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*A WORLD WITHOUT FRONTIERS: SOLUTIONS BEYOND BORDERS
FOR REGIONAL PROBLEMS GOING GLOBAL*

**Economic Commission for Latin America and the
Caribbean**

Study Guide

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Words of Welcome

Hello delegates!

If you are reading this, then congratulations, you have been selected for the 2019 edition of KULMUN, held in the beautiful student town of Leuven!

From the Secretariat and the Executive Committee, as well as from us chairs, we wish to extend a warm (pun possibly intended) welcome into the Economic Commission for Latin America and the Caribbean, or ECLAC for short. We hope that you find the theme of the conference, and the topics prepared for this committee, interesting and full of perspectives to explore while you spend the conference debating and discussing them from start to finish.

So, what makes this committee stand out from the other committees in this conference? Its mandate focuses on contributing to the economic development of one specific region in the world: Latin America (which was extended to include the Caribbean). This includes the development of economic and social ties between countries in this area as well as the world at large. With a region that has a common history, yet with their own paths of advancement, ECLAC places you in the seat of countries that may seem easy to get to know on the surface but can get complicated the further your research goes on your assigned country.

Whether this is your first time doing a Model UN conference, or you are a long time participant with several conferences under your belt, we aim to challenge your skills in speaking, debating and working together with others, and hopefully get you interested in a region of the world that does not often make it into the world news (for better or worse). Lastly, we hope that you also get to know each other as fellow delegates as the conference progresses, and by the time it ends, leave the town of Leuven as friends.

We look forward to meeting you all in Leuven, in the committee and during the socials, and hope that you enjoy your time at KULMUN so much that even if some of us may meet for the first time, it will not be the last time either!

Your sincerely,

Maryia & Daryl

Table of Contents

Words of Welcome	1
Table of Contents	2
Committee Overview.....	3
Topic I – Venezuela’s economy and its consequences on South America	5
Introduction	5
Background.....	6
Recent Developments.....	10
Questions an Outcome Document Should Answer	12
Bibliography.....	13
Further Readings.....	16
Topic B: Resurrecting South American Integration.....	17
Introduction	17
Background.....	17
Recent Developments.....	20
Questions an Outcome Document Should Answer	22
Bibliography.....	23
Further Readings.....	23
Sample Outcome Document.....	17

Committee Overview

Originally, the Economic Commission for Latin America, ECLAC, was established by the Economic and Social Council (ECOSOC) in 1948 by way of resolution 106(VI) of 25 February 1948. Located in Santiago, Chile, it is one of the five regional commissions of the United Nations. Its mandate focuses initially on the economic development of Latin America, acting as a coordinator for plans and initiatives that have this goal in mind, and reinforcing the economic ties among countries within Latin America and between the regions and countries outside of it.

This mandate was later expanded to include nations that are situated in the Caribbean, and by way of resolution 1987/67, ECOSOC opted to change the name of the commission to reflect this expansion, with the economic commission being now known as the Economic Commission for Latin America and the Caribbean.

The membership of the Commission consists of the 33 countries of Latin America and the Caribbean. A further 13 countries, from the US, to Spain, to Japan, are also members by virtue of their long standing historical, cultural and economic ties to the region. A further 14 non-independent territories such as Sint Maarten, Guadeloupe and Puerto Rico (represented diplomatically by the Netherlands, France and the US respectively) in the Caribbean are also Associate Members of the Commission¹.

In order to manage its affairs in the vast region, ECLAC has physical presences in Mexico and Trinidad and Tobago, in order to serve as administrative centers for Central America and the Caribbean respectively, along with offices in Argentina, Brazil, Uruguay and Colombia².

ECLAC's mandate involves things that include, but are not limited to: promoting economic and social development through regional and sub-regional cooperation and integration, gathering and disseminating research and data on economic and social development in Latin America and the Caribbean, formulating and promoting the development of cooperation activities and projects of

¹ "Member States and associate members", Economic Commission for Latin America and the Caribbean, accessed 22 Jan 2019, link: <https://www.cepal.org/en/estados-miembros>

² "About ECLAC", Economic Commission for Latin America and the Caribbean, accessed 19 Dec 2018, link: <https://www.cepal.org/en/about-eclac-0>

regional and sub-regional scope that is appropriate for the region and acts as the executing organ for said projects³.

The Economic Commission is led by a secretariat that is tasked with implementing the mandate of the committee, headed by an Executive Secretary⁴. In operational practice, the Commission is split into units and divisions arranged according to its mandate: ranging from statistics, to economic development, to gender affairs, to sustainable development⁵. The decisions that ECLAC makes are decided by the members when it meets every two years in substantive sessions, where representatives from the member states review the progress that has been done so far and decide on its path for the next two years⁶.

Some of the work that ECLAC has done has been recognised in terms of their contribution to regional development. One key highlight of their efforts was the development of a school of thought regarding economic and social trends in Latin America and the Caribbean in the medium and long term. It has developed its own method of analysis, known as “historical structuralism”, which focuses on how the region’s institutional legacy and power structure influence the developing countries and create behavioural trends that differ from those of developed nations.

³ “Mandate and Mission”, Economic Commission for Latin America and the Caribbean, accessed 19 Dec 2018, link: <https://www.cepal.org/en/mandato-y-mision>

⁴ <https://www.cepal.org/noticias/paginas/2/21362/eclacSGB.pdf>

⁵ <https://www.cepal.org/en/divisiones>

⁶

https://repositorio.cepal.org/bitstream/handle/11362/40179/S1600567_en.pdf?sequence=1&isAllowed=y

Topic I: Venezuela's economy and its consequences on South America

Introduction

The UN has stated that 3 million Venezuelans will have emigrated from the country as of November 2018, 2.3 million of which have already left since 2015⁷. The elevate number of people that are leaving the country is one of the most visible signs of the Bolivarian Republic of Venezuela's ongoing troubles.

The nation's migrant crisis forms a part of the bigger picture of all the problems that Venezuela has been facing for the most part of the past decade, facing a turning point in 2014. All of these can be traced back to the country's economy that has been in an ongoing state of hyperinflation⁸. As of writing, the currency is so worthless that some enterprising emigrants who reside near the border with Venezuela have taken to weaving bags using paper notes composed of the Venezuelan Bolivar, so that they can earn foreign currency that they can use to buy much needed goods to send back to their friends and relatives that are still living in Venezuela⁹.

Some of the challenges and issues that this topic aims to open for discussion include how to unpack the overall crisis into smaller components, cooperating with an administration that insists that all of this is the work of foreign elements waging an economic war against Venezuela, and how Venezuela's neighbours will deal with the influx of refugees coming across their borders, some of whom may have little to no experience of immigration in recent memory.

⁷ "Number of refugees and migrants from Venezuela reaches 3 million", United Nations High Commissioner for Refugees, accessed 12 Nov 2018, link: <https://www.unhcr.org/news/press/2018/11/5be4192b4/number-refugees-migrants-venezuela-reaches-3-million.html>

⁸ "14m bolivars for a chicken: Venezuela hyperinflation explained", The Guardian, accessed 15 Nov 2018, link: <https://www.theguardian.com/world/2018/aug/20/venezuela-bolivars-hyperinflation-banknotes>

⁹ "The people making bags out of worthless money", BBC Capital, accessed 21st November 2018, link: <http://www.bbc.com/capital/gallery/20180918-the-people-making-bags-out-of-worthless-money>

Background

The background to the crisis Venezuela faces is inextricably linked to its struggling economic performance, which in itself is linked to the country's chief export: crude oil¹⁰. This may seem confusing at a first glance, considering that oil continues to remain a valuable item on the commodity markets, and that outside of the Middle East, Venezuela possesses one of the world's largest reserves of crude oil¹¹.

The story of the oil industry in the country goes back almost 100 years. However, it's important to note that during the 1970s, the industry was nationalised under the economic plan of the Carlos Perez presidency. Among the changes that were to take place as part of the plan, each of the foreign oil companies that had a presence in the country prior to nationalisation was replaced by a national equivalent. These new oil companies were then in turn owned by a holding company that was owned by the Venezuelan state, via "Petroven" (PDV). This is the point when the modern day Petroleos de Venezuela S.A. (PDVSA) state oil company was born.¹²

After this time, the industry experienced a brief period of prosperity during the high prices brought about by the 1973 oil crisis. However, this was followed by the glut in the next decade, which was brought on by the reduced demand in crude oil (as a result of the high prices in the 70s). The situation was exacerbated by members of OPEC breaking its own agreement to slow production in a bid to shore up prices.¹³ During the 90s, PDVSA kept the lion's share of its revenue to itself, with the remainder going to the government. It was also during this time that the organisation ran relatively free from state control, relying on its own guidance to make decisions with a view to making profits¹⁴. At this point, the company had expanded to becoming one of the

¹⁰ "Venezuela's Decline from Oil Powerhouse to Poorhouse", Bloomberg Businessweek, accessed Nov 23 2018, link: <https://www.bloomberg.com/graphics/2018-venezuela-oil/>

¹¹ Ibid.

¹² "Nationalisation of Oil in Venezuela: Re-Defined Dependence and Legitimation of Imperialism", Vegard Bye, Accessed Nov 23 2018, link: <https://www.jstor.org/stable/pdf/422789.pdf?refreqid=excelsior%3Accd4dcbe9c2957a35bf5f05e12f4e62f>

¹³ "How the oil glut is changing business", New York Times, accessed 24 Nov 2018, link: <https://www.nytimes.com/1981/06/21/business/how-the-oil-glut-is-changing-business.html?pagewanted=all>

¹⁴ "The Politics of Institutional Change in Venezuela: Oil Policy During the Presidency of Hugo Chavez", Colin Wiseman and Daniel Beland, accessed 28 Nov 2018, link: <https://www.jstor.org/stable/pdf/41800523.pdf?refreqid=excelsior%3A89cc2c2b51fe166a8454d9f8497e8ef>

most profitable in the Latin America region and reached the top ten most profitable companies worldwide, to the point of owning half of (and eventually all of) Citgo, a US based oil and gas company vital to the refinement of Venezuelan crude into dollar revenue generating oil products), as well as acquiring assets in Europe¹⁵.

When Hugo Chavez was elected at the turn of the millennium, he had made several policy decisions which resulted in PDVSA being tied more closely to the state once again. This, along with the increase in oil prices in the 2000s, allowed Caracas to use the revenues made by the oil company to fund social programmes under its “Bolivarian Missions” in an attempt to improve the economic, social and cultural conditions of the people of Venezuela: among other things, it allowed access to subsidised food, housing and medical treatment to thousands of people who otherwise would not be able to avail of them. However, these programmes were highly dependent on the government’s revenue that came from the sale of crude oil and related products through PDVSA¹⁶. With the seemingly never-ending stream of wealth that came through the pumps, the government had mismanaged the oil industry by failing to invest enough into PDVSA via machinery, equipment, and capable workers, resulting in the company’s ability to extract oil to decline over time¹⁷. The focus on the sale of crude oil products as a key pillar of the Venezuelan economy (and its ability to accrue foreign currency), has also led to “Dutch disease”, with the other economic sectors such as agriculture and manufacturing declining in output and growth¹⁸.

The seeds of the country’s current crisis were sown in this decade as the government kept spending the money as fast as it was receiving it: this was partly to keep up the spending for the ongoing Bolivarian Missions, but increasingly also to offset the declining output of the country’s domestic producers by importing goods such as cars, medicines and foodstuffs¹⁹. A combination of an introduction of price controls for basic necessities and the introduction of a government controlled foreign exchange rate, amongst other factors, had begun to introduce shortages in the

¹⁵ “How Venezuela Struck It Poor”, Foreign Policy, accessed 28 Nov 2018, link: <https://foreignpolicy.com/2018/07/16/how-venezuela-struck-it-poor-oil-energy-chavez/>

¹⁶ “The Legacy of Hugo Chavez and a Failing Venezuela”, Penn Wharton Public Policy Initiative, accessed 1 Dec 2018, link: <https://publicpolicy.wharton.upenn.edu/live/news/1696-the-legacy-of-hugo-chavez-and-a-failing-venezuela>

¹⁷ See footnote 9

¹⁸ “How Venezuela’s crisis developed and drove out millions of people”, BBC News, accessed 1 Dec 2018, link: <https://www.bbc.co.uk/news/world-latin-america-36319877>

¹⁹ See footnote 9

country of basic goods²⁰. A series of government expropriations of various private companies and plots of land further eroded the country's means of producing goods and food within the country²¹. Another consequence of these policies is that during this time, the country's inflation rate was much higher than the regional average, with consumer prices in 2010 rising 27% on average compared to 6% in the rest of Latin America²².

When Hugo Chavez died in 2013, his successor Nicolas Maduro took office. He inherited a country that, at least for a brief while, still enjoyed the high oil prices the country needed to maintain its spending, its imports, and the programs for the less well-off that he counted on for political support. The next year saw the global oil prices sink far below the \$100+ per barrel of the previous decade²³. As a result, Venezuela has been unable to afford the imports that the country now relies on for its food needs, making that and other necessities such as medicine scarce. Private importers are helpless to improve the situation as they too need foreign currency (usually US dollars) to pay for their imports, and the government also controls this via a complicated and slow bureaucracy²⁴. Altogether, this has led to the situation deteriorating, as basic necessities and staples like milk, coffee and flour have become very scarce.

This in turn has led to a quick succession of multiple problems that the Venezuelan government has to face. These include the shortages becoming so severe that at times, personal hygiene items and toilet paper were not available for many Venezuelans²⁵. This has resulted in long queues outside supermarkets as people spend hours waiting for food. The lack of food has become so severe that people have taken to rummaging through rubbish to eat the scraps inside²⁶. It has also

²⁰ See footnote 12

²¹ "Full Speed Ahead", The Economist, accessed 2 Dec 2018, link: <https://www.economist.com/americas-view/2010/10/29/full-speed-ahead>

²² "Medieval Policies", The Economist, accessed 2 Dec 2018, link: <https://www.economist.com/the-americas/2011/08/20/medieval-policies>

²³ "What's behind the drop in global oil prices?", World Economic Forum, accessed 2 Dec 2018, link: <https://www.weforum.org/agenda/2016/03/what-s-behind-the-drop-in-oil-prices/>

²⁴ "How Food in Venezuela Went from Subsidised to Scarce", New York Times, accessed 3 Dec 2018, link: <https://www.nytimes.com/interactive/2017/07/16/world/americas/venezuela-shortages.html>

²⁵ "Venezuela Crisis: I flew to U.S. to buy toilet paper", CNN Business, accessed 4 Dec 2018, link: <https://money.cnn.com/2016/09/28/news/economy/venezuela-bring-food-home/index.html>

²⁶ "Scavenging to survive in Venezuela", Al Jazeera, accessed 4 Dec 2018, link: <https://www.aljazeera.com/indepth/inpictures/2017/09/scavenging-survive-venezuela-170903073024026.html>

been reported that Venezuelans on average have lost almost 9kg due to lack of food in 2016 – this drastic weight loss was jokingly dubbed the “Maduro Diet” by the president’s critics²⁷.

Furthermore, inflation – which while high during the Chavez years, has spiraled out of control since Maduro has taken office. The economy has entered into a period of hyperinflation, experiencing rates last seen in Zimbabwe, with estimates predicting that it will reach the 1,000,000% mark this year²⁸. Inflation in Venezuela has become so rampant that some have resorted to mining for virtual currency on the fantasy multiplayer online videogame Runescape in order to sell that for real currency²⁹.

In response to the lack of effective measures to bring both the food and economic crisis to an end, alongside an increasing crime and murder rate, protests began in 2014. The heavy-handed response from Caracas exacerbated the situation as demonstrations sprang across Venezuela’s cities and drew in opposition politicians³⁰. As that year ended and 2015 began, there was no end to the wave of protests, some of which turned into violent clashes between protestors and government authorities, as the food shortages continued with no seeming end in sight³¹. Worse still, controversy and unrest over the 2015 election, and the referendum to recall President Maduro in 2016, resulted in two of some of the largest demonstrations in Venezuelan history, both of which drew in over 1 million people³². Further attempts by the government to consolidate its power continue to infuriate protesters as the wave of unrest continues to sweep over the nation³³.

²⁷ “The Maduro Diet”, The Spectator, accessed 17 Dec 2018, link: <https://www.spectator.co.uk/2018/12/the-maduro-diet/>

²⁸ “Outlook for the Americas: A Tougher Recovery”, IMF Blog, accessed 5 Dec 2018, link: <https://blogs.imf.org/2018/07/23/outlook-for-the-americas-a-tougher-recovery/>

²⁹ “Desperate Venezuelans Turn to Video Games to Survive”, Bloomberg Businessweek, accessed 5 Dec 2018, link: <https://www.bloomberg.com/news/articles/2017-12-05/desperate-venezuelans-turn-to-video-games-to-survive>

³⁰ “What lies behind the protests in Venezuela?”, BBC News, accessed 6 Dec 2018, link: <https://www.bbc.co.uk/news/world-latin-america-26335287>

³¹ “Street protests loom as shortages, inflation and oil slump hit Venezuela”, The Guardian, accessed 6 Dec 2018, link: <https://www.theguardian.com/world/2015/jan/16/venezuela-struggle-streets-inflation-shortages-oil-slump>

³² “Despite Government Obstacles, over a Million Venezuelans March on Caracas”, PanAm Post, accessed 8 Dec 2018, link: <https://panampost.com/karina-martin/2016/09/01/despite-government-obstacles-over-a-million-venezuelans-march-on-caracas/>

³³ “In Venezuela, the ‘Mother of all Marches’”, The Atlantic, accessed 9 Dec 2018, link: <https://www.theatlantic.com/photo/2017/04/in-venezuela-the-mother-of-all-marches/523725/>

Recent Developments

Over the course of 2018, the situation has continued to deteriorate. As a result, masses of Venezuelans within the country have decided to flee for their safety and for greener pastures. In November of 2018, the UNHCR and the IOM have announced that the number of people that have now left has officially reached 3 million, most of whom have found a home in neighbouring countries in Latin America and the Caribbean³⁴.

The migration, which has been compared to other similar phenomena such as the migrant crisis in Europe, has been the largest movement of people fleeing their country recorded in the Americas³⁵. While there have been such emigrations in the past, the current combination of political, social, and economic crises exacerbated by the current government's policies, have increased the numbers to the point that some estimates point to almost 1/8 of the country's 32.4 million people having emigrated³⁶.

The region has tried to do what it can in order to assist the flow of refugees, with several countries agreeing to work together after meeting in Ecuador on September 4, 2018 in coordinating their efforts to help the migrants³⁷. Organisations and countries from outside the region have also stepped in to do what they can to assist the efforts in managing the needs of the people in the affected areas. For example, the United States has sent a hospital ship to Colombia in order to provide medical aid for the refugees who are located there, as part of Operation Enduring Promise³⁸.

As the migrations continue, the economy continues to worsen. Rivalling only the developments in Zimbabwe in recent memory, outside observers estimate that prices in Venezuela will have risen

³⁴ See footnote 1

³⁵ "Venezuela refugee crisis evokes darkest days of Europe in 2015, UN warns", The Telegraph, accessed 11 Dec 2018, link: <https://www.telegraph.co.uk/news/2018/08/25/venezuela-refugee-crisis-evokes-darkest-days-europe-2015-un/>

³⁶ "Latin America grapples with migrant exodus that looks set to worsen in 2019", Reuters, accessed 28 Dec 2018, link: <https://www.reuters.com/article/us-latam-immigration-forecast-analysis/latin-america-grapples-with-migrant-exodus-that-looks-set-to-worsen-in-2019-idUSKCN1OQ0D0>

³⁷ "Venezuela's 2.3 Million Refugees Allowed to Enter Latin American Countries with Greater Ease After Ecuador Talks", Newsweek, accessed 12 Dec 2018, link: <https://www.newsweek.com/venezuela-refugees-allowed-enter-latin-american-countries-ecuador-talks-1106986>

³⁸ "Special Report: Enduring Promise", US Navy, accessed 12 Dec 2018, link: <http://navylive.dodlive.mil/2018/10/23/special-report-enduring-promise/>

by more than 1.3 million % in 2018, with a further estimate that this will rise to 10,000,000% in 2019³⁹. This is coupled with the country's economy having shrunk by 18% in 2018, with a further contraction of 5% predicted for this year. One way that the Venezuelan government has attempted to combat this rise in prices is the issue of a new currency: the sovereign bolivar (BsS or Bs). Replacing the "strong bolivar" (bolivar fuerte in Spanish, BsF), it practically took away five zeroes from the now defunct currency. Paired with a thirty-fold increase in the minimum wage, these efforts to stabilise prices seem to be of little effect, with prices continuing to run away from government control.

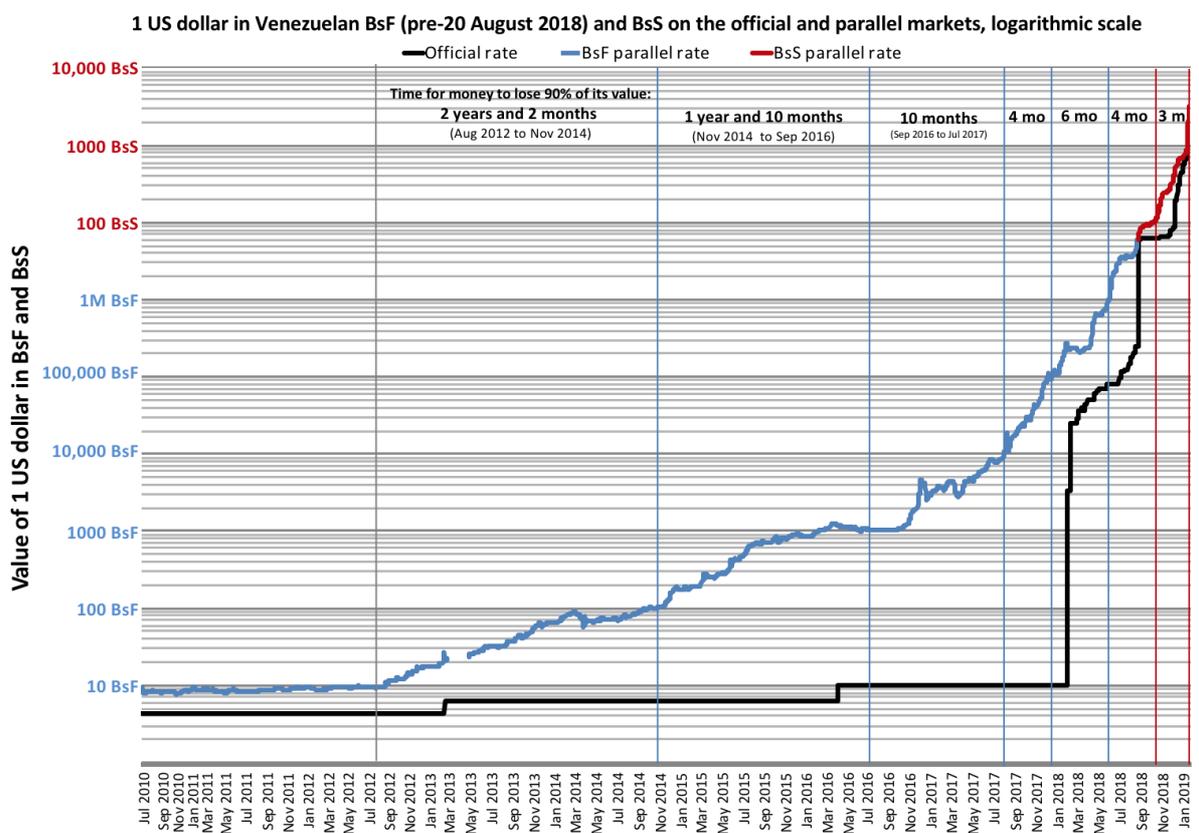


Figure 1: An illustration of the meteoric rise in value of the US dollar compared to Venezuela's currency on the official and unofficial currency exchange rates. Source: Wikimedia Commons

³⁹ <https://in.reuters.com/article/venezuela-economy/imf-sees-venezuela-inflation-at-10-million-percent-in-2019-idINKCN1MJ1YX>

Meanwhile, Caracas claims that reports of people fleeing the country are fabricated in order to use it as a pretext to intervene in the country⁴⁰. Furthermore, the government believes that they have been under an “economic war” with “oligarchs” colluding with the West, particularly with the US, in order to explain the staggeringly high inflation rate, as well as the extreme shortage of many household items⁴¹. Caracas has gone so far as to claim that the US, along with Colombia and members of the Venezuelan opposition, are plotting to assassinate the Venezuelan President and bring about a regime change⁴².

Questions an Outcome Document Should Answer

- What measures can be taken to assist Venezuela in recovering its economy?
- What can Venezuela itself do to mitigate the effects of the crises affecting it?
- How can neighbouring countries work with Venezuela to better harmonise their efforts in tackling the crisis?
- Can the international community outside of the region take a more active and direct role in the area?
- How can Venezuela’s hyperinflation be effectively tackled at this point?
- What can the member states of ECLAC do to help the situation within the context of the Economic Commission’s powers, mandate and framework?

⁴⁰ “Venezuelan official suggests migrant crisis is staged to undermine government”, The Guardian, accessed 15 Dec 2018, link: <https://www.theguardian.com/world/2018/aug/28/venezuela-diosdado-cabello-refugee-footage-fake>

⁴¹ “Venezuela’s Maduro says will win in ‘economic war’ post election”, Reuters, accessed 18 Dec 2018, link: <https://www.reuters.com/article/us-venezuela-election/venezuelas-maduro-says-will-win-in-economic-war-post-election-idUSKBN1IA3KM>

⁴² “Venezuela: is a US-backed ‘military option’ to oust Maduro gaining favour?”, The Guardian, accessed 18 Dec 2018, link: <https://www.theguardian.com/world/2018/sep/12/venezuela-trump-nicolas-maduro-military-option>

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Topic II: Resurrecting South American Integration

Introduction

The topic of South American Integration is by no means new; in fact, the discussion on the topic started even before the countries in the region had gained their independence from the colonisers and managed to set up their own governments. Despite that, it does not seem that a solution was found so far to this question. At the moment, the continent is divided along many lines; some of the countries and their people are more well-off than others; some of the countries identify themselves as more left-wing and antagonising towards the US than others; the sizes of the economies also vary significantly. Because of that, the solution of the problem was not found so far and is unlikely to be easily reached.

The background part of this study guide will focus on some of the general knowledge and events that are connected to the topic of South American integration. It will look into the history of the issue and the events that shaped it into the form we know today. It will also discuss the institutions that were set up to date that are relevant to this issue, their membership, as well as strengths and weaknesses. It will underline some of the aspects that carry a resemblance to European integration in the past. The Recent Developments part will discuss some of the contentious points in the negotiations on the topic of integration. It will discuss the state of negotiations to date and the points that were not successful in the past and therefore should be addressed by the committee. It will discuss some of the contemporary issues on the continent that already have and will in the future affect the negotiations. The Questions an Outcome Document Should Answer will cover some of the main points that the delegates should focus their research on, clearly identifying their country's position that they would later defend in the committee.

Background

The idea of the integration of the Latin American states is by no means new. In the vision of Simón Bolívar⁴³, one of the most prominent leaders in Latin America across history, it was one of the main aims for the continent after independence.⁴⁴ Ever since the Wars of Independence between

⁴³ Simón Bolívar was a South American political figure. Inspired by the ideas of Enlightenment, he fought against the Spanish Colonial rule in South American colonies. Today, these former colonies are known as Venezuela, Bolivia, Ecuador, Colombia, Peru, Panama.

⁴⁴ Fedirka, Allison. 2016. "Simon Bolivar's Vision For Spanish America | Realclearworld". *Realclearworld.Com*. https://www.realclearworld.com/articles/2016/03/04/simon_bolivars_vision_for_spanish_america.html.

1808–1825, when many of the states did not have their borders set up as we know them today, the discussion was open about organising regional relations, creating international organisations and setting up regional alliances, as for example was the aim of the Congress of Panama, convened by Simón Bolívar in 1826. This was necessary as the newly independent states had to establish their own relations with other states, create the international ecosystem in place of the old order and provide common security, especially when facing the threat from Spain at the time.⁴⁵ However, even at the time, the goal of the conference was far from being reached, as, for example, the delegates of Mexico and the United Provinces of South America (which are contemporary Argentina, Bolivia and parts of Brazil) declined the invitations, and the Empire of Brazil was hostile towards other countries represented, meaning that only a few countries participated in the conference.⁴⁶ However, none of the agreements that were set up at the time, sustained.

This urge to create regional cooperation was further intensified as the Cold War began in 1947. The world became increasingly polarised between the two superpowers, both of which were willing to extend their sphere of influence over the continent of South America as well. To a large extent, the ideological rivalry pushed the states to either take sides or strive for intensified regional cooperation. An example of such a move can be seen in the creation of the Organisation of American States (or OAS) in 1948, which was founded with the aim to contain the influence of the Soviet Union from Latin America and deepen the relations between the states and with the United States.⁴⁷ At the same time, the desire to establish an independent body that did not include the US or the Soviet Union was also present on the agenda of the governments, resulting in the formation of the Rio Group (or G-Rio), which included eight states⁴⁸, to be extended into larger membership and eventually succeeded by the Community of Latin American and Caribbean States in 2011.

More regional bodies were also created in the region, citing various aims, but trade and customs interests were cited as the most prominent. Many of them resembled, at least in idea, the European Economic Community (the EEC), but some included more members than others and

⁴⁵ Collings, Harry T. 1926. "The Congress Of Bolívar". *The Hispanic American Historical Review* 6 (4): 194-198.

⁴⁶ Revolvly, LLC. 2018. "'Congress Of Panama" On Revolvly.Com". *Revolvly.Com*.
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⁴⁷ History.com Editors. 2009. "Organization Of American States Established". *HISTORY*.
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⁴⁸ The founding members are Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay, and Venezuela.

their level of establishment as a trading bloc and economic organisation varies from case to case. In a way, the European Economic Community (today the EU), might serve as an example for the development of regional organisations on other continents. Starting from just six members in Europe and several areas of shared interest, the customs union grew into a much larger organisation that impacts every part of people’s lives, and provided integration in numerous areas of life, including fiscal policy, common border, market and so on.⁴⁹

At the moment, there are several regional organisations in Latin America, each with a different focus and membership. The regional trading blocs with the most relevance for strengthening Latin American integration include the Andean Community⁵⁰, Mercosur⁵¹ and the Union of South American Nations (or USAN)⁵², all of which are trading blocs and customs unions that include various members.

You can find the graph outlining some of the regional alliances below:

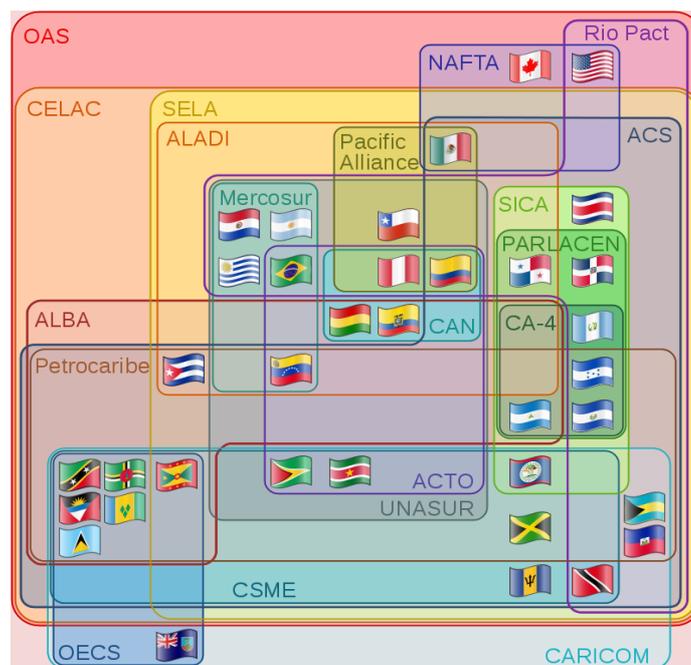


Figure 1: Supranational American bodies
Wikipedia Commons. 2016. "File:Supranational American Bodies.Svg - Wikimedia Commons".
Commons.Wikimedia.Org.
https://commons.wikimedia.org/wiki/File:Supranational_American_Bodies.svg.

⁴⁹ Cuyvers, Armin. "The Road to European Integration". In East African Community Law, (Leiden, The Netherlands: Brill | Nijhoff, 2017)
⁵⁰ <http://www.comunidadandina.org>
⁵¹ <https://www.mercosur.int>
⁵² <http://unasur.int/en>

The Andean Community (CAN) is one of the organisations of interest in the context of this topic. The Community is a customs and trade union that includes four members — Bolivia, Colombia, Ecuador and Peru, created in 1969.⁵³ The community deals with a wide range of issues, from a common travel area, to the Andean Free Trade Area established in 2006.⁵⁴ At the same time, some issues of contention have remained between the members, in particular with regards to the members' ideology and politics. For example, Venezuela left the bloc in 2006 due to ideological disagreements with Peru and Colombia, who signed a Free Trade Agreement with the USA.⁵⁵ Overcoming those issues might be the next step for the Community if it wishes to sustain its worth and continue integration.

Mercosur is another organisation in the region that successfully facilitates customs and trade relations of its members; in fact, the Andean Community and Mercosur work together closely on their goals, including the establishment of USAN, seeing that the aims of the organisations were similar. Mercosur was founded with the aim to promote trade relations between the members and some of the most ambitious projects in the beginning of 1991 included the introduction of a common currency.⁵⁶ There are signs, however, that the bloc will not be able to achieve its ambitious plans and instead the organisation was set up for other reasons. For example, some explained it as a way for two of the largest members, Brazil and Argentina, to cooperate together and establish it as a trade shield against outside nations.⁵⁷ Another issue concerns the question of politicisation of the trade bloc, such as suspending Paraguay's membership in order to admit Venezuela, as well as failure to achieve democratisation of the region, to which the nations previously committed.⁵⁸

Recent Developments

One of the largest issues with the existing frameworks is their complexity. As can be seen in the previous sections and figure 1 describing the membership of the organisations, there are multiple organisations on the continent, with diverse membership and orientation, from those simply aimed at extending the influence of some of their members, to those dealing with customs, trade and other issues. There is some degree of cooperation between some but not others, making the

⁵³ Government of India. 2013. "Andean Community (CAN)". *Mea.Gov.In*. https://www.mea.gov.in/Portal/ForeignRelation/Andean_Community_February.2013.pdf.

⁵⁴ *ibid.*

⁵⁵ *ibid.*

⁵⁶ Felter, Claire, and Danielle Renwick. 2018. "Mercosur: South America's Fractious Trade Bloc". *Council On Foreign Relations*. <https://www.cfr.org/backgrounder/mercosur-south-americas-fractious-trade-bloc>.

⁵⁷ *ibid.*

⁵⁸ *ibid.*

system even more complex. Harmonising relations and establishing common links might help with the process of South American integration. A start for such a progress can be seen in the formal establishment of relations between the Andean Community and Mercosur. In the future, it might be possible to either create a new platform to facilitate cooperation or use the existing organisations and their platforms to look further into the question.

At the same time, there was some progress in the past that allowed some cooperation between the blocs. For example, as the Andean Community and Mercosur are two of the main trading and custom blocs on the continent, there was some effort to ensure cooperation between them, for example, in the attempt to create the Union of South American Nations in 2008. The USAN mandate covers a wide range of interests that are represented by multiple committees. The potential limitation, however, is the frequency of the meetings and how much can actually be agreed upon by the nations. While the goals were set to be ambitious, so far little was achieved by the organisation.⁵⁹ Moreover, in 2018, the organisation suffered from six of its members withdrawing their membership, halving its numbers.⁶⁰

To a certain extent, the process of the creation of some common trade and customs areas in Latin America was inspired by the formation of the EEC, with the areas of cooperation extending as the integration between the states was progressing. Starting from coal and steel in Europe, the Community extended its integration into a customs union for all sectors of the economy, and gradually ensured the implementation of the four freedoms (freedom of movement of labour, capital, services and goods), and other policies that we observe today as part of the EU. Looking at this process, Latin American states have some lessons to learn that can later be used in their own organisations. For example, Mercosur, which was established more than twenty years ago to ultimately resemble the EEC, failed to achieve the goal to date.⁶¹ Copying the paths of development of the EEC might prove to be a useful example for the Latin American states, even if there are also some limitations to the extent it can serve as a good example. For instance, not all of the Latin American States have a good democratic record, moreover, the economic powers are uneven in

⁵⁹ Flannery, Nathaniel Parish. 2012. "Explainer: What Is UNASUR? | AS/COA". *AS/COA*. <https://www.as-coa.org/articles/explainer-what-unasur>.

⁶⁰ Paraguassu, Lisandra. 2018. "Six South American Nations Suspend Membership Of Anti-U.S. Bloc". *U.S.*. <https://www.reuters.com/article/us-unasur-membership/six-south-american-nations-suspend-membership-of-anti-u-s-bloc-idUSKBN1HR2P6>.

⁶¹ Keller, Mark. 2012. "Explainer: What Is Mercosur? | AS/COA". *AS/COA*. <https://www.as-coa.org/articles/explainer-what-mercosur-0>.

the region, with some countries economically more powerful than others. Therefore, while the EEC experience might be a useful example, it has to be adapted to Latin American realities.

At the same time, one of the largest challenges to Latin American integration is the relations between the states in the region. So far, there were numerous acts of tension between the member states of various organisations, resulting in some countries having their membership suspended or withdrawing their membership. The case of Uruguay was mentioned above, when the membership was allegedly suspended for political reasons; USAN and six of its members suspending their membership over the relations with the United States of others is another example. Overall, the region is clearly divided between ideological lines, with some cooperating with the US, while others seem to distrust them entirely and not willing to make concessions in this regard. Moreover, the economic situation in Venezuela worsened over the past year, affecting the entire region, creating economic refugees, negatively affecting the region with criminal activities within the state, disturbing the existing order of the region and raising questions about the future of the country. While it might appear tempting to put aside the ideological and political differences in the area in order to get the ideal scenario, it is not realistic to expect that to happen easily.

Questions an Outcome Document Should Answer

- How much can be achieved on the issue of Latin American integration with the existing institutions? Are there any of the institutions that already exist that can be reformed and used as a foundation for further integration?
- To what extent is the European Economic Community model useful as an example in this issue?
- Given the tensions in the region, are there any political reforms that might be recommended to ensure better relations between the countries in the region?
- Is there any need for the creation of new bodies in the region to ensure better integration of Latin American states in the future? If so, which issues should they cover and which shape should they take (intergovernmental organisation, supranational union, committee within existing institutions and other bodies)?
- What should be the extent of involvement from non-Latin American states in these organisations?

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- There has never been a better time for Latin American integration <https://www.economist.com/the-americas/2017/03/23/there-has-never-been-a-better-time-for-latin-american-integration>
- Integration in Latin America - Trends and Challenges <https://www.cepal.org/en/publications/37936-integration-latin-america-trends-and-challenges>
- Integration Processes in Latin America https://www.files.ethz.ch/isn/184537/Unity_Anna_Ayuso_fin_9127.pdf

Sample Outcome Document

An outcome document or resolution that comes from the Economic Commission for Latin America and the Caribbean, as an organ of the United Nations, is phrased quite similarly to resolutions of several other UN committees (with the exception of possibly only the Security Council).

When you draft your outcome document, bear in mind what you already know when drafting your clauses. If you are a novice or if this is your first time drafting a document, the two main types of clauses to keep in mind at this stage of the committee sessions are your preambulatory and operative clauses.

Preambulatory clauses state why the committee is acting on the topic at hand, provides the context and background for why an action in the present committee is being done, and recalls any previous actions and resolutions taken on the topic. One way of thinking of these clauses is that they look back into the past to see what has been done already on the matter. They are separated by commas and are italicised.

On the other hand, operative clauses work in the opposite direction. They contain specific verbs and words which detail what exactly the committee shall do (or recommend to be done) on the topic being discussed. Where the preambulatory clauses look back on previous actions, the operative clauses look to the future on the matter, with a view to actions being agreed and executed (hopefully dealing with the issue there and then). These clauses are separated by semi colons, are italicized *and* numbered and the last operative clause ends with a full stop. Where one clause needs to be broken down into sub clauses in order to explain that clause more clearly, this is permitted.

Examples of both preambulatory and operative clauses can be found here:

<https://www.munplanet.com/articles/model-united-nations/preambulatory-and-operative-clauses>

and here:

<https://politicalscience.columbusstate.edu/mun/preambulatoryclauses.php>

Lastly, you can find example resolutions made by the Economic Commission for Latin America and the Caribbean below, so you can have a feel of how these resolutions are drafted. The link itself lets you download sixteen resolutions packaged as one file, but we will not ask you to read all of them!

<https://repositorio.cepal.org/handle/11362/43600>