence of NGOs into committees at the conference. This process improves the educational quality of the simulation and mirrors developments in the UN itself, where NGOs are gaining both visibility and respect as a resource for program design and implementation. A large number of delegates will take on the challenging task of representing NGO delegations this year.

NGO delegations maintain all of the privileges accorded to traditional country delegations, and are required to exhibit the same level of preparedness. NGO delegations are eligible for awards, based on the same criteria as country delegations, and may select head delegates to attend the Head Delegate Meetings. NGO representatives are also required to submit position papers reflecting the perspectives and priorities of their assigned NGO on the agenda topics at hand.

All delegates should take the role of NGOs very seriously. NGO representatives must be prepared to fully participate in all committee activities, including formal debate, caucusing and drafting working papers. In turn, Member State delegates must be prepared to engage NGO delegates in these activities. Mutual recognition and respect between NGO and country delegates is necessary to a successful conference experience.

NGO delegates maintain the following privileges in each committee to which they are assigned:

1. the right to make any procedural motion;
2. the right to vote on all procedural motions;
3. the right to speak before all assigned committees; and
4. the right to act as a signatory on working papers.

NGO delegates do not have substantive voting rights, and may not sponsor working papers. In order to ensure a positive educational experience for all delegates, these rights and privileges may not exactly reflect those granted by ECOSOC. Any alterations made by the Directors-General gave due consideration to existing realities and the need to provide a learning environment that encourages active participation.

Country delegates are fully expected to work with NGO delegates in the spirit of collaboration upon which the UN was founded. The exclusion of NGOs from committee work simply because they do not have substantive voting rights is both unrealistic and unprofessional. In almost all cases, actions denigrating the participation of NGOs will be considered extraordinarily out of character and be noted in awards consideration. NGOs are expert organizations in their respective fields that possess specialized knowledge of the subject matter at hand. The recommendations of NGO delegates maintain the same validity as those of Member States, and it is incumbent upon country delegates to ensure that those perspectives are recognized.

How to Prepare as an NGO Delegation

As an NGO delegation, your preparation should be structured in the same way as a typical country delegation. The most basic pieces of this process include fundamental knowledge of the organization and of the agenda topics. Based on your research, you will decide how your assigned NGO will approach each topic, and the recommendations you will make for potential solutions. This includes identifying blocs of countries and other NGOs that may share the same perspectives and priorities and collaborate with you in committee sessions.

Doing Research

A large portion of your research will likely rely on Internet resources. Because most NGOs do not have expansive budgets that allow for the widespread reproduction and dissemination of their written materials and reports, they choose to publish such documents on their Web sites. If you have difficulty obtaining materials from these electronic sources, please contact your Director, Assistant Director, departmental USG, or the Directors-General for assistance. The UN Web site, as well as the sites for many of the Specialized Agencies, also contains valuable information about NGO activity. Finally, do not exclude traditional resources from your preparations. Newspapers, scholarly journals, and academic books will provide differing perspectives on your agenda topics, and may give interesting insight into the evolving role of NGOs. In particular, there is an increasing amount of sources on the issue of civil society and its role in the UN. It is recommended that this literature be consulted as needed for your

preparation.

Position Papers

NGO position papers should be constructed in the same fashion as traditional position papers. Each topic should be addressed briefly in a succinct policy statement representing the relevant views of your assigned NGO. You should also include recommendations for action to be taken by your committee. It will be judged using the same criteria as all country position papers, and is held to the same standard of timeliness.

The most critical part of a successful NGO delegate experience at the NMUN Conference is active participation in committee sessions. This includes utilizing the rules of procedure, speaking in formal debate and contributing during caucus sessions. Although you may not sponsor working papers or vote on draft resolutions/draft report segments, you have both the right and the obligation to participate in their composition and refinement. You may act as a signatory to any working paper on the floor of your committee if you wish to illustrate your support for continued development of the document. Getting involved in the simulation is the best way to enhance your own educational experience and that of your fellow delegates.

The Roles of State Delegates, Technical Experts & Independent Technical Experts at the 2006 National Model United Nations (NMUN) Conference

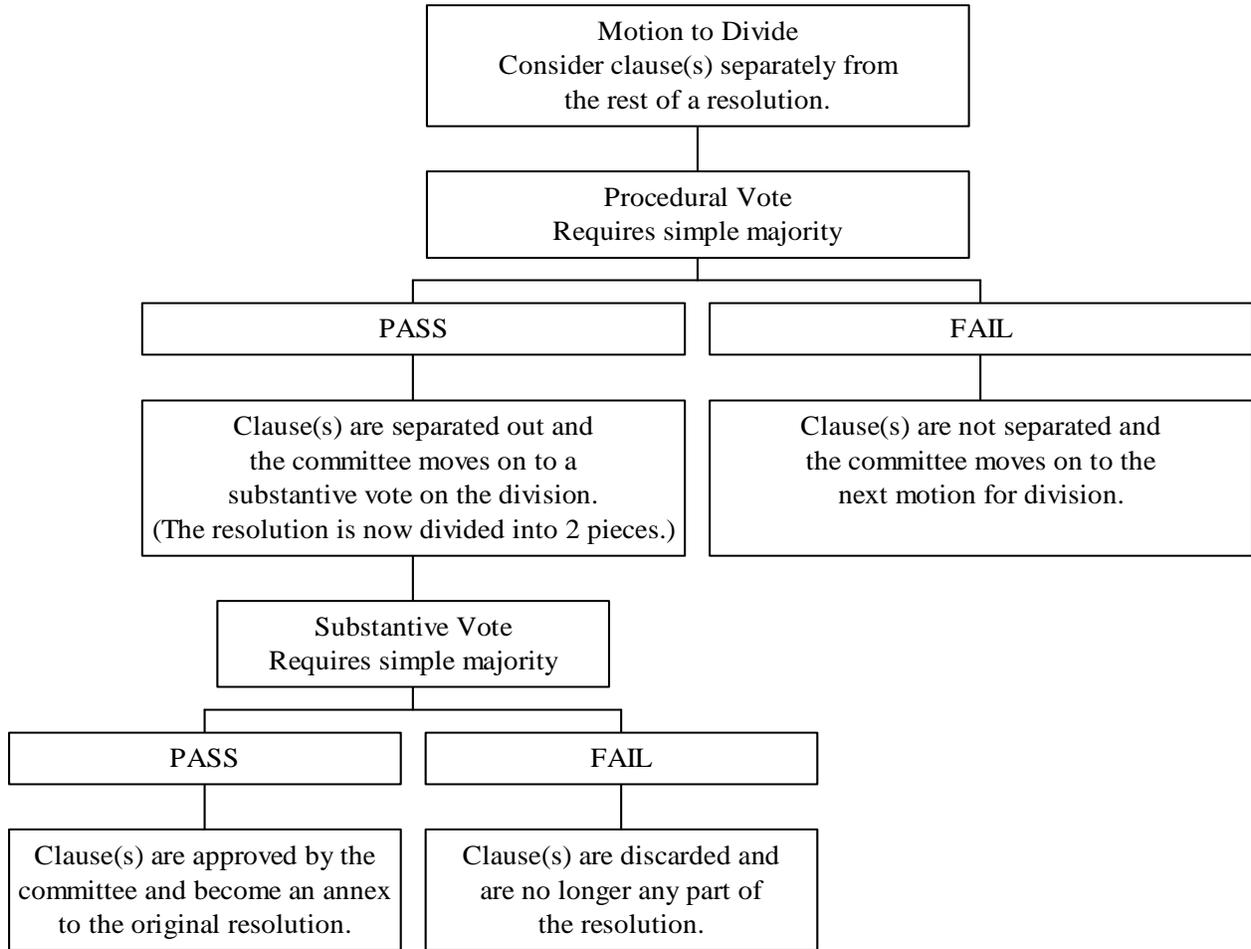
The Variety of Roles That Delegates Simulate at the NMUN Conference

At the National Model United Nations (NMUN) Conference, delegates assume one of three roles when they participate in committee proceedings. They serve as a delegate representing the national interest of their state (state delegate), a technical expert, or an independent technical expert. At the 2007 NMUN Conference, only the justices of the International Court of Justice will serve in this capacity. Due to independent technical experts only serving in the ICTY, this role will specifically be addressed in the ICTY Background Guide. The United Nations, particularly the General Assembly, is essentially a political organization. However, there is also a significant role within the system for technical experts in many areas. Because the UN, its subsidiary bodies, related programs, and affiliated organizations speak to such a broad range of issues, experts are often needed to properly address complex problems and make informed recommendations to the General Assembly and Member States. Several ECOSOC committees and almost all of the Specialized Agencies consist of technical experts in the field, as opposed to political representatives. It is critical that delegates representing technical experts understand the complex nature of the expert role.

**APPENDIX: NMUN RULES OF PROCEDURE - SHORT FORM
LISTED IN ORDER OF PRECEDENCE**

| Motion | Purpose | Debate | Vote |
|--|---|------------------|-------------|
| Point of Order | Correct an error in procedure | None | None |
| Appeal of the Chair | Challenge a decision of the Chair | None | Majority |
| Suspension of the Meeting | Recess meeting | None | Majority |
| Adjournment of the Meeting | End meeting | None | Majority |
| Adjournment of Debate | End debate without a substantive vote | 2 pro / 2 con | Majority |
| Decision of Competence | Declare committee unable to consider issue or resolution | None | Majority |
| Closure of Debate | Move to immediate vote | 2 con | 2/3 |
| Declare an Important Question (applicable in GA Plen only) | Require all substantive actions to obtain a 2/3 majority to pass | 2 pro / 2 Con | Majority |
| Amendments and 1 st Vote on Divisions of the Question | Vote on sections separately, prior to voting on the entire resolution | 2 pro / 2 con | Majority |
| Roll Call Vote | Vote by roll call, rather than show of placards | None | None |
| Reconsideration | Re-open debate on an issue | 2 con | 2/3 |
| Set the Speakers time | Set or change the speakers time limit | 2 pro / 2 con | Majority |
| Close the Speakers list (also applies to re-opening list) | No additional speakers added to speakers list on topic | None | Majority |
| Adoption of the Agenda | Approval of agenda order | None | Majority |

APPENDIX C: DIVISION OF THE QUESTION DIAGRAM



Supplemental Conference Information

Message from the Directors-General Regarding Position Papers for the 2007 NMUN Conference

Position papers are submitted for each committee in which a State/NGO participates at the NMUN Conference. Position papers should provide a concise review of each delegation's foreign policy regarding the topic areas under discussion and establish precise policies and recommendations in regard to the topics before the committee. International and regional conventions, treaties, declarations, resolutions, and programs of action of relevance to the policy of your State/NGO should be identified and addressed. Position papers also serve as a blueprint for individual delegates to remember their country's position throughout the course of the Conference.

Please be forewarned, delegates must turn in material that is entirely original. The NMUN Conference will not tolerate the occurrence of plagiarism. In this regard, the NMUN Secretariat would like to take this opportunity to remind delegates that although United Nations documentation is considered within the public domain, the Conference does not allow the verbatim recreation of these documents. This plagiarism policy also extends to the written work of the Secretariat contained within the committee background guides. Violation of this policy will be immediately reported to faculty advisors and may result in dismissal from Conference participation. Delegates should report any incident of plagiarism to the Secretariat as soon as possible.

An important component of the awards consideration process is the format of the position papers. Please refer to the sample paper on the following page for a visual example of what your work should look like at its completion. The following format specifications are **required** for all papers:

- All papers must be typed and formatted according to the example in the background guides
- Length must **not** exceed one double-sided page (two single-sided pages is **not** acceptable)
- Font **must** be Times New Roman sized between 10 pt. and 12 pt.
- Country/NGO name, School name and committee name clearly labeled on the first page
- Agenda topics clearly labeled in separate sections

To be considered timely for awards, please read and follow these directions:

1. A file of the position paper (.doc, .pdf or .rtf) for each assigned committee should be sent to the appropriate committee email address for the appropriate venue in which you are participating. Each address is also listed in individual background guides, which will be posted by November 15, 2006. These e-mail addresses will be active after November 15. Delegates should carbon copy (cc:) themselves as confirmation of receipt.
2. Each delegation should send one set of all position papers to: *positionpapers@nmun.org*. This set (held by the Director-General) will serve as a back-up copy in case individual committee directors cannot open attachments. *NOTE: This e-mail should only be used as a repository for position papers.*

Each of the above listed tasks needs to be completed no later than **February 22, 2007**. *E-mailed files should be in Microsoft Word (.doc), Rich Text (.rtf), or Adobe (.pdf) formats.*

PLEASE NOTE IN THE SUBJECT LINE OF THE E-MAIL/DOCUMENT THE NAME OF THE COUNTRY & COMMITTEE.

*A matrix of received papers will be posted online for delegations to check by March 1, 2007. If you need to make other arrangements for submission, please contact **Jacob Schanzenbach**, Director-General, Sheraton venue or **Tracy Kingsley**, Director-General, Marriott venue at dirgen@nmun.org.*

Additionally, each delegation should submit a copy of their position paper to the permanent mission of the country being represented, along with an explanation of the Conference. Those delegations representing NGOs do not have to send their position paper to their NGO headquarters, although it is encouraged. This will assist them in preparation for the mission briefing in New York.

Finally, please consider that over 1,000 papers will be handled and read by the Secretariat for the Conference. Your patience and cooperation in strictly adhering to the above guidelines will make this process more efficient and is greatly appreciated. Should you have any questions please feel free to contact the conference staff, though as we do not operate out of a central office or location your consideration for time zone differences is appreciated.

Sample Position Paper

The following position paper is designed to be a sample of the standard format that an NMUN position paper should follow. While delegates are encouraged to use the front and back of a single page in order to fully address all topics before the committee, please remember that only a maximum of one double-sided page (or two pages total in an electronic file) will be accepted. Only the first double-sided page of any submissions (or two pages of an electronic file) will be considered for awards. Visit the download section at www.nmun.org to find an example of an award-winning position paper. When using these sources, please be mindful of the NMUN policy against plagiarism.

Delegation from (*Insert Member State/NGO Name*)

Represented by (*Insert Delegation Name Here*)

Position Paper for the General Assembly Plenary

The issues before the General Assembly Plenary are: The Situation in Sub-Saharan Africa; Racism and Racial Discrimination, and A Comprehensive Review of United Nations Peacekeeping Operations. The State of Tranquility a proud member of the Regional Alliance of Peaceful Countries and a fully supports other regional groups in their efforts to coordinated a regional plan for sustained and sustainable development. In that regard, the State of Tranquility recognizes the necessity of ensuring the full realization of the Right to Development as declared in the Declaration on the Right to Development and the Final Report of the Working Group on the Right to Development. Tranquility fully supports the implementation of national development plans with the cooperation of regional organizations, the United Nations, and the international community. Tranquility is firmly committed to addressing the underlying factors.

I. The Situation in Sub-Saharan Africa

The State of Tranquility believes that the principles of sovereignty, territorial integrity and economic security lend themselves to the pacific settlement of disputes in Sub-Saharan Africa, the most ethnically diverse region in the world. The lack of development in the region constitutes the root cause of political instability and conflict. The report of the Secretary-General, *An Agenda for Peace: Recommendations*, if implemented, could enhance the work of the Organization in its efforts to bring about sustainable development in Africa. Tranquility also believes that the use of preventive development in Africa could ensure that conflicts such as those in Liberia, Rwanda, Angola, Somalia and the Democratic Republic of the Congo can be avoided before they erupt. While obstacles to be overcome are many, international support for effective national programs to ensure the relief to rehabilitation to development continuum through post-conflict peace-building, can enable Sub-Saharan Africa and the entire developing world to achieve the sustainable development which alone will guarantee regional peace and stability. The State of Tranquility fully supports the increased cooperation between the United Nations and regional organizations in all aspects of dispute settlement and peace-keeping. Increased support for such regional efforts, when combined with measures to eliminate the root causes of regional conflict, serves to further enhance the prospects for lasting peace, security and development in Sub-Saharan Africa and throughout the entire international community.

II. Racism and Racial Discrimination

The State of Tranquility believes that the World Conference against Racism, Racial Discrimination, Xenophobia, and Related Intolerance offers the global community an opportunity to establish an updated plan of action to completely eradicate racism and racial discrimination throughout the world. The necessity for all Member States to sign, accede to and ratify the International Convention on the Elimination of All Forms of Racial Discrimination is

an integral part of this plan, as policies and practices based on racism and racial discrimination remain devastating to regional social, economic and infrastructure development. Tranquility encourage all States, international organizations and non-governmental organizations to increase their efforts to combat racism, racial discrimination and xenophobia and to provide assistance to those affected by such practices. The lack of financial resources that prevented the international community from realizing its objectives in the three previous United Nations Decades to Combat Racism and Racial Discrimination must not continue to hinder the international community in guaranteeing the fundamental human rights of all peoples.

III. A Comprehensive Review of United Nations Peacekeeping Operations

The State of Tranquility remains firmly committed in support of the continued role of the United Nations Security Council as the primary agent for the maintenance of international peace and security, as mandated under Chapters IV and V of the UN Charter. We strongly recommend the authorization, determination, composition and financing of peacekeeping operations should be determined by the Council, as authorized by Articles 24, 25 and 26 of the Charter and in conjunction with the recommendations of the Special Committee on Peacekeeping Operations. Additionally, the State of Tranquility endorses the current role of the Secretary-General as administrator of the Operations established by the Council. The State of Tranquility remains a central contributor for both financial and logistical support of the United Nations Peacekeeping forces and will continue to contribute to the United Nations Peacekeeping Budget throughout the duration of the current year. The State of Tranquility is firmly committed to addressing all threats to international peace and security through regional arrangements and multilateral forums. The international community must address the underlying causes of these conflicts and the destabilizing effects of such conflicts on entire regions. Tranquility is convinced that increased utilization of regional and sub-regional peacekeeping mechanisms can enhance the ability of peacekeeping missions to take into account historical, social, and cultural values and traditions within areas of conflict. As operation costs continue to escalate, however, our nation strongly urges all Member States and the Secretary-General to devote greater attention to the monetary and management aspects of peacekeeping operations and provide serious consideration for the establishment of operation termination dates. The State of Tranquility further supports the proposal endorsed within A/Res/44/49, calling for Member States to develop and maintain an inventory of supplies and equipment to be made available for Operations on short-notice. In addition, the State of Tranquility calls upon Member States to recognize the need to maintain voluntary contributions for United Nations Peacekeeping Operations to reduce the continuing problems incurred by funding deficits.

Resolution Writing and Report Writing at the NMUN Conference

Please refer to the Delegate Preparation Manual available at www.nmun.org for a detailed instruction on resolution and report writing.

The substantive work of committees at the NMUN conference generally takes the form of either resolutions or reports. At the 2007 NMUN Conference, the ICTY will adopt a variation on these forms. The ICTY will create judgments. Please refer to the chart below which designates whether delegates will be writing resolutions or reports in the committee they are participating in at the 2007 NMUN Conference:

Resolution Writing Committees

- GA Plenary, GA 4th, CD, SC
- CCPCJ, ECOSOC Plenary, CND
- ADB, ARF, CoE, OAS
- WFP, WHO

Report (or variation thereof) Writing Committees

- CEIRPP
- ICTY, IHP, UNWTO
- ECLAC, ESCWA, OPEC-IEA

Resolutions

A resolution is the most appropriate means of applying political pressure on Member States, expressing an opinion on an important issue, or recommending action to be taken by the United Nations or some other agency. Most UN resolutions are not binding “law”; the only body which may produce resolutions that are binding upon the Member States of the United Nations is the Security Council. Under UN rules of procedure, unlike other more generalized rules of procedure, the topic on the floor is debated in its entirety. This means that during debate, delegates should discuss the whole issue and all of the resolutions regarding that issue. When debate is exhausted, or is ended, the body then votes on each resolution and amendment and the issue are considered closed. The National Model United Nations does not allow pre-written resolutions on any agenda topic. The NMUN process of writing resolutions during committee sessions is designed to teach delegates the concepts of negotiation and concession; pre-written resolutions hinder that learning process.

The goal of formal debate and caucusing is to persuade enough countries in the committee to support a particular solution to the topic under discussion. Resolutions formally state the agreed-upon solution by outlining the relevant precedents and describing the proposed actions. The committee is not limited to one resolution per topic; often the committee will pass multiple resolutions dealing with different aspects of a topic.

Please reference the Delegate Preparation Manual available at <http://www.nmun.org> for an example of the style used at NMUN, as well as other helpful information necessary to draft appropriately a resolution.

Report Writing

Some committees at the conference will draft reports during the course of negotiations, instead of resolutions. These reports represent the full work of the committee in question. These reports should not be confused with the summary reports of a committee’s work which are presented at the Saturday Plenary Sessions of either the General Assembly or ECOSOC. Directors of report writing committees will elaborate on the process used in reporting writing committees on opening night. Prior to the NMUN Conference in March 2007, a handout with a lengthier sample report for delegates, to use as a model will be posted on the NMUN Conference website at www.nmun.org.

Reports are similar in nature to resolutions, with only a few key differences. Reports represent the formal recommendation and/or decision of the committee on the agenda topics at hand, in the same manner as resolutions, but in the form of one document. Committees that write resolutions typically produce a number of draft resolutions for each topic, and each one is subject to a substantive vote by the body. In a similar manner, committees that write reports produce several draft report segments and then vote on each one. The final report of these committees will combine the adopted draft reports into one comprehensive report at the end of the simulation.

Another key difference is the format of reports. While resolutions consist of one long sentence, reports are a series of complete sentences. Thus, where the clauses of a resolution each contain one whole concept, a report is composed of paragraphs, each constituted by a sentence or a few sentences which contain one whole concept.

Please also reference the Delegate Preparation Manual available at <http://www.nmun.org> for an example of the style used at NMUN, as well as other helpful information necessary to draft appropriately a report.

What to Expect at the Simulation of Your Committee

Opening session: After a brief introduction of the dais and some announcements, delegates will discuss the order in which the committee will address agenda topics while in formal and caucus sessions. The committee will then vote on a motion from the floor to set the agenda in a proposed order, and will continue to vote on such motions until one passes by a majority vote. If the committee fails to reach agreement on the agenda order by the conclusion of the first evening, the director and assistant director reserve the right to set the agenda. After the agenda has been set, the chair will entertain motions for the opening of the speakers’ list to address the first agenda topic.

It should be noted due to the special procedures used by the International Criminal Tribunal for the Former Yugoslavia [ICTY] a variation of this process will be used. Delegates participating in the ICTY should carefully follow the delegate preparation manual for the ICTY, the various sections of the Background Guide of the ICTY, and refer to the ICTY portion of the NMUN website for a separate copy for perpetration.

Rules of Procedure

The simulation is conducted through the use of the committee rules of procedure, which are included in this background guide. The rules of procedure for this committee, located in the middle of this background guide, are the rules of procedure that are only accepted during the simulation of this committee. Interpretation of these rules is left to the sole discretion of the Directors-General or her/his designate. It is extremely important to develop a thorough working knowledge of the rules, including when they should be introduced, and in what capacity. The rules of procedure are enforced to facilitate the efficient workings of the committee, not to hinder them. Therefore, the Director, Assistant Director and chair (with the approval of the Director) reserve the right to rule motions out of order which may be considered dilatory or disruptive to the committee proceedings. In this respect, one of the quickest ways for a delegate to alienate him/herself within a committee is to be labeled as someone who attempts to disrupt committee proceedings with the introduction of redundant, inappropriate, or time-consuming motions.

Decorum

Decorum is a *de facto* rule throughout the week of the simulation. In both large and small committees, the ability to conduct normal business while in formal session is an arduous task when decorum is not maintained. Delegates will be asked for their assistance in this endeavor. Please see the Delegate Preparation Manual for a specific discussion of delegate decorum in committee and also, delegate behavior while at the Conference.

Caucusing

Caucusing is an important and logistically difficult component of the United Nations simulation. These informal meetings between voting blocs, as well as between States with positions that are diametrically opposed, often produce compromises acceptable to all parties. However, delegates are required to address issues within a week's time which, in many cases, the international community has failed resolve after years of debate and negotiation.

As a result, the bulk of informal negotiation and the construction of working papers will occur within, or in the close proximity of, the committee chambers. In consideration for the other Conference participants, delegates are asked to respect the formal proceedings occurring both within and between all committees participating at the Conference. Finally, given the importance of decorum within committee chambers, all caucusing should occur outside of the committee chambers while committee is in session.

Chairs and Rapporteurs

Delegates should also take note that the Director and Assistant Director (with the approval of the Directors-General) will select a committee chair and rapporteur (committee administrative assistant) following the conclusion of interviews on the first evening of the Conference. For those interested in the opportunity to serve the committee as a chairperson or rapporteur, an application will be available online at www.nmun.org after January 1, 2007. The application should be completed and submitted to the Director no later than the opening night of the Conference. The successful candidate for chair will demonstrate an excellent working knowledge of the rules of procedure through a series of situations presented to her or him and exhibit qualities of leadership, patience and humility. The rapporteur will assist the chair, the Director and the Assistant Director with the abundance of paperwork and record keeping required in the efficient workings of the committee, as well as provide logistical support for the chair while in voting procedures. Multiple years of attendance at the NMUN Conference is preferred in candidates for the committee chair and rapporteur, but it is not the only defining characteristic used by the Directors and Assistant Directors to select chairs and rapporteur for committees.

Delegates selected to serve in these positions must forfeit their rights to participate in substantive debate within the committee. Although the chair and rapporteur continue to serve as representatives of their assigned State, their primary duty is to assist the director and assistant director in facilitating the professional operation of the committee.

Additionally, delegates selected as committee chairs and rapporteurs do retain an equal eligibility for awards consideration. All delegates are encouraged to apply for these challenging and rewarding positions. Many individuals who serve as chairs and rapporteurs have in later years served as members of the NMUN Volunteer Staff.

Attire

In keeping with the spirit of the simulation, delegates are *required* to wear professional business attire. Further, national symbols of any kind are forbidden in committee chambers, in accordance with practices of the UN. Symbols associated specifically with the United Nations (e.g., the seal of the UN) are allowed in committee chambers.

Your Role as a Delegate at the 2007 NMUN Conference

Taking on the Role of a Diplomat

The most important aspect of participating as a delegate to the NMUN is your assumption of the role of a foreign diplomat. In this role, you are acting as a representative of the government and the peoples of the Member State or NGO to which you have been assigned. The only exception is those delegates who are serving as justices on the International Criminal Tribunal for the Former Yugoslavia (ICTY). In their capacities, those delegates serving as justices are serving as independent technical experts. While in preparation for and throughout the duration of the Conference, you may find personal disagreement with the foreign policy of the country you are representing or with the policy of the NGO you are representing. Your personal opinions are entirely inapplicable during the course of the simulation. Therefore, it is of the utmost importance for all delegates to arrive well-versed in the dynamics of their State's foreign policy or in that of their NGO, and anticipate possible obstacles their State or NGO may encounter during the simulation. The simulation's quality depends on the collective preparation of its participants.

As a delegate, you should be able to demonstrate thorough knowledge of your assigned country's policies, specific issues to be discussed, and the procedures, activities, and history of your committee. Delegates should also exhibit the ability to negotiate and compromise, demonstrate leadership, and the ability to influence by gaining the professional respect of fellow delegates. States and NGOs maintain specific and adaptive foreign policy methods and goals to allow delegates to function in the negotiation process. As a representative of the NGO or State to which you have been assigned, you will be expected to work within the historical confines of your NGO or country's foreign policy at the UN. Even though many Member States and Observer States do not assume strong leadership roles in the UN, the reality of the NMUN is that each delegation will be judged on its ability to provide leadership to other delegates throughout the Conference.

Delegates are reminded that professional diplomats conduct themselves, and regard one another, with the utmost dignity and respect, regardless of foreign policy affiliation or personal feelings. Even States and NGOs who observe severely conflicting ideological perspectives will work closely together within the UN on diplomatic matters of mutual concern. Likewise many delegates are forced to work together despite personal conflicts.

The Preparation and Introduction of Resolutions and Reports

Resolutions and reports adopted within respective committees represent Member States' decisions and recommended courses of action with respect to the topics under discussion. Clauses within the preamble of resolutions should provide a brief outline of historical and current perspectives and endeavors regarding the issues to be addressed within the operative clauses of the document. The operative clauses of resolutions provide the objectives and potential actions that Members designed to address the issues outlined within the preamble. More simply, the preamble states the problems before the committee in relation to the topic under deliberation and operative clauses outline the decisions of the committee for the solution of these problems.

Although delegates are encouraged to develop resolution and report writing skills, both in classroom scenarios and at regional MUN simulations, the NMUN will not accept any pre-written resolutions or reports, and which have not been developed by a plurality of the committee. This determination is at the sole discretion of the Secretariat. Due to the goal of creating an environment where the skill of compromise and conflict resolution skills can be learned,

delegates may be asked to merge working documents with other individuals working on the same issue in a committee. In addition, *any delegates found to be submitting plagiarized material within resolutions will be subject to dismissal from further participation within the Conference*. Although UN documents are within the public domain, the verbatim exploitation of these documents *will not be permitted* at the Conference.

Resolutions and reports are developed in three stages. In the initial stage, a resolution or report is referred to as a working paper (in resolution writing committees) or a working draft report segment (in report writing committees). It is generally developed by States or experts that share common perspectives on the issues to be addressed. The working paper/working draft report segment is shared with other delegates in the committee for their input and support. Once the working paper/working draft report segment gathers the required signatories, it is to be submitted to the committee director for approval. On the approval of the Director, the working paper/working draft report segment will be copied by Conference Services and introduced by the chair to the committee as a draft resolution or report.

Once the working paper/working draft report has been approved by the committee Director, it will be copied by a member of the dais. Delegates in the committee are not required to copy approved working paper/working draft report. Yet, a working paper/working draft report which has not been approved by the committee Director will not be copied by the dais. It is the responsibility of the delegates to copy their own working paper/working draft report if they choose to share copies of the document which has not been submitted for approval. Any questions concerning this issue should be directed to the committee director or the assistant director. Also, questions concerning this rule can be directed to members of the NMUN Conference Service Staff.

Once the working paper/working draft report has been introduced as a draft resolution or draft report segment, it becomes the property of the committee and all references to sponsorship, with the exception of identifying the status of amendments while in voting procedure, are formally removed. The central contributors to the contents of the draft resolution or report will continue to enlist the advice and support of as many States or experts as possible to expand upon the substance of the draft and, thereby, gain as much input and support as possible prior to the closure of debate. Once the committee moves to closure on a given topic, all draft resolutions and draft report segment will be voted upon and when adopted, it will thereafter be recognized as formal resolutions or reports. Adopted resolutions and reports represent recommendations for States and the international community.

It is highly recommended that delegates introduce their ideas to the committee in the form of working papers/working draft report segments as soon as possible in order to contribute to the potential development and adoption of resolutions and reports which characterize the united representative strength and will of regional blocs or, ultimately, the committee as a whole. Typically, a number of working papers/working draft segments before any committee will overlap in content, style, and substance. In this event, the Director will request delegates to integrate their individual endeavors into a single and, thus, more comprehensive and internationally representative document.

The Executive Bureau, the General Committee and Plenary Sessions

By the conclusion of the first night session, the Economic and Social Council Plenary will select four vice presidents to assist the president (chair) as members of the Council Executive Bureau. Likewise, the General Assembly will select 21 of its Members to the General Committee by the conclusion of the first evening meeting. The members of the Bureau and the General Committee are to be selected with regard for equitable geographic representation from: African States, Asian and Pacific States, Eastern European States, Latin American States and Western European and other States. The Bureau will meet on the evening prior to the Plenary session, following the conclusion of the regular session. The General Committee will be composed somewhat differently than the Bureau. It will be comprised of each committee chair from the General Assembly department. They will also meet at the end of regular sessions on the same evening.

The night before the Plenary session,, the Bureau and General Committee will be briefed by a representative from each relevant committee regarding the work accomplished by their body throughout the week. After reviewing the reports and resolutions submitted by the committee representatives, the Bureau and General Committee will set the agenda for the Plenary sessions to deliberate upon each committee's recommendations to the Plenary.

ECOSOC Executive Bureau

The ECOSOC Plenary Session will deliberate upon the work of all the committees within the ECOSOC Department, as well as other relevant bodies, including most of the specialized agencies. During the prior evening's meeting, the Bureau will set an agenda order for the review of these reports for deliberation and potential adoption during Plenary sessions. Additionally, the ECOSOC Plenary session will deliberate upon a fourth topic to be prepared and introduced by the Director and Assistant Director.

This topic will encompass a broad theme that relates, as much as is possible, to issues discussed by each of the committees within ECOSOC and the Specialized Agencies.

GA General Committee

The General Assembly Plenary will deliberate upon the work submitted by each of the committees in the GA and Security Council department, as well as relevant non-governmental organizations and other bodies. Following the conclusion of regular sessions on the last evening of session, the General Committee will set the agenda order for the review of these reports and resolutions and for their potential adoption during the Plenary sessions.

Plenary Sessions

On the final day of the Conference, the ECOSOC Plenary, General Assembly Plenary, and Security Council will convene at United Nations Headquarters. Plenary deliberations will encompass the work of all Conference committees. All delegates are advised to participate in these sessions in order to assist Plenary representatives with their broad scope of work. Minimally, Member State representatives to the Plenary should be briefed in regard to the work of the committees that report to their respective departments. Ideally, the representatives of the committee whose work is being considered will sit with Plenary representatives as expert advisors to the State. The agenda for these sessions will be made available to all delegates.

The Role of Non-governmental Organizations in the Simulation

Non-governmental organizations (NGOs) are recognized in Article 71 of the *UN Charter* as consultative bodies in relationship to ECOSOC. These organizations also maintain a close working relationship with almost all ECOSOC funds and programs, Specialized Agencies, General Assembly committees, and regional organizations. In this role, NGOs are an invaluable resource to the UN system because they provide information on political, economic, social, humanitarian, and cultural developments in all parts of the world. Their recommendations may address potential solutions to global problems, speak to specific country or regional needs, or call attention to an emerging crisis. NGOs are a crucial link between policy-makers and the individuals directly affected by those policies. They represent civil society and its impact on the UN system. There are two primary advantages NGOs have over the UN in terms of information gathering and program implementation. First, NGOs are often locally based and have better knowledge of regional conditions, needs, and constraints. Second, NGOs may find it easier to gain the acceptance, trust and cooperation of the communities in which they work because they are more aware of the indigenous cultural climate than many intergovernmental organizations.

NGOs at the National Model United Nations Conference

Over the past several years, the NMUN has integrated the presence of NGOs into committees at the conference. This process improves the educational quality of the simulation and mirrors developments in the UN itself, where NGOs are gaining both visibility and respect as a resource for program design and implementation. A large number of delegates will take on the challenging task of representing NGO delegations this year.

NGO delegations maintain all of the privileges accorded to traditional country delegations, and are required to exhibit the same level of preparedness. NGO delegations are eligible for awards, based on the same criteria as country delegations, and may select head delegates to attend the Head Delegate Meetings. NGO representatives are also required to submit position papers reflecting the perspectives and priorities of their assigned NGO on the agenda topics at hand.

All delegates should take the role of NGOs very seriously. NGO representatives must be prepared to fully participate in all committee activities, including formal debate, caucusing and drafting working papers. In turn, Member State delegates must be prepared to engage NGO delegates in these activities. Mutual recognition and respect between NGO and country delegates is necessary to a successful conference experience.

NGO delegates maintain the following privileges in each committee to which they are assigned:

1. the right to make any procedural motion;
2. the right to vote on all procedural motions;
3. the right to speak before all assigned committees; and
4. the right to act as a signatory on working papers.

NGO delegates do not have substantive voting rights, and may not sponsor working papers. In order to ensure a positive educational experience for all delegates, these rights and privileges may not exactly reflect those granted by ECOSOC. Any alterations made by the Directors-General gave due consideration to existing realities and the need to provide a learning environment that encourages active participation.

Country delegates are fully expected to work with NGO delegates in the spirit of collaboration upon which the UN was founded. The exclusion of NGOs from committee work simply because they do not have substantive voting rights is both unrealistic and unprofessional. In almost all cases, actions denigrating the participation of NGOs will be considered extraordinarily out of character and be noted in awards consideration. NGOs are expert organizations in their respective fields that possess specialized knowledge of the subject matter at hand. The recommendations of NGO delegates maintain the same validity as those of Member States, and it is incumbent upon country delegates to ensure that those perspectives are recognized.

How to Prepare as an NGO Delegation

As an NGO delegation, your preparation should be structured in the same way as a typical country delegation. The most basic pieces of this process include fundamental knowledge of the organization and of the agenda topics. Based on your research, you will decide how your assigned NGO will approach each topic, and the recommendations you will make for potential solutions. This includes identifying blocs of countries and other NGOs that may share the same perspectives and priorities and collaborate with you in committee sessions.

Doing Research

A large portion of your research will likely rely on Internet resources. Because most NGOs do not have expansive budgets that allow for the widespread reproduction and dissemination of their written materials and reports, they choose to publish such documents on their Web sites. If you have difficulty obtaining materials from these electronic sources, please contact your Director, Assistant Director, departmental USG, or the Directors-General for assistance. The UN Web site, as well as the sites for many of the Specialized Agencies, also contains valuable information about NGO activity. Finally, do not exclude traditional resources from your preparations. Newspapers, scholarly journals, and academic books will provide differing perspectives on your agenda topics, and may give interesting insight into the evolving role of NGOs. In particular, there is an increasing amount of sources on the issue of civil society and its role in the UN. It is recommended that this literature be consulted as needed for your preparation.

Position Papers

NGO position papers should be constructed in the same fashion as traditional position papers. Each topic should be addressed briefly in a succinct policy statement representing the relevant views of your assigned NGO. You should also include recommendations for action to be taken by your committee. It will be judged using the same criteria as all country position papers, and is held to the same standard of timeliness.

The most critical part of a successful NGO delegate experience at the NMUN Conference is active participation in committee sessions. This includes utilizing the rules of procedure, speaking in formal debate and contributing during caucus sessions. Although you may not sponsor working papers or vote on draft resolutions/draft report segments, you have both the right and the obligation to participate in their composition and refinement. You may act as a signatory to any working paper on the floor of your committee if you wish to illustrate your support for continued

development of the document. Getting involved in the simulation is the best way to enhance your own educational experience and that of your fellow delegates.

The Roles of State Delegates, Technical Experts, and Independent Technical Experts at the 2007 National Model United Nations (NMUN) Conference

The Variety of Roles That Delegates Simulate at the NMUN Conference

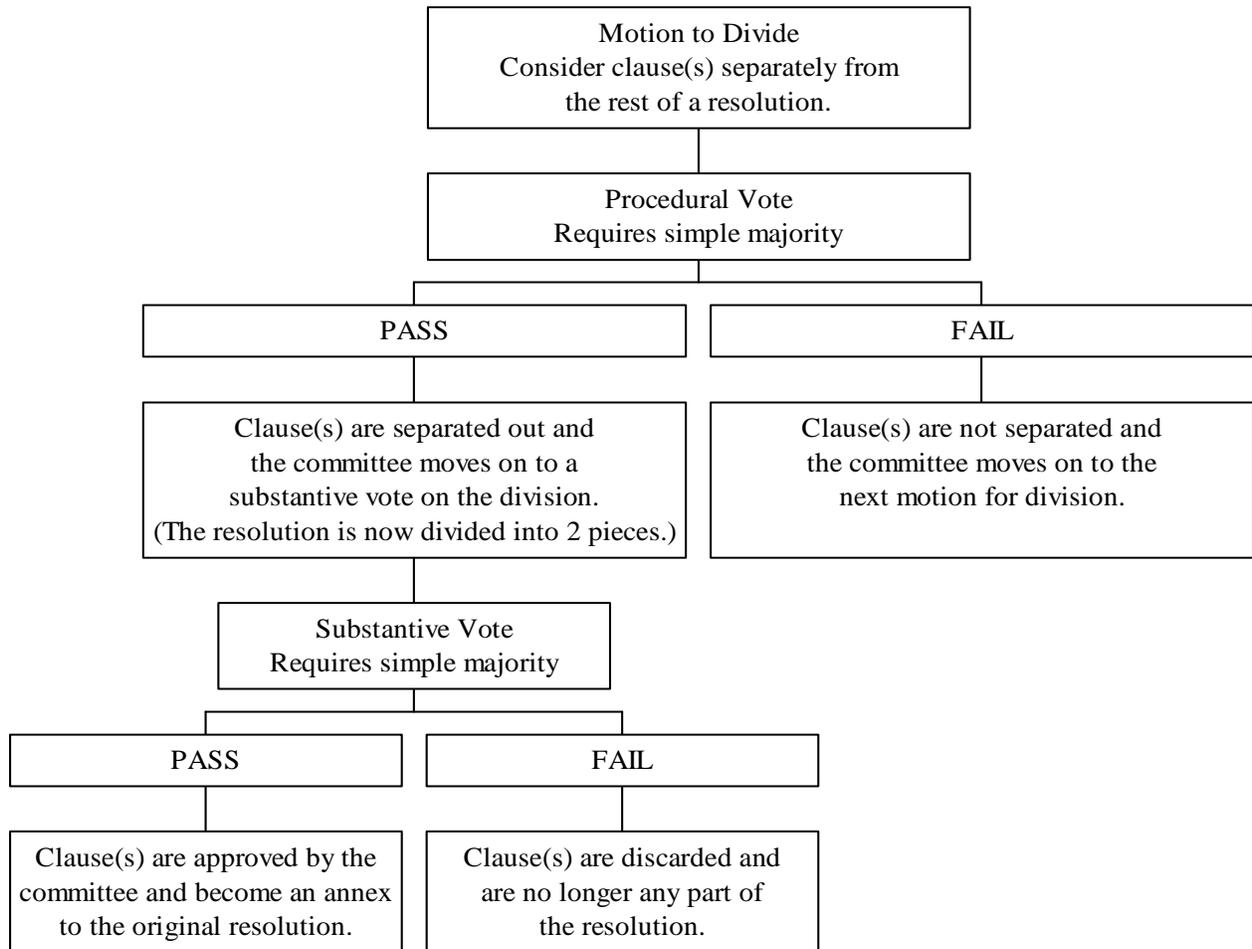
At the National Model United Nations (NMUN) Conference, delegates assume one of three roles when they participate in committee proceedings. They serve as a delegate representing the national interest of their state (state delegate), a technical expert, or an independent technical expert. At the 2007 NMUN Conference, only the justices of the International Court of Justice will serve in this capacity. Due to independent technical experts only serving in the ICTY, this role will specifically be addressed in the ICTY Background Guide. The United Nations, particularly the General Assembly, is essentially a political organization. However, there is also a significant role within the system for technical experts in many areas. Because the UN, its subsidiary bodies, related programs, and affiliated organizations speak to such a broad range of issues, experts are often needed to properly address complex problems and make informed recommendations to the General Assembly and Member States. Several ECOSOC committees and almost all of the Specialized Agencies consist of technical experts in the field, as opposed to political representatives. It is critical that delegates representing technical experts understand the complex nature of the expert role.

**NMUN RULES OF PROCEDURE - SHORT FORM
LISTED IN ORDER OF PRECEDENCE**

Please Note: This form is only for assistance in your preparation at the NMNU Conference. It however is not an exhaustive list of rules, nor is it the official list for your committee. The official rules are located at the end of the individual Committee Background Guide.

| Motion | Purpose | Debate | Vote |
|--|---|------------------|-------------|
| Point of Order | Correct an error in procedure | None | None |
| Appeal of the Chair | Challenge a decision of the Chair | None | Majority |
| Suspension of the Meeting | Recess meeting | None | Majority |
| Adjournment of the Meeting | End meeting | None | Majority |
| Adjournment of Debate | End debate without a substantive vote | 2 pro / 2 con | Majority |
| Decision of Competence | Declare committee unable to consider issue or resolution | None | Majority |
| Closure of Debate | Move to immediate vote | 2 con | 2/3 |
| Declare an Important Question (applicable in GA Plen only) | Require all substantive actions to obtain a 2/3 majority to pass | 2 pro / 2 Con | Majority |
| Amendments and 1 st Vote on Divisions of the Question | Vote on sections separately, prior to voting on the entire resolution | 2 pro / 2 con | Majority |
| Roll Call Vote | Vote by roll call, rather than show of placards | None | None |
| Reconsideration | Re-open debate on an issue | 2 con | 2/3 |
| Set the Speakers time | Set or change the speakers time limit | 2 pro / 2 con | Majority |
| Close the Speakers list (also applies to re-opening list) | No additional speakers added to speakers list on topic | None | Majority |
| Adoption of the Agenda | Approval of agenda order | None | Majority |

DIVISION OF THE QUESTION DIAGRAM



Committee Rules of Procedure

Rules of Procedure

The Economic Commission for Latin America (ECLAC)

Introduction

1. These rules shall be the only rules which apply to the Economic Commission for Latin America (ECLAC) (hereinafter referred to as “the Assembly”) and shall be considered adopted by the Assembly prior to its first meeting.
2. For purposes of these rules, the Plenary Director, the Assistant Director(s), the Under-Secretaries-General, and the Assistant Secretaries-General, are designates and agents of the Secretary-General and Director-General, and are collectively referred to as the “Secretariat.”
3. Interpretation of the rules shall be reserved exclusively to the Director-General or her or his designate. Such interpretation shall be in accordance with the philosophy and principles of the National Model United Nations and in furtherance of the educational mission of that organization.
4. For the purposes of these rules, “President” shall refer to the chairperson or acting chairperson of the Assembly.

I. SESSIONS

Rule 1 - Dates of convening and adjournment

The Assembly shall meet every year in regular session, commencing and closing on the dates designated by the Secretary-General.

Rule 2 - Place of sessions

The Assembly shall meet at a location designated by the Secretary-General.

II. AGENDA

Rule 3 - Provisional agenda

The provisional agenda shall be drawn up by the Secretary-General and communicated to the Members of the United Nations at least sixty days before the opening of the session.

Rule 4 - Adoption of the agenda

The agenda provided by the Secretary-General shall be considered adopted as of the beginning of the session. The order of the agenda items shall be determined by a majority vote of those present and voting. Items on the agenda may be amended or deleted by the Assembly by a two-thirds majority of the members present and voting.

The vote described in this rule is a procedural vote and, as such, observers are permitted to cast a vote. For purposes of this rule, “those present and voting” means those delegates, including observers, in attendance at the meeting during which this motion comes to a vote.

Rule 5 - Revision of the agenda

During a session, the Assembly may revise the agenda by adding, deleting, deferring or amending items. Only important and urgent items shall be added to the agenda during a session. Permission to speak on a motion to revise the agenda shall be accorded only to three representatives in favor of, and three opposed to, the revision. Additional items of an important and urgent character, proposed for inclusion in the agenda less than thirty days before the opening of a session, may be placed on the agenda if the Assembly so decides by a two-thirds majority of the members present and voting. No additional item may, unless the General Assembly decides otherwise by a two-thirds majority of the members present and voting, be considered until a committee has reported on the question concerned.

As the General Assembly Plenary determines the agenda for its Committees, this rule is applicable only to the Plenary body. Items cannot be amended or added to the agenda by any of the Committees of the Assembly. For purposes of this rule, the determination of an item of an “important and urgent character” is subject to the discretion of the Secretariat, and any such

determination is final. If an item is determined to be of such a character, then it requires a two-thirds vote of the Assembly to be placed on the agenda. It will, however, not be considered by the Assembly until a committee has reported on the question, or a second two-thirds vote is successful to keep the Plenary body seized of the matter. The votes described in this rule are substantive vote, and, as such, observers are not permitted to cast a vote. For purposes of this rule, "the members present and voting" means those members (not including observers) in attendance at the session during which this motion comes to vote.

Rule 6 - Explanatory memorandum

Any item proposed for inclusion in the agenda shall be accompanied by an explanatory memorandum and, if possible, by basic documents.

III. SECRETARIAT

Rule - Duties of the Secretary-General

1. The Secretary-General or her/his designate shall act in this capacity in all meetings of the Assembly.
2. The Secretary-General shall provide and direct the staff required by the Assembly and be responsible for all the arrangements that may be necessary for its meetings.

Rule 8 - Duties of the Secretariat

The Secretariat shall receive, print, and distribute documents, reports, and resolutions of the Assembly, and shall distribute documents of the Assembly to the Members of the United Nations, and generally perform all other work which the Assembly may require.

Rule 9 - Statements by the Secretariat

The Secretary-General, or her/his representative, may make oral as well as written statements to the Assembly concerning any question under consideration.

Rule 10 - Selection of the President

The Secretary-General or her/his designate shall appoint, from applications received by the Secretariat, a President who shall hold office and, *inter alia*, chair the Assembly for the duration of the session, unless otherwise decided by the Secretary-General. The Assembly shall have twenty-one Vice-Presidents, based on the same apportionment as the Vice-Presidents recognized in the Assembly.

Rule 11 - Replacement of the President

If the President is unable to perform her/his functions, a new President shall be appointed for the unexpired term at the discretion of the Secretary-General.

IV. LANGUAGE

Rule 12 - Official and working language

English shall be the official and working language of the Assembly.

Rule 13 - Interpretation (oral) or translation (written)

Any representative wishing to address any United Nations organ or submit a document in a language other than English shall provide interpretation or translation into English.

This rule does not affect the total speaking time allotted to those representatives wishing to address the body in a language other than English. As such, both the speech and the interpretation must be within the set time limit.

V. CONDUCT OF BUSINESS

Rule 14 - Quorum

The President may declare a meeting open and permit debate to proceed when representatives of at least one third of the members of the Assembly are present. The presence of representatives of a majority of the members of the

Assembly shall be required for any decision to be taken.

For purposes of this rule, “members of the Assembly” means the total number of members (not including observers) in attendance at the Tuesday night meeting.

Rule 15 - General powers of the President

In addition to exercising the powers conferred upon him or her elsewhere by these rules, the President shall declare the opening and closing of each meeting of the Assembly, direct the discussions, ensure observance of these rules, accord the right to speak, put questions to the vote and announce decisions. The President, subject to these rules, shall have complete control of the proceedings of the Assembly and over the maintenance of order at its meetings. He or she shall rule on points of order. He or she may propose to the Assembly the closure of the list of speakers, a limitation on the time to be allowed to speakers and on the number of times the representative of each member may speak on an item, the adjournment or closure of the debate, and the suspension or adjournment of a meeting.

Included in these enumerated powers is the President’s power to assign speaking times for all speeches incidental to motions and amendment. Further, the President is to use her/his discretion, upon the advice and at the consent of the Secretariat, to determine whether to entertain a particular motion based on the philosophy and principles of the NMUN. Such discretion should be used on a limited basis and only under circumstances where it is necessary to advance the educational mission of the Conference. For purposes of this rule, the President’s power to “propose to the Assembly” entails her/his power to “entertain” motions, and not to move the body on his or her own motion.

Rule 16

The President, in the exercise of her or his functions, remains under the authority of the Assembly.

Rule 17 - Points of order

During the discussion of any matter, a representative may rise to a point of order, which shall be decided immediately by the President. Any appeal of the decision of the President shall be immediately put to a vote, and the ruling of the President shall stand unless overruled by a majority of the members present and voting.

Such points of order should not under any circumstances interrupt the speech of a fellow representative. Any questions on order arising during a speech made by a representative should be raised at the conclusion of the speech, or can be addressed by the President, sua sponte, during the speech. For purposes of this rule, “the members present and voting” mean those members (not including observers) in attendance at the meeting during which this motion comes to vote.

Rule 18

A representative may not, in rising to a point of order, speak on the substance of the matter under discussion.

Rule 19 - Speeches

1. No one may address the Assembly without having previously obtained the permission of the President. The President shall call upon speakers in the order in which they signify their desire to speak.
2. Debate shall be confined to the question before the Assembly, and the President may call a speaker to order if her/his remarks are not relevant to the subject under discussion.
3. The Assembly may limit the time allowed to speakers and all representatives may speak on any question. Permission to speak on a motion to set such limits shall be accorded only to two representatives favoring and two opposing such limits, after which the motion shall be put to the vote immediately. When debate is limited and a speaker exceeds the allotted time, the President shall call her or him to order without delay.

In line with the philosophy and principles of the NMUN, in furtherance of its educational mission, and for the purpose of facilitating debate, if the President determines that the Assembly in large part does not want to deviate from the limits to the speaker’s time as it is then set, and that any additional motions will not be well received by the body, the President, in her/his discretion, and on the advice and consent of the Secretariat, may rule as dilatory any additional motions to change the limits of the speaker’s time.

Rule 20 - Closing of list of speakers

Members may only be on the list of speakers once but may be added again after having spoken. During the course of a debate the President may announce the list of speakers and, with the consent of the Assembly, declare the list closed. When there are no more speakers, the President shall declare the debate closed. Such closure shall have the same effect as closure by decision of the Assembly.

The decision to announce the list of speakers is within the discretion of the President and should not be the subject of a motion by the Assembly. A motion to close the speakers list is within the purview of the Assembly and the President should not act on her/his own motion.

Rule 21 - Right of reply

If a remark impugns the integrity of a representative's State, the President may permit that representative to exercise her/his right of reply following the conclusion of the controversial speech, and shall determine an appropriate time limit for the reply. No ruling on this question shall be subject to appeal.

For purposes of this rule, a remark that "impugns the integrity of a representative's State" is one directed at the governing authority of that State and/or one that puts into question that State's sovereignty or a portion thereof. All interventions in the exercise of the right of reply shall be addressed in writing to the Secretariat and shall not be raised as a point of order or motion. The reply shall be read to the Assembly by the representative only upon approval of the Secretariat, and in no case after voting has concluded on all matters relating to the agenda topic, during the discussion of which, the right arose.

Rule 22 - Suspension of the meeting

During the discussion of any matter, a representative may move the suspension of the meeting, specifying a time for reconvening. Such motions shall not be debated but shall be put to a vote immediately, requiring the support of a majority of the members present and voting to pass.

Rule 23 - Adjournment of the meeting

During the discussion of any matter, a representative may move the adjournment of the meeting. Such motions shall not be debated but shall be put to the vote immediately, requiring the support of a majority of the members present and voting to pass. After adjournment, the Assembly shall reconvene at its next regularly scheduled meeting time.

As this motion, if successful, would end the meeting until the Assembly's next regularly scheduled session the following year, and in accordance with the philosophy and principles of the NMUN and in furtherance of its educational mission, the President will not entertain such a motion until the end of the last meeting of the Assembly.

Rule 24 - Adjournment of debate

A representative may at any time move the adjournment of debate on the topic under discussion. Permission to speak on the motion shall be accorded to two representatives favoring and two opposing adjournment, after which the motion shall be put to a vote immediately, requiring the support of a majority of the members present and voting to pass. If a motion for adjournment passes, the topic is considered dismissed and no action will be taken on it.

Rule 25 - Closure of debate

A representative may at any time move the closure of debate on the item under discussion, whether or not any other representative has signified her/his wish to speak. Permission to speak on the motion shall be accorded only to two representatives opposing the closure, after which the motion shall be put to the vote immediately. Closure of debate shall require a two-thirds majority of the members present and voting. If the Assembly favors the closure of debate, the Assembly shall immediately move to vote on all proposals introduced under that agenda item.

Rule 26 - Order of motions

Subject to rule 23, the motions indicated below shall have precedence in the following order over all proposals or other motions before the meeting:

- a) To suspend the meeting;

- b) To adjourn the meeting;
- c) To adjourn the debate on the item under discussion;
- d) To close the debate on the item under discussion.

Rule 27 - Proposals and amendments

Proposals and substantive amendments shall normally be submitted in writing to the Secretariat, with the names of twenty percent of the members of the Assembly would like the Assembly to consider the proposal or amendment. The Secretariat may, at its discretion, approve the proposal or amendment for circulation among the delegations. As a general rule, no proposal shall be put to the vote at any meeting of the Assembly unless copies of it have been circulated to all delegations. The President may, however, permit the discussion and consideration of amendments or of motions as to procedure, even though such amendments and motions have not been circulated. If the sponsors agree to the adoption of a proposed amendment, the proposal shall be modified accordingly and no vote shall be taken on the proposed amendment. A document modified in this manner shall be considered as the proposal pending before the Assembly for all purposes, including subsequent amendments.

For purposes of this rule, all “proposals” shall be in the form of working papers prior to their approval by the Secretariat. Working papers will not be copied, or in any other way distributed, to the Assembly by the Secretariat. The distribution of such working papers is solely the responsibility of the sponsors of the working papers. Along these lines, and in furtherance of the philosophy and principles of the NMUN and for the purpose of advancing its educational mission, representatives should not directly refer to the substance of a working paper that has not yet been accepted as a draft resolution. After approval of a working paper, the proposal becomes a draft resolution and will be copied by the Secretariat for distribution to the Assembly. These draft resolutions are the collective property of the Assembly and, as such, the names of the original sponsors will be removed. The copying and distribution of amendments is at the discretion of the Secretariat, but the substance of all such amendments will be made available to all representatives in some form.

Rule 28 - Withdrawal of motions

A proposal or a motion may be withdrawn by its sponsor at any time before voting has commenced, provided that it has not been amended. A motion thus withdrawn may be reintroduced by any representative.

Rule 29 - Reconsideration of a topic

When a topic has been adjourned, it may not be reconsidered at the same session unless the Assembly, by a two-thirds majority of those present and voting, so decides. Reconsideration can only be moved by a representative who voted on the prevailing side of the original motion to adjourn. Permission to speak on a motion to reconsider shall be accorded only to two speakers opposing the motion, after which it shall be put to the vote immediately.

For purposes of this rule, “those present and voting” means those representatives, including observers, in attendance at the meeting during which this motion is voted upon by the body.

VI. VOTING

Rule 30 - Voting rights

Each member of the Assembly shall have one vote.

This rule applies to substantive voting on amendments, draft resolutions, and portions of draft resolutions divided out by motion. As such, all references to “member(s)” do not include observers, who are not permitted to cast votes on substantive matters.

Rule 31 - Request for a vote

A proposal or motion before the Assembly for decision shall be voted upon if any member so requests. Where no member requests a vote, the Assembly may adopt proposals or motions without a vote.

For purposes of this rule, “proposal” means any draft resolution, an amendment thereto, or a portion of a draft resolution divided out by motion. Just prior to a vote on a particular proposal or

motion, the President may ask if there are any objections to passing the proposal or motion by acclamation, or a member may move to accept the proposal or motion by acclamation. If there are no objections to the proposal or motion, then it is adopted without a vote.

Rule 32 - Majority required

1. Unless specified otherwise in these rules, decisions of the Assembly shall be made by a majority of the members present and voting.
2. For the purpose of tabulation, the phrase “members present and voting” means members casting an affirmative or negative vote. Members which abstain from voting are considered as not voting.

All members declaring their representative States as “present and voting” during the attendance roll call for the meeting during which the substantive voting occurs, must cast an affirmative or negative vote, and cannot abstain.

Rule 33 – Omitted

Rule 34 - Method of voting

1. The Assembly shall normally vote by a show of placards, except that a representative may request a roll call, which shall be taken in the English alphabetical order of the names of the members, beginning with the member whose name is randomly selected by the President. The name of each present member shall be called in any roll call, and one of its representatives shall reply “yes,” “no,” “abstention,” or “pass.”

Only those members who designate themselves as “present” or “present and voting” during the attendance roll call, or in some other manner communicate their attendance to the President and/or Secretariat, are permitted to vote and, as such, no others will be called during a roll-call vote. Any representatives replying “pass,” must, on the second time through, respond with either “yes” or “no.” A “pass” cannot be followed by a second “pass” for the same proposal or amendment, nor can it be followed by an abstention on that same proposal or amendment.

2. When the Assembly votes by mechanical means, a non-recorded vote shall replace a vote by show of placards and a recorded vote shall replace a roll-call vote. A representative may request a recorded vote. In the case of a recorded vote, the Assembly shall dispense with the procedure of calling out the names of the members.
3. The vote of each member participating in a roll call or a recorded vote shall be inserted in the record.

Rule 35 - Explanations of vote

Representatives may make brief statements consisting solely of explanation of their votes after the voting has been completed. The representatives of a member sponsoring a proposal or motion shall not speak in explanation of vote thereon, except if it has been amended, and the member has voted against the proposal or motion.

All explanations of vote must be submitted to the President in writing before debate on the topic is closed, except where the representative is of a member sponsoring the proposal, as described in the second clause, in which case the explanation of vote must be submitted to the President in writing immediately after voting on the topic ends.

Rule 36 - Conduct during voting

After the President has announced the commencement of voting, no representatives shall interrupt the voting except on a point of order in connection with the actual process of voting.

Rule 37 - Division of proposals and amendments

Immediately before a proposal or amendment comes to a vote, a representative may move that parts of a proposal or of an amendment should be voted on separately. If there are calls for multiple divisions, those shall be voted upon in an order to be set by the President where the most radical division will be voted upon first. If objection is made to the motion for division, the request for division shall be voted upon, requiring the support of a majority of those present and voting to pass. Permission to speak on the motion for division shall be given only to two speakers in favor and two speakers against. If the motion for division is carried, those parts of the proposal or of the amendment

which are involved shall then be put to a vote. If all operative parts of the proposal or of the amendment have been rejected, the proposal or the amendment shall be considered to have been rejected as a whole.

For purposes of this rule, “most radical division” means the division that will remove the greatest substance from the draft resolution, but not necessarily the one that will remove the most words or clauses. The determination of which division is “most radical” is subject to the discretion of the Secretariat, and any such determination is final.

Rule 38 - Amendments

An amendment is a proposal that does no more than add to, delete from, or revise part of another proposal.

An amendment can add, amend, or delete operative clauses, but cannot in any manner add, amend, delete, or otherwise affect perambulatory clauses.

Rule 39 - Order of voting on amendments

When an amendment is moved to a proposal, the amendment shall be voted on first. When two or more amendments are moved to a proposal, the amendment furthest removed in substance from the original proposal shall be voted on first and then the amendment next furthest removed there from, and so on until all the amendments have been put to the vote. Where, however, the adoption of one amendment necessarily implies the rejection of another amendment, the latter shall not be put to the vote. If one or more amendments are adopted, the amended proposal shall then be voted on.

For purposes of this rule, “furthest removed in substance” means the amendment that will have the most significant impact on the draft resolution. The determination of which amendment is “furthest removed in substance” is subject to the discretion of the Secretariat, and any such determination is final.

Rule 40 - Order of voting on proposals

If two or more proposals, other than amendments, relate to the same question, they shall, unless the Assembly decides otherwise, be voted on in the order in which they were submitted.

Rule 41 - The President shall not vote

The President shall not vote but may designate another member of her/his delegation to vote in her/his place.

VII. CREDENTIALS

Rule 42 - Submission of credentials

The credentials of representatives and the names of members of a delegation shall be submitted to the Secretary-General prior to the opening of a session.

Rule 43 - Credentials Committee

A Credentials Committee, consisting of nine members, shall be appointed by the Secretary-General at the beginning of each session. It shall examine the credentials of representatives and report without delay. The Main Committees shall be bound by the actions of the Plenary in all matters relating to credentials and shall take no action regarding the credentials of any Member State.

Rule 44 - Provisional admission to a session

Any representative to whose admission a member has made objection shall be seated provisionally with the same rights as other representatives until the Credentials Committee has reported and the Assembly has given its decision.

VIII. Ommitted

Rule 45 through Rule 48 - Ommitted

IX. MINUTE OF SILENT PRAYER OR MEDITATION

Rule 49 - Invitation to silent prayer or meditation

Immediately after the opening of the first plenary meeting of the Assembly, representatives may request to observe one minute of silence dedicated to prayer or meditation. This is the only time this motion will be entertained and its approval is at the discretion of the Secretariat.