



American Model United Nations
ECLAC

Economic Commission for Latin America and the Caribbean

**Report to the Economic and Social Council
on Subprogramme 3: Macroeconomic
Policies and Growth**

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24 **Executive Summary**

25

26 The Economic Commission for Latin America and the Caribbean (ECLAC) is pleased to
27 present to the Economic and Social Council this report on the issue of Subprogramme 3:
28 Macroeconomic Policies and Growth. Throughout the committee sessions, a multitude of
29 problems, solutions, and perspectives were discussed as the representatives worked
30 toward the formulation of five main resolutions. These resolutions shared similar ideas
31 but also offered original and insightful thoughts on the issues of promoting free and fair
32 trade through the dismantling of trade barriers, regional cooperation and integration,
33 sustainable development, poverty alleviation, increasing access to education and the
34 encouragement of foreign investment between Latin American countries in the region.

35

36 Chapter one includes the five passed resolutions by this Commission. The first resolution
37 revolved around the necessity for Latin American countries to take actions that will
38 enhance their ability to cooperate in a coordinated manner. Towards this end, the
39 resolution stressed the importance of increasing communication between the economic
40 policy formation entities within each Member State. Furthermore, the resolution cited to
41 need to standardize economic statistics to make them more accessible and
42 comprehensible so that more countries could capitalize on such information.

43

44 The central ideas of the second resolution was the development of human capital through
45 educational means and the development of economic policies and principals that will
46 harbor a more prosperous and efficient form of regional free-trade cooperation. Also, this
47 second resolution briefly but, significantly, attended to the idea of sustainable
48 development as outlines in the Kyoto Protocols.

49

50 The focus of the third resolution was the formation of a Latin American and Caribbean
51 economic bloc that would allow for preferential treatment in regards to trade tariffs. The
52 specific policy recommendation was the expansion of MERCOSUR. It was hoped that
53 this would help strengthen the economies of the Latin American region as a whole.

54

55 The concentration of the fourth resolution was creation of a Caribbean common market.
56 More specifically, this resolution called for a revision of the Caribbean Stock Market
57 Exchange in regards to a single monetary unit for Caribbean countries and an overall
58 enhancement of regional economic harmonization.

59

60 The fifth resolution composed by the Commission concentrated on the impact of
61 education on economic growth and prosperity. This resolution stressed the need for such
62 devices as a regional scholarship fund and the utilization of exchange programs between
63 countries to make higher education more accessible to people of a lower socioeconomic
64 status and to enhance regional economic cooperation and integration.

65

66 Chapter two encompasses the deliberations and within are the statements made by each
67 Member State of ECLAC. The statements note the great diversity among the positions of
68 each State represented. The chapter also includes the actions taken by the Commission
69 and the voting record for each.

70

71 This report was accepted by ECLAC by consensus with no abstentions.

72

73 **CHAPTER I**
74 **Matters calling for action by the Economic and Social Council or brought to its**
75 **attention**

76
77 **Draft Resolution I**
78 **Calling for education in order to sustain growth and development.**

79
80 *The Economic and Social Council*

81
82 *Reaffirming* the need for citizens to become more involved in local and regional
83 economies,

84
85 *Acknowledging* the positive effects of education on the development and
86 diversification of the economy,

87
88 *Realizing* that education fosters innovation which results in entrepreneurial
89 activity and the further development of existing industries,

90
91 *Understanding* that higher levels of education will bring enhanced comprehension
92 of economic policies and situations,

93
94 *Realizing* the disparity caused by socio-economic situations to the access of
95 education of the peoples of Latin America and the Caribbean,

96
97 *Noting* the particular deficiency of education in rural and indigenous populations,

98
99 *Emphasizing* the work within the body towards the advancement of women's
100 education,

101
102 *Expressing deep concern* of the outflux of highly skilled and educated
103 professionals from Latin America and the Caribbean,

104
105 *Reaffirming* the propositions set forth by the Millennium Development Goals in
106 regard to education of the youth with extension to higher education,

107
108 1. *Encourages* the formation of a medium to facilitate the union of resource and
109 need in reference to vocational search;

110
111 2. *Calls for* the expansion and creation of exchange programs, with the stipulation
112 that participants in the exchange programs must return to work within their home
113 country's economy;

114
115 3. *Urges* the creation of a regional scholarship fund which welcomes contributions
116 from both private and public entities;

117
118 4. *Supports* programs and seminars that provide education of sustainable

119 consumption and investment practices;

120

121 5. *Solemnly affirms* the work of this body in reference to primary and secondary
122 education;

123

124 6. *Encourages* the diffusion of knowledge regarding educational opportunities
125 through an information campaign;

126

127 7. *Endorses* the benefits of education at all ages;

128

129 8. *Encourages* government incentives for private enterprises that offer time off to
130 workers in the pursuit of educational opportunities, especially, to those employers who
131 allow unskilled workers to garner a primary and secondary education;

132

133 9. *Graciously welcomes* the implementation of distance learning programs in areas
134 where infrastructural limitations hinder the traditional classroom method of pedagogy.

135

136 **Draft Resolution II**

137 **Recommendation of a Latin American and Caribbean bloc.**

138

139 *The Economic and Social Council*

140

141 *Recalling* the hundreds of years of exploitation of the Latin American and the
142 Caribbean States,

143

144 *Noting* the diverse trade partners of the various Latin American and Caribbean
145 States,

146

147 *Recognizing* the sovereignty of every State,

148

149 *Acknowledging* the need of an economically strong Latin America and Caribbean,

150

151 1. *Encourages* Latin American and Caribbean States to form together as an
152 economic bloc;

153

154 2. *Suggests* that Latin American and Caribbean States come together to have a free
155 trade agreement amongst our bloc;

156

157 3. *Recognizes* the previous existence of MERCOSUR and its prohibition of free
158 trade with States outside of its bloc;

159

160 4. *Believes* that MERCOSUR could be persuaded to modify its limited policies to
161 allow its member nations to have free trade with other States in Latin America and the
162 Caribbean;

163

164 5. *Recognizes* that States who have joined in the free trade agreement for Latin

165 America and the Caribbean are sovereign and may choose to have free trade with any
166 other State that they wish.

167

168

169

170 **Draft Resolution III**

171 **Expand free trade throughout the Latin American and Caribbean regions.**

172

173 *The Economic and Social Council*

174

175 *Recognizing* the urgent need for economic development in Latin America and the
176 Caribbean,

177

178 *Acknowledging* the economic difficulties experienced globally,

179

180 *Realizing* that the last twenty years have seen a successful shift in Latin American
181 and Caribbean economic policies away from protectionism and import substitution
182 towards liberalization and promotion of exports,

183

184 *Acknowledging* the public debt within Latin America and the Caribbean countries
185 has decreased as cited by ECLAC's 2007 Preliminary overview of the Economies of Latin
186 America and the Caribbean,

187

188 *Guided by* the Inter-American Convention Against Corruption, which has been
189 ratified by 33 nations in the Western Hemisphere, and A/RES/58/4, the UN Convention
190 Against Corruption,

191

192 *Reaffirming* the importance of partnerships between countries, developed and
193 underdeveloped and regions,

194

195 1. *Encourages* increased communication between and among Latin American and
196 the Caribbean countries towards collaboration in solving common problems;

197

198 2. *Recommends* Latin American and Caribbean countries to commit to
199 participative ideas and philosophies;

200

201 3. *Acknowledges* the significance of Latin American and Caribbean debt but
202 eliminating this debt is not in the best interest of the world and regional economies;

203

204 4. *Recommends* that Member States work towards reducing disparity between the
205 rich and poor and raising the standard of living of those below the poverty level within
206 their own States;

207

208 5. *Requests* that Latin American governments consider the issue of corruption and
209 mismanagement;

210

211 6. *Urges* the need for ECLAC to expand its scope to include the standardization of
212 economic statistics, focusing on statistics relevant to the region;

213
214 7. *Further requests* reduction in trade barriers among Latin American and the
215 Caribbean countries by means of free trade agreements;

216
217 8. *Reaffirms* commitment to free trade with consideration for the varying levels of
218 economic development;

219
220 9. *Expresses its hope* that the spirit of cooperation and collaboration within
221 regions and among all ECLAC Member States.

222
223
224
225 **Draft Resolution IV**
226 **Sustainability through the reduction of trade barriers and incentives.**

227
228 *The Economic and Social Council*

229
230 *Bearing* in mind the current world-wide economic crisis,

231
232 *Noting* that poverty undermines economic prosperity,

233
234 *Recognizing* the formation of organizations such as Caribbean Community
235 (CARICOM), Mercado del Sur (MERCOSUR), European Union (EU), Association of
236 Eastern Asian Nations (ASEAN) and Central American Free Trade Agreement (CAFTA),
237 Caribbean Stock Exchange (CSME),

238
239 *Applauding* the recent economic growth within Latin America and the Caribbean,

240
241 *Citing* examples of economic strength based in economic blocks based on the
242 world market place,

243
244 *Acknowledging* the potential available markets and industries related to
245 environmentally-friendly technology,

246
247 *Realizing* the necessity for a diversified economy,

248
249 *Understanding* the need for a balance between fair and free trade,

250
251 *Citing* the example of the Asian method of development such as complementary
252 industrial products, the exploration of development methods outside traditional means
253 and initial government protection with a gradual move towards a free market economy,

254
255 1. *Recognizes* the need for intra-regional trade development;

256

- 257 2. *Acknowledges* the need for a reduction of trade barriers between countries in
258 Latin America and the Caribbean;
- 259
- 260 3. *Encourages* foreign investment coming from within the region;
- 261
- 262 4. *Acknowledges* the necessity for trade of resources within the region;
- 263
- 264 5. *Encourages* the long term goal of economic sustainability;
- 265
- 266 6. *Realizes* the necessity for the cultivation of human capital through education to
267 create said sustainability;
- 268
- 269 7. *Encourages* Member States to set up incentive programs to retain highly skilled
270 and/or highly educated professionals;
- 271
- 272 8. *Advocates* the use of environmentally-friendly technology while developing to
273 reduce the carbon footprint of the region;
- 274
- 275 9. *Recommends* the use of incentives directed at corporations, both foreign and
276 domestic, to promote the adherence to the policies set forth by the Kyoto Protocol;
- 277
- 278 10. *Encourages* further implementation of the policies set forth by the Millennium
279 Development Goals to further eradicate poverty.
- 280

281 **Draft Resolution V**
282 **Creation of Caribbean common market.**

283
284 *The Economic and Social Council*

285
286 *Recalling* the Caribbean Community and Common Market (CARICOM)
287 Monetary Union's phase two to synchronize the Caribbean Stock Market Exchange
288 (CSME),

289
290 *Recalling* the common external tariff placed on exports from non-CARICOM
291 countries,

292
293 *Recalling* the current harmonization of the CSME and CARICOM, requiring a
294 single monetary unit for the region,

295
296 *Noting with deep regret* that only four of the twenty CARICOM countries meet
297 the standards set by the Central Bank of Governors in 2002 which states that maintaining
298 foreign reserves equivalent to three months of import cover or 80% of central bank
299 current liabilities for twelve months; that the exchange rate to be maintained at a fixed
300 rate to the U.S. Dollar or within a band of 1.5% on either side of parity for thirty-six
301 consecutive months without external debt payment arrears; and that the debt service
302 ration to be maintained within 15% of the export of goods and services,

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Noting that the World Trade Organization believes that it would take another ten years for the rest of CARICOM countries to meet the criteria set by the Central Bank of Governors in 2002,

Understanding the reliance of tourism in our region, and the need to diversify our economies,

1. *Expresses* the hope of having the Central Bank of Governors update the criteria for the CARICOM single monetary unit to harmonize CSME;

2. *Encourages* CARICOM states who have not utilized or created the common passport to do so in order to utilize other CARICOM teachers, laborers, and administrative personnel legally;

3. *Emphasizes* the importance of how harmonization in the region boosts the economy of the CSME by:

- (a) Tearing down trade barriers within the region;
- (b) Encouraging corporations to build and be taxed to help remove the external debt of the CARICOM states;

4. *Recommends* the organization of CARICOM Regional Organization for Standards and Quality to not only monitor those who travel with the common passport, but also monitor goods that travel between CARICOM States to restrict drug trafficking within the region;

5. *Emphasizes* each state's sovereignty as stated in Article 2 of the United Nations Charter while taking part in the unification of the Caribbean Region.

332 **Chapter II**
333 **Consideration of Subprogramme 3: Macroeconomic Policies and Growth**

334
335 **A. Deliberations**
336

337 The representatives from the Argentine Republic hold a critical eye to the failures of the
338 International Monetary Fund (IMF) and World Bank. Argentina hopes to work with the
339 international community to refinance the loans from these bodies that harm more than
340 they help. Thankfully, we have managed to repay our outstanding IMF debts, but hope to
341 assist all Latin American countries in doing the same. We feel that this is the first step to
342 break out of the cycle of poverty.

343
344 The representatives from Barbados would like to emphasize a strategy for the Caribbean
345 States, more specifically the CARICOM and the Members of the CSME, to build our
346 economy, allow free trade in the region, cut drug trafficking by empowering the CROSOQ
347 to monitor trafficking of goods and people, and allowing free-flow of special trades
348 workers in the region. Reassessment of the Central Bank's criteria would update their
349 needs in order to speed up the development of the market and also free up tax money that
350 was once used for tariffs.

351
352 The representatives from Bolivia do not favor free trade, but are looking toward creating
353 a new body, namely, the Bank of the South, as an alternative to multilateral credit
354 organizations such as the IMF and the World Bank. The delegates from Bolivia believe
355 that working with other Latin American countries, this can help Latin America.

356
357 The representatives from Brazil encourage MERCOSUR to be expanded to include all of
358 Latin America and the Caribbean and desire for nations within MERCOSUR to be able to
359 choose which nations outside Latin America and the Caribbean they would like to
360 implement free trade policies with. Brazil does not support to necessity for binding fair
361 trade policies within Latin America and the Caribbean but supports regional cooperation.

362
363 The representatives from British Virgin Islands notes the success of the British Virgin
364 Islands economy in the Caribbean, the British Virgin Islands encourage nations to
365 consider the advantages of a closer relationship with United Kingdom and other former
366 colonizing States.

367
368 The representatives from Canada are in full support of the Latin American and Caribbean
369 community through aid, trade, and debt relief.

370
371 The representatives from Chile hope to encourage free trade inside the region as well as
372 outside, under the flag of free market capitalism.

373
374 The representatives from Colombia feel that it should be important for Latin American
375 nations to come together and implement methods that will promote long-term economic
376 growth. It also feels that it is important to reduce debt and for each nation to improve
377 their security in order to reduce corruption. We also feel that it is important to strengthen

378 and try to modernize the States to reduce how much they are dependent on external
379 economies and try to develop a focus on their own.

380
381 The representatives from Costa Rica believe that while Costa Rica's economy has started
382 to settle we recognize the need for economic growth among Latin America and the
383 Caribbean. Costa Rica encourages all nations to continue talks and trade within Latin
384 America and the Caribbean as well as worldwide.

385
386 The representatives from Cuba suggest working out a free trade agreement in the region
387 of Latin America and the Caribbean. We respect the sovereign right of every State, and
388 seek more cooperation in this region.

389
390 The representatives from Dominican Republic believe that the best course of action to be
391 taken towards addressing economic growth and development must begin at the regional
392 level. ECLAC should support the efforts and intentions of regional banks and
393 development organization. Additionally, members of ECLAC should seek to further
394 strengthen economic ties and trade relations with other Member States in order to create
395 uniform economic development throughout the region.

396
397 The representatives from Ecuador would like to see enhanced regional cooperation in the
398 face of the current global economic crisis. The representatives emphasize the dangers of
399 giving outside corporations unlimited access to land, wishing environmental protection to
400 have a role in this body's discussion.

401
402 The representatives from El Salvador encourage Member States to utilize free trade
403 agreements and promote regional communication in order to increase economic
404 development.

405
406 The representatives from France believe in increased communication among countries of
407 Latin America and the Caribbean through regional unity.

408
409 The representatives from the Federal Republic of Germany reaffirm the nation's
410 commitment to assisting in the development of stable economies of Latin American
411 countries. We promote social equality for the purpose of economic growth and encourage
412 cooperative trade efforts.

413
414 The representatives from Guyana favor more transparent lines of communication within
415 the Latin America and Caribbean. Hoping that all nations recognize the sovereignty and
416 power of the economic and political forms of union within the region, the representatives
417 from Guyana seek advice rather than direction from developed nations to improve
418 macroeconomic conditions.

419
420 The representatives from Haiti feel the most important steps that should be taken to
421 ensure positive economic growth is a push toward equitable regional trade relations and
422 the cancellation of external debt.

423

424 The representatives from Italy strongly feel that development cooperation is an integral
425 part of foreign policy. The representatives feel that development cooperation stands on
426 two pillars: the first is represented by the need for solidarity in ensuring that all people's
427 lives and human dignity are protected; the second using cooperation to establish,
428 improve, and strengthen relations among nations.

429
430 The representatives from Jamaica feel we must take measures to keep human capital in
431 the region. They are devoted to free trade agreements within the region so we do not have
432 to devalue currency to sell exports on a foreign market as this devaluation causes
433 inflation.

434
435 The representatives from Japan feel that Latin America and the Caribbean have fallen
436 victim to such hardships such as exploitation, environmental disasters, and political
437 instability. Japan hopes that the body could cooperate with diplomatic grace to encourage
438 democratization which would enable each government to steady the political oscillation
439 of the region. Japanese support does not oppress, does not dictate support, but simply
440 would like to nurture and grow with Latin America and the Caribbean economies. The
441 whole world is vulnerable to environmental disasters. That being said, Japan encourages
442 environmentally responsible sustainable development of the private sector.

443
444 The representatives from Mexico support macroeconomic programs that have a
445 sustainable human development perspective and which emphasize that economic growth
446 and development strategies need to stress poverty reduction, full employment,
447 environmental protection, improved access to education and health care, and the
448 protection and promotion of fundamental human rights.

449
450 The representative from Netherlands Antilles feels we are at a very important point in our
451 development. As we transition to the next phase of our collective history, we are working
452 to build a stronger economic foundation. Netherlands Antilles is working to diversify
453 economic policies and institutions throughout the region. Our main goal is to create more
454 stable jobs and increase professional development.

455
456 The representatives from Nicaragua would like to inform the body that Nicaragua is
457 ranked the 62nd best economy for starting a business, making it the second best in
458 Central America. However, the representatives from Nicaragua believe that
459 underemployment has caused the annual GDP to fall too low to meet the country's needs.
460 The representatives support further implementation of PRGF, stronger relations with IMF
461 and CAFTA.

462
463 The representatives from Puerto Rico favor free trade and free flow of investment.
464 Incentives should be given to investors who will bring in jobs and pay taxes. Lower tariffs
465 and trade barriers mean lower prices for consumers. Free competition should be fostered
466 by countries and regions. The representatives from Puerto Rico believe that this is the
467 proven strategy to achieve economic development.

468
469 The representatives from Spain encourage the development of a strong Latin American

470 trade bloc to more evenly and sustainably enter the economy. The representatives from
471 Spain realize foreign direct investment is a successful means toward holistic economic
472 growth; willing to take a continued role in professional and political support toward the
473 Latin American and Caribbean.

474
475 The representatives from the Republic of Korea support the formation of a regional trade
476 bloc to foster similar growth in Latin America to the exponential growth experienced by
477 the Asian nations. In addition to an intraregional trade bloc, Korea suggests more initial
478 government control with a gradual move towards a free market economy and a
479 diversification of industry. Korea also supports green development in accordance with
480 the Kyoto protocol.

481
482 The representatives from United Kingdom assert that strong, steady economic
483 development requires sturdy international, national and regional infrastructure. Without
484 the proper institutions in place to foster healthy economies, nations will remain mired in
485 lackluster economies. Government established infrastructure is necessary for economic
486 expansion.

487
488 The representatives from United States of America are eager to work with its neighbors
489 Latin America and the Caribbean and would like to suggest free trade agreements among
490 nations. The representatives believe in stability of a nation through free trade agreements
491 for investment expanding economic opportunities and security while promoting freedom
492 and democracy. The representatives would like to see nations engage in a global economy
493 to create more job opportunities and decrease the gap between rich and poor.

494
495 The representatives from Uruguay would like to see the furthering of regional cooperation
496 in terms of economics. The furthering of organizations, such as the Bank of the
497 Americas, will remove ourselves from neo-imperialism and enhance our ability to stand
498 on our own two feet.

499
500 The representatives from Venezuela promote free trade within the region including the
501 Caribbean and as far north as Mexico. Fair trade can be pursued with countries outside
502 the region, as the utilization of foreign dollars and technology will be beneficial to the
503 development of Latin America.

504
505

506 **B. Action taken by the Commission**

507
508 At its meeting on November 22-25, 2008, the Commission approved for recommendation
509 for adoption by the Economic and Social Council five resolutions. Draft resolution I/1
510 addressed the topic of participatory action to be taken by the members of ECLAC and the
511 reduction of trade barriers and was sponsored by France, Germany, Puerto Rico (USA),
512 United Kingdom, Republic of Korea, El Salvador, Italy, Cuba, Chile, and Spain. This
513 resolution was not amended and was passed by placard vote. (for resolution text, see
514 Chapter I, Draft III)

In stride with previous endeavors, the members of ECLAC adopted draft resolution I/2 looking to diversify the internal economy, promote regional trade, and find a balance between free and fair trade. This resolution was sponsored by Republic of Korea, Uruguay, Spain, Nicaragua, Barbados, Japan, Paraguay, Jamaica, Netherlands Antilles, Haiti, Ecuador, and Costa Rica and passed without any substantive amendments by placard vote. (for resolution text, see Chapter I, Draft IV)

Continuing with their efforts to strengthen economic growth through macroeconomic policies, the Commission passed the draft resolution I/3 on the expansion of free trade among the Latin American and Caribbean bloc and the modification of MERCOSUR's standards for trade. The resolution was sponsored by Venezuela, Argentina, Bolivia, Brazil, Colombia, Cuba, Mexico, Germany, and Uruguay and was passed unamended by placard vote. (for resolution text, see Chapter I, Draft II)

In further pursuit of the purposes of the Commission, its members passed draft resolution I/4 focusing on the strengthening of CARICOM and the use of the common passport in the Caribbean which was sponsored by Barbados, Japan, Canada, Haiti, Uruguay, Nicaragua, Paraguay, and the Republic of Korea. This resolution was not amended and passed by placard vote. (for resolution text, see Chapter I, Draft V)

Looking to further expand the breadth of influence representatives from the Commission passed draft resolution I/6 on the use of education, training and exchange programs to further the macroeconomic policies of the region. This resolution was sponsored by Haiti, Guyana, Republic of Korea, Uruguay, Costa Rica, Ecuador, Netherlands Antilles, and Paraguay and was passed by a placard vote. (for resolution text, see Chapter I, Draft I)

515 **CHAPTER III**

516 **Adoption of the report of the Commission**

517

518 At its meeting on November 24, 2008, the draft report of the Commission was made
519 available for consideration. The Commission considered the report, and with no
520 amendments, adopted the report by consensus.