



Special Political and Decolonization Committee (SPECPOL)

MUNUC 33 ONLINE



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CHAIR LETTER

Dear Delegates,

Welcome to the inaugural MUNUC Online! My name is Jianyang, and I will be your Chair of the committee for the weekend.

A little bit more about me. I am a fourth year at the University of Chicago, studying math and economics. I joined MUNUC since my first year, and I served as Chair, Under-Secretary-General of ECOSOC. This year, I take the role as the Chief Strategy Officer, managing international programs and partnerships. Outside of MUNUC, I work as a research assistant at Booth School of Business and enjoy discussing market updates and debating market views with friends at Finance clubs on campus. You can also see me jogging along the Lakefront Trail by Lake Michigan near the campus or searching air tickets to random places on earth.

At SPECPOL, you will have the opportunity to discuss two very important issues around colonization and ethics. The first topic discusses territorial disputes. Complex economics and histories are associated with the controversies and you will have a big picture to solve the problem. The second topic discusses the ethical responsibilities of multinational corporations. Mega firms and international companies are integrated in our life, and their roles and behaviors are critical to the well-being of every individual on the earth. Therefore, it is vital for us to discuss the regulation and supervision to ensure the protection of human rights and human lives. I look forward to seeing you working with each other and tackling the challenges. I am always proud of the diversity of the community at MUNUC, and I expect you to take advantage of that inclusiveness to combine all approaches to the problems from different perspectives and backgrounds to find the optimal solutions.

As you prepare, feel free to reach out at csso@munuc.org if you have any questions about the committee, MUNUC in general, or the University of Chicago. Best of luck, and I look forward to working with you in February.

Best,

Jianyang Cheng

HISTORY OF THE COMMITTEE

The Special Political and Decolonization Committee (SPECPOL) is a relatively new committee. SPECPOL, also known as the Fourth Committee of the General Assembly (GA), was created in accordance with GA Resolution 47/233, adopted on August 17 1993.¹ The new Special Political and Decolonization is a combination of the now defunct Special Political Committee and the previous Fourth Committee (the Decolonization Committee). Very little has changed regarding the terms and the focus of Special Political and Decolonization Committee, but now SPECPOL also handles issues that previously overlapped in the two different committees. SPECPOL primarily concerns itself with political destabilization within or between member nations and discusses the grievances that nations bring before the committee. It also deals with issues of the General Assembly that are related to the right to self-determination, decolonization, the use of UN peacekeeping forces, and other topics that are not dealt with by the Disarmament and International Security Committee (also known as the First Committee of the General Assembly).² In general, SPECPOL, like other GA committees, discusses those issues for which the Security Council may carry out enforceable decisions and measures such as economic sanctions. In other words, SPECPOL may not impose sanctions or authorize military action in its resolutions.

¹ "Document A/RES/47/233." United Nations. 17 August 2020. <https://documents-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/o18/69/IMG/NR001869.pdf?OpenElement>.

² Ibid.

TOPIC A: CONVENTIONS OF TERRITORIAL DISPUTES

Statement of the Problem

A territorial dispute is a disagreement over the possession of land between two or more entities that control territories. Territorial disputes occur all over the world and take many forms. While this committee will focus on territorial disputes between nations, these disputes can occur between any type of entities that own land. For example, two neighbors may have a territorial dispute over who owns part of their lawn. When this occurs, usually a governing entity can help settle the dispute. However, this issue is a lot more complicated when territorial disputes are between countries, as there is not an obvious entity to preside over the dispute. SPECPOL will be tasked with designing and remodeling critical infrastructure in order to minimize future territorial disputes and ensure there is a clear way they can be taken care of in the future.

The SPECPOL committee will be tasked with legislating how territorial disputes which involve nations are handled in the future. The committee will specifically look at territorial disputes between multiple nations, as well as disputes between nations and Indigenous groups. It is important to recognize that many nations control land that they took from other groups that are not recognized as their own country. This SPECPOL committee will also consider how to deal with intra-national territorial disputes. This wide scope will prompt nations to consider their histories of imperialism, colonialism, and provide insights for how countries can deal with these issues in the future.

International land disputes are not only an economic issue, but are also heavily tied to culture, religion, history, and human rights. A lot of territorial disputes are heavily tied to national economies. Countries will dispute over lands which contain natural resources, such as oil, water, minerals, and more.³ Greater land control can also mean more collected tax revenue, increased tourism, and improved agricultural industries. Furthermore, many pieces of land that are disputed have great religious and historical importance.⁴ Disputes between entities over religious territories can oftentimes be complicated to solve and have been a central discussion for the UN since its

³ Collier, J. (1905). The Theory of Colonization. *American Journal of Sociology*, 11(2), 252-265. doi:10.1086/211394.

⁴ Ibid.

existence. International territorial disagreements are an incredibly important and multi-faceted, and their resolutions are often quite complex.

In the case of a territorial dispute, the historical precedent for how they are solved varies. Oftentimes, the resolution comes through war, which would lead to complete control by one nation, or a treaty which allows the groups to split control of the region that is being disputed. There is also the possibility of the two parties settling on an agreement, in order to avoid the possibility of war.⁵ These agreements are fundamental to settling land and resources in a peaceful way. That being said, usually in the case of war or a treaty, there ultimately is one party that gets a lot more than the other party. It is also very common that when these disputes occur, the more powerful and militarized party can seize control over the region and establish the region as a colony. This is particularly dangerous, as it can lead to many human rights abuses.

Colonialism plays a great part in territorial disputes with its history dating back thousands of years. Western colonialism which began around five hundred years ago has greatly influenced territory control and the rights of Indigenous individuals. Beginning in the 15th century, European settlers traveled throughout the world and established colonies in lands that belonged to other groups of people, under the guise of imperialism. Nations in every continent have been colonized, and the colonizers claims to that land have been legitimized over the past five hundred years. Given the role that SPECPOL plays on global decolonization, the committee must consider reevaluating the role of colonization in land disputes.

In more recent times, the major land disputes that are contentious today are oftentimes based in historical disputes. One of the greatest land disputes currently is between Palestine and Israel. In 1967, Israel occupied great swaths of land from Palestine during the Six-Day War, and established settlements in these lands that Palestinians still live in and claim as their homeland.⁶ Israel has since taken control of the Gaza Strip and East Jerusalem, areas where indigenous Palestinians have resided for years. The debate over who controls which territories in the region is highly contentious,

⁵ Ibid.

⁶ Kelman, H. C. (2007, May/June). The Israeli-Palestinian Peace Process and Its Vicissitudes. Retrieved September 19, 2020, from <https://scholar.harvard.edu/hckelman/files/Vicissitudes.pdf>.

as many nations have vastly different viewpoints over who the land belongs to.⁷ While people view the conflict as highly religious, there are also many human rights and economic issues intertwined in the conflict.⁸

Economic disputes over territories are extremely common and are often related to control of bodies of water and even the Arctic. One of the most contentious body of water disputes in the world is over the South China Sea. China has claimed ownership over parts of the sea which are claimed by Brunei, Indonesia, Malaysia, the Philippines, Taiwan, and Vietnam.⁹ Many of these countries use the sea as a method of transportation of goods, and ownership allows them to do so untaxed. Furthermore, the sea is also an incredibly valuable resource for oil exploration.¹⁰ The UN and its members have also taken stances on what should be done with the South China Sea, but despite the work that has been done, the sea is still highly disputed.

United Nations intervention in territorial disputes is oftentimes centered around punishments for blatant wrongdoing. Typically, the UN will only intervene when a large nation exercises its greater power over a much smaller nation.¹¹ That being said, the response is usually economic, in the form of increased tariffs and sanctions. Tariffs are specific taxes placed on international goods, while sanctions are the blatant restriction of buying or selling a certain type of good to or from a specific country. While placing tariffs can be effective, they oftentimes do not lead to a change in behavior from the country who abused their power.¹²

In 2014, the Russian Federation annexed Crimea from Ukraine, which members of the United Nations attempted to retaliate against. Ukraine and many other states in the United Nations agreed that Russia broke international law, and it was agreed upon in a United Nations resolution that

⁷ Ibid.

⁸ Ibid.

⁹ Nguyen T.L.A. (2015) Origins of the South China Sea Dispute. In: Huang J., Billo A. (eds) Territorial Disputes in the South China Sea. Palgrave Macmillan, London. https://doi.org/10.1057/9781137463685_2.

¹⁰ Ibid.

¹¹ Sohn, Louis B., "The importance of the Peaceful Settlement of Disputes Provisions of the United Nations Convention on the Law of the Sea" in Myron H. Norquist and John Norton Moroe (eds.), Entry into force of the Law of the Sea Convention, (1995).

¹² Ibid.

Russia illegally annexed Crimea from Ukraine.¹³ In response, the United States and much of the European Union imposed heavy sanctions on Russia, dramatically damaging their economy. However, these sanctions did not result in Russia leaving the region of Crimea, as not enough countries outside the European Union imposed them.¹⁴ As of May 2019, Crimea still belongs to Ukraine and not to Russia according to the United Nations. However, the situation on the ground is very different.

SPECPOL is the United Nations Special Political and Decolonization committee, and tackles issues related to decolonization regularly. Historically, SPECPOL has spent a large portion of its time debating specific issues of colonization, primarily the colonization of Palestinian land by Israel.¹⁵ There are many disputed regions which have incredibly complex histories and even more complex solutions. Obviously SPECPOL cannot manage all of these disputes during one session. However, the goal for SPECPOL should be to consider how to build a framework to deal with these issues in the future.

By building a framework that outlines how to define a colonialist aggression, and what to do when such aggressions occur, SPECPOL and the UN at large will be better suited to respond to colonization. The reason why the United Nations failed to have Russia exit Crimea was because there was no unilateral response to impose sanctions on Russia. By creating solutions that work for more member nations, the United Nations is more likely to put an end to modern colonization. The frameworks that SPECPOL builds can also be applied to settling land and territory disputes where there is no clear power differential between nations. Territorial disputes between entities are often tied to human rights conflicts, economic conflicts, political conflicts religious conflicts, and colonialism, and they must be addressed. This is not to say that the task of this committee is to solve all territorial disputes worldwide, which would be impossible to achieve. However, the development of a framework to begin addressing these problems is certainly achievable, and this framework

¹³ Masters, J. (2020, February 5). Ukraine: Conflict at the Crossroads of Europe and Russia. Retrieved September 19, 2020, from <https://www.cfr.org/background/ukraine-conflict-crossroads-europe-and-russia>.

¹⁴ Ibid.

¹⁵ United Nations, main body, main organs, General Assembly. (2020). Retrieved September 19, 2020, from <https://www.un.org/en/ga/fourth/>.

should be informed by instances of territorial disputes arising in a variety of regions from different circumstances.

History of the Problem

The basis to understanding territorial disputes is in understanding the concepts of empires and nations. Merriam Webster broadly defines an empire as a political unit which controls territory and is ruled over by an emperor or empress.¹⁶ The word nation comes from the Old French word “nacion,” meaning “birth.” According to Black’s Law Dictionary, a nation is defined as: “A large group of people having a common origin, language, and tradition, which make up a political entity.”¹⁷ Empires are typically characterized not just by a nominal emperor or empress, but by their centralized control over multiple groups of people, so they often have a larger territorial range than nations. It is important to distinguish between colonization by an empire and colonization by a nation. Empires first developed before nation-states (but not before nations), so naturally the first acts of colonialism were conducted by empires.

The earliest empire known to humankind was in the south part of modern Egypt and appeared around 3200 BCE. The empire began when Southern Egypt was divided into three cities, and once city conquered the other two. In 24th century BCE, the Akkadian Empire was formed. Then in the 17th century BCE, Hammurabi began his own empire in Babylon. These empires were defined by territorial expansion. At this time, when a territory was taken over by an empire, it was usually considered colonial expansion. The land taken through colonial expansion at this time wasn’t particularly debated because there was not a large enough global community to react to these actions.

The Classical period of history was a time of greater and stronger empires. These empires were heavily focused around ideas of colonial expansion, in order to grow the economic power of the empire through the acquisition of resources and labor. Specifically, the Egyptian, Greek, Roman, Phoenician empire were successful in setting up colonies in antiquity, meaning a colony city away from the capital.¹⁸ The Phoenicians began setting up colonies across the Mediterranean, and the

¹⁶ Merriam-Webster.com Dictionary, s.v. “empire,” accessed September 8, 2020, <https://www.merriam-webster.com/dictionary/empire>.

¹⁷ Black, R. (1999). Black’s Law. Simon & Shuster.

¹⁸ Martin, Thomas R. Ancient Greece : from prehistoric to Hellenistic times. New Haven: Yale University Press, 2000.

Greeks and Romans followed centuries later.¹⁹ These colonies were often taken through war or intimidation, economic or military, of the inhabitants of the land. Hence, empires with greater armies would be able to conquer more territory.²⁰ This idea continues heavily throughout the modern era.

Colonialism in the modern era can be split into two parts: colonialism before the Treaty of Versailles and colonialism after the Treaty of Versailles. Modern colonization is driven by the philosophy of imperialism. Imperialism is the “practice of a nation forcefully imposing its rule or authority over other nations.”²¹ One can think about imperialism being the philosophy of expansion, while colonization is the action of imperialistic expansion. The 15th to 19th Century are defined by historians as the Age of Imperialism, typified by European colonization.²² The Age of Imperialism caused significant damage to many Indigenous societies and cultures, as lands would be seized from Indigenous groups with nothing given in return.²³

One of the earliest examples of colonization in the modern world is the colonization of the Americas by a few European nations. Continental North America and South America were seized by European settlers, as millions of Indigenous peoples were enslaved, murdered, or banished from their homes.²⁴ The attacks on Indigenous groups were seen as an afterthought, despite resulting in some of the worst generational atrocities in history.²⁵ The colonization of the Americas was an early example of many colonization attempts by European powers.

At the start of the 17th century, the British Empire set up the East India Company, establishing a trade relationship with India.²⁶ However, the trade relationship was extremely one sided; the British used the East India Company to take advantage of India. England soon began using the East India

¹⁹ Ibid.

²⁰ Ibid.

²¹ Longley, R. (n.d.). Imperialism: Definition and Historical Perspective. Retrieved September 14, 2020, from <https://www.thoughtco.com/imperialism-definition-4587402>.

²² Ibid.

²³ Ibid.

²⁴ Denevan, W. (1992, March 01). The Native Population of the Americas in 1492. Retrieved September 14, 2020, from <https://uwpress.wisc.edu/books/0289.htm>.

²⁵ Ibid.

²⁶ The East India Company and its role in ruling India. (n.d.). Retrieved September 14, 2020, from <https://www.historic-uk.com/HistoryUK/HistoryofEngland/The-East-India-Company/>.

Company to trade internationally.²⁷ They forced many Indians into labor in order to produce opium. Subsequently, England took that opium and sold it to China in exchange for tea, as they did not want to let their own citizens become addicted to opium. Then England sold the tea globally, while giving Indian farmers none of the profits. By 1858, England had such large control over India that they turned the country into a British colony, in order to collect tax revenue to bring back to England.²⁸

The late 1800s was also a time of heavy colonization throughout many regions in Continental Africa. In 1876, Belgium's King Leopold II created the International African Society. Similar to the East India Company, the International African Society was a privately-owned company that was set up to explore and exploit overseas territory, namely, the Congo. While the Belgian government was not directly involved with the company in its first few years of existence,²⁹ the company was used to mine expensive minerals from the Congolese people at practically no cost. This launched the Belgian Colonial Party, which dangerously left Belgium to participate in colonization throughout much of continental Africa. Many other European nations also participated in colonization throughout continental Africa. By 1900, about 60% of all of continental Africa was held under colonial rule by England, France, Germany, Belgium, and Italy.³⁰

In January of 1920, the Treaty of Versailles was made effective by Germany, France, and Great Britain after World War I. The Treaty of Versailles created the League of Nations which consisted of 42 nations across the globe, with about half belonging to Europe.³¹ As globalism began to rise, it became somewhat unacceptable for a nation to invade another nation without just cause. As nations were no longer seen as empires, the goal of nations was not simply to expand. With this change, policies associated with Imperialism also began to change.³² Imperialism was intrinsically an economic policy centered around greed and indifference. Most modern colonies were set up in order to enslave individuals who live in the colony or create extreme taxes in the colonies and send the tax

²⁷ Ibid.

²⁸ Ibid.

²⁹ Viaene, Vincent. "King Leopold's Imperialism and the Origins of the Belgian Colonial Party, 1860–1905." *The Journal of Modern History* 80, no. 4 (2008): 741–90. Accessed September 15, 2020. doi:10.1086/591110.

³⁰ "Internet Modern History Sourcebook." Fordham University. January 15, 2020.

<https://sourcebooks.fordham.edu/mod/modsbook.asp>.

³¹ History.com Editors. (2017, October 12). League of Nations. Retrieved September 15, 2020, from <https://www.history.com/topics/world-war-i/league-of-nations>.

³² Ibid.

revenue back to the colonizer. Colonizing states relied on indifference towards the people in those nations they were colonizing, oftentimes by othering those people. As questions of the ethical implications of imperialism started to become more popular, many imperialist nations began to justify their imperialism through less overtly direct rule while still taking as many resources as they could from their colony. After 1920, the relationship between colonies and colonizers began to shift slightly, although still regularly involved the colonizing power taking much more from their colony than they gave to the colony.

After World War I, many of the colonies from the defeated Ottoman Empire were divided up amongst England and France. The then territory of Palestine, which includes portions of modern-day Syria, Lebanon, Jordan, Israel, and Palestine, was granted to the British.³³ While the French and British had promised this land to the Arab population that currently lived there, they were never granted sovereignty to the land. Britain had also similarly promised much of the land to members of the European Jewish population, but did not give them any of the land when the time came.³⁴ While Arab Jewish and Arab Muslim populations had peacefully coexisted in the region for years beforehand British rule, after British rule the relationship between the populations became more volatile.³⁵

The League of Nations was also responsible for reassigning colonies throughout much of Africa, Asia, and Australia. The regions of modern-day Rwanda and Burundi were assigned to Belgium.³⁶ Tanzania was assigned to Britain and Cameroon was assigned to France. South Africa, having recently gained independence from Britain, took control of modern-day Namibia, and parts of continental Australia were divided between the country Australia and New Zealand.³⁷ While more regions were given the opportunity to become independent after the formation of the League of

³³ Palestine 1918 to 1948. (2015, May 26). Retrieved September 15, 2020, from <https://www.historylearningsite.co.uk/modern-world-history-1918-to-1980/the-middle-east-1917-to-1973/palestine-1918-to-1948/>.

³⁴ Ibid.

³⁵ Ibid.

³⁶ The Editors of Encyclopedia Britannica. (2020, May 14). Mandate. Retrieved September 15, 2020, from <https://www.britannica.com/topic/mandate-League-of-Nations>.

³⁷ Ibid.

Nations, many of these nations were not given ample opportunities to thrive economically given how colonization shaped their economies.

When studying colonies broadly, there are many similarities that nations that were colonized share due to colonization. Typically, when a nation is colonized, the people in that nation are forced to learn the language of their colonizers in schools, oftentimes coinciding with and furthering the suppression of the culture and native language of the nation.³⁸ Furthermore, many nations which are colonized oftentimes become dependent on international trade.³⁹ This is because the colonizing nation will force the colony to specialize in production of only a handful of goods. This results in the nation being economically dependent on other nations for the majority of their goods, ensuring the economy of that nation cannot be self-sufficient.⁴⁰ The colonized region will often become fully dependent on their colonizer, creating extreme difficulties for the colony to set up its own successful economy. This is extremely important to keep in mind when considering how to successfully give a colony independence and allow the colony to succeed as its own nation.

After World War II, the League of Nations was disbanded and replaced with the United Nations. One of the goals of the United Nations was decolonization.⁴¹ Many portions of the world which were once dictated by colonial rule were granted independence.⁴² As previously mentioned, the former colonies that were granted independence had systems in place which made them extremely dependent on trade from outside nations. Furthermore, these nations were not given vital economic resources to flourish,⁴³ which has resulted in great economic inequality between nations today. The way decolonization was decided and conducted also led to some of the greatest modern territorial disputes today.

³⁸ Massimo Renzo, Why Colonialism Is Wrong, *Current Legal Problems*, Volume 72, Issue 1, 2019, Pages 347–373, from <https://doi.org/10.1093/clp/cuz011>.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Decolonization of Asia and Africa, 1945–1960 (n.d.). Retrieved September 15, 2020, from <https://history.state.gov/milestones/1945-1952/asia-and-africa>.

⁴² Ibid.

⁴³ Ibid.

Past Actions

Territories become disputed for various reasons depending on a great number of factors. Even many friendly or allied nations have disputes about ownership over small islands, or portions of water bodies.⁴⁴ Sometimes, these disputes occurred because of minor inaccuracies in maps, before satellite technology became sufficient to resolve this ambiguity.⁴⁵ However, there are other disputes over borders which stem from more significant disagreements. These disagreements usually have their root in historic or modern-day colonialism.⁴⁶ These disagreements tend to involve the greater international community, as they are difficult to solve between the disputing nations. It is important to note that many border disputes exist between sets of multiple countries, and scholars have dedicated their lives to studying the complexities of these disputes.⁴⁷ In the next paragraphs, we will briefly discuss five major territorial disputes, although much of the complexity of these issues will be left out and delegates are encouraged to undertake their own further research.

The Arctic Sea Conflict

Territorial claims in the Arctic circle have been historically complex, as much of the Arctic is fully uninhabitable. Furthermore, the ice sheets on the Arctic shift regularly and are facing a continuous trend of shrinking as a result of climate change.⁴⁸ As the ice in the Arctic dissipates, scholars predict that new land will become commercially available for fishing, fracking, and shipping. This means that the water bodies in the Arctic have become more valuable.⁴⁹ Currently, Canada, Denmark, Finland, Iceland, Norway, Russia, and Sweden have been fighting over ownership of the Arctic circle, as development in the Arctic could be very lucrative.⁵⁰ There are also many Indigenous groups from the

⁴⁴ Selkirk, D. (2019, December 16). Travel - The little-known US-Canada border war. Retrieved September 18, 2020, from <http://www.bbc.com/travel/story/20191215-the-little-known-us-canada-border-war>.

⁴⁵ Ibid.

⁴⁶ Guerrero, D. (2018, April 30). Committee for the Abolition of Illegitimate Debt. Retrieved September 18, 2020, from <https://www.cadtm.org/Colonialism-borders-and-justice>.

⁴⁷ Ibid.

⁴⁸ National Snow and Ice Data Center. (2020). Retrieved September 18, 2020, from https://nsidc.org/cryosphere/arctic-meteorology/climate_change.html.

⁴⁹ Evolution of Arctic Territorial Claims and Agreements: A Timeline (1903-Present) • Stimson Center. (2020, February 02). Retrieved September 18, 2020, from <https://www.stimson.org/2013/evolution-arctic-territorial-claims-and-agreements-timeline-1903-present/>.

⁵⁰ Ibid.

Arctic, and these groups have historically been treated quite unfairly by the nations which colonized the land.⁵¹



The discussions of land ownership in the region have been chaotic, and very little has been decided in the region. In the late 1990s, the Arctic Council was established, and the chair was first held by Canada.⁵² The Arctic Council is a multi-governmental forum that discusses environmental and development issues in the Arctic, oftentimes focusing on how borders are drawn. However, the Arctic Council must operate by consensus, and has no power to enforce its actions.⁵³ Many of the Indigenous groups with their origins in Arctic have also created their own councils in order to discuss issues that arise in the Arctic.⁵⁴ Because many of the parts of the region are uninhabited, many of the specific borders in the Arctic have been unofficially decided on a first-come basis.

In 2005, the prime minister of Canada went to a disputed territory in the Arctic, and posed for a picture with a Canadian flag in the region.⁵⁵ In order to decide the future of the Arctic land, the

⁵¹ Indigenous Peoples of the Arctic. (2020). Retrieved September 18, 2020, from <https://www.arcgis.com/apps/Cascade/index.html?appid=2228ac6bf45a4cebafc1c3002ffefoc4>.

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Evolution of Arctic Territorial Claims and Agreements: A Timeline (1903-Present) • Stimson Center. (2020, February 02). Retrieved September 18, 2020, from <https://www.stimson.org/2013/evolution-arctic-territorial-claims-and-agreements-timeline-1903-present/>.

nations of the Arctic Council and the Indigenous groups which inhabit much of the land must fairly decide a framework to decide on ownership and usage rights of the land in the Arctic.

South China Sea Conflict

The South China Sea Conflict is one of the most heavily discussed territorial disputes worldwide, as there are many parties involved, and the implications of the conflict could be enormous. The South China Sea is the battleground for three different kinds of disputes: disputes over land, disputes over claimed waters, and disputes over legal maritime activities in shared waters under international law.⁵⁶ The conflict involves Brunei, China, Malaysia, the Philippines, Taiwan, and Vietnam as they have each claimed ownership of different land features in the region, and they also claim waters surrounding these land features.⁵⁷ In 2016, the UN Convention on the Law of the Sea (UNCLOS) released their own plan for how to divide the South China Sea, specifically noting that China claimed much of the land that should be granted to the Philippines.⁵⁸ However, China ignored the UNCLOS report and unilaterally acted to solidify its claim to a great amount of territory in the region.⁵⁹ By creating its own “Nine-Dash line”, China granted itself over 2 million square kilometers of water in the South China Sea.⁶⁰

⁵⁶ Rapp-Hooper, M. (2020, January 10). Top Conflicts to Watch in 2020: An Armed Confrontation in the South China Sea. Retrieved September 18, 2020, from <https://www.cfr.org/blog/top-conflicts-watch-2020-armed-confrontation-south-china-sea>.

⁵⁷ Ibid.

⁵⁸ Bill Hayton Associate Fellow, Hayton, B., & Fellow, A. (2019, September 02). Two Years On, South China Sea Ruling Remains a Battleground for the Rules-Based Order. Retrieved September 19, 2020, from <https://www.chathamhouse.org/expert/comment/two-years-south-china-sea-ruling-remains-battleground-rules-based-order>.

⁵⁹ Xiamen University South China Sea Institute, “New map boosts China’s claim in sea,” *South China Sea Bulletin*, Vol. 2, No. 8, Aug. 1, 2014, at 1-2; Z. Gao and B.B. Jia, “The Nine-Dash Line in the South China Sea: History, Status, and Implications,” *Am. J. Int’l L.* 107:98-124, 124 (2013); and Keyuan, *infra* notes 58 and 65.

⁶⁰ Ibid.



There have been more recent discussions about solutions for preserving the rights of the countries which lay claim to the South China Sea. Linh Tong, who has spent years researching the conflict, believes that applying economic pressure on China would be unsuccessful.⁶¹ She argues that China has more to gain by violating international law in claiming the territory than it has to lose by minimal sanctions.⁶² Because China is a much larger nation than the other nations involved in the region, it has the power to lay claim to a larger portion of the region and remain largely unchallenged. Solutions to solve the conflict have since suggested a proportional distribution of the South China Sea waterways, which would still give China far more water than any other nation in the agreement.⁶³ However, because of China's dominance over the region, experts suggest that the conflict can only be solved if China is given substantially more waterways than the other nations. However, critics of this solution say that this might set a bad precedent for nations to use force and occupational strategies to lay claim to important economic resources in the future.⁶⁴ One thing

⁶¹ Diplomat, L. (2016, July 21). Seeking a Solution to the South China Sea Disputes. Retrieved September 19, 2020, from <https://thediplomat.com/2016/07/seeking-a-solution-to-the-south-china-sea-disputes/>.

⁶² Ibid.

⁶³ Ibid.

⁶⁴ Ibid.

experts do agree upon is that a solution must be reached shortly in order to preserve the well-being of all parties involved in the conflict.

Kashmir Conflict

The Kashmir Conflict is an incredibly important and complex territorial dispute with a long history. The Kashmir region has been fought over by India and Pakistan for more than 80 years, even before India declared its independence from Great Britain.⁶⁵ Kashmir is a 138-thousand square kilometer region in the Himalayas that is ethnically diverse and home to many desirable resources. In 1947, upon the Indian Independence Act, Kashmir was free to decide to either join India or Pakistan. The local ruler of Kashmir wished for Kashmir to be independent, but chose to join India for a multitude of reasons.⁶⁶ India and Pakistan warred over the region in 1949 and 1965, with the UN intervening both times and encouraging the nations to demilitarize the region.⁶⁷ Currently, both India and Pakistan claim the Kashmir region in full, but only control parts of the region.⁶⁸

At its core, a solution for what happens to Kashmir should consider the desires of the Kashmiri people. However, there is no consensus or even near consensus idea on how the Kashmiri people would like to be governed.⁶⁹ Many Kashmiri people wish to be governed by India, many wish to be governed by Pakistan, and many wish for independence from both nations. It is also worth noting that Kashmir is more than 60% Muslim, the only Muslim-majority state in India.⁷⁰ Kashmiri Muslims worry that they may face great disempowerment as they would be the only majority-minority state in the country. In a poll conducted in 2010 by the Sunday Hindustan Times, 66 percent of respondents in the Muslim-majority of Kashmir wish for Kashmiri independence.⁷¹ Meanwhile, over

⁶⁵ Kashmir: Why India and Pakistan fight over it. (2019, August 08). Retrieved September 18, 2020, from <https://www.bbc.com/news/10537286>.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Kashmir Muslims fear demographic shift as thousands get residency." Aljazeera. June 28, 2020. <https://www.aljazeera.com/news/2020/06/28/kashmir-muslims-fear-demographic-shift-as-thousands-get-residency/>.

⁷¹ Hughes, L. (2019, September 04). Pakistan and India Claim Kashmir – But What Do Kashmiris Want? Retrieved September 18, 2020, from <https://www.futuredirections.org.au/publication/pakistan-and-india-claim-kashmir-but-what-do-kashmiris-want/>.

70% of the Hindu and Buddhist majority regions in Kashmir want Kashmir to join India.⁷² However, most historians believe that any substantial agreement upon the fate of Kashmir is a long road ahead.⁷³ In the meantime, demilitarization of Kashmir is essential for the wellbeing of the Kashmiri people.

Palestine Israel Conflict

The conflict between Palestine and Israel is one of the most greatly debated territorial disputes in world history. With the conflict arising due to false promises made by Great Britain nearly a century ago, these two nations have been fighting over land for the past 70 years.⁷⁴ At the end of World War II, the newly established UN voted for the Palestine region to be split into a separate Jewish and Arab states, which was accepted by Jewish leaders but declined by Arab leaders, whose populations have been there for hundreds of years.⁷⁵ While the original agreement declared the region to be split into 2 near equal parts, after war in 1967, Israel has controlled the majority of the Palestinian region. They currently occupy three disjoint territories that make up modern day Palestine: Gaza, the Golan Heights, and parts of the West Bank.⁷⁶ While Israel technically pulled out of Gaza in recent years, the UN still regards Israel as occupiers in Gaza.⁷⁷ Since 1970, Israel has built settlements in the West Bank, Gaza, and East Jerusalem, which Palestinians argue is against international law.⁷⁸ Currently, the UN estimates that there are 1.5 million Palestinian refugees, although that number is debated by both Israel and Palestine.⁷⁹

There have been many international attempts to bring peace into the region. The United States has proposed many plans in the past, although Palestinian leaders say the US is heavily biased towards

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Palestine 1918 to 1948. (2015, May 26). Retrieved September 15, 2020, from <https://www.historylearningsite.co.uk/modern-world-history-1918-to-1980/the-middle-east-1917-to-1973/palestine-1918-to-1948/>.

⁷⁵ Ibid.

⁷⁶ Eurovision 2019: The Israeli-Palestinian situation explained. (2019, May 14). Retrieved September 18, 2020, from <https://www.bbc.com/news/newsbeat-44124396>.

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Palestine refugees. (n.d.). Retrieved September 19, 2020, from <https://www.unrwa.org/palestine-refugees>.

Israel, given that the United States provides billions of dollars every year to the Israeli army.⁸⁰ The United States has historically backed the notion of a two-state solution, giving Palestine the right to self-governance without Israeli occupation.⁸¹ However, some far-right groups advocate for the removal of any Palestinian state and complete governance of the region by Israel.⁸² This policy proposal is highly disliked by the indigenous Palestinians in occupied territory who have been treated as second-class citizens since 1967.⁸³ A solution to determine how the land should be split has been under debate for years. However, doing so is necessary in order to improve the daily lives of those living under occupation, and to bring stability to the region.

Crimea Annexation

In March 18th of 2014, Russia illegally annexed the Ukrainian territory of Crimea. Brookings, a non-partisan independent think tank, argues that this was the most blatant land grab in Europe since World War II.⁸⁴ The process of the land grab began in late February of 2014 when Russian army men began seizing territory on the Crimean Peninsula. They began taking over more territory in Ukraine until, in early March, the Russian military had control of Crimea. The Russian government hosted an illegitimate referendum to see if the Crimean people would want to rejoin Russia, which was illegal under Ukrainian law. While 97 percent of people allegedly voted for Crimea to join Russia, most scholars on the topic believe the referendum was rigged dramatically.⁸⁵ Nonetheless, two days after the referendum, the Russian Federation laid claim over the full region of Crimea. In late March of 2014, the U.N. General Assembly voted to affirm the Crimean referendum as invalid by a 100 to 11 vote.

⁸⁰ Eurovision 2019: The Israeli-Palestinian situation explained. (2019, May 14). Retrieved September 18, 2020, from <https://www.bbc.com/news/newsbeat-44124396>.

⁸¹ Edward P. Djerejian, M. (2018, September 18). Two States or One? Reappraising the Israeli-Palestinian Impasse. Retrieved September 19, 2020, from <https://carnegieendowment.org/2018/09/18/two-states-or-one-reappraising-israeli-palestinian-impasse-pub-77269>.

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Pifer, S. (2019, March 18). Five years after Crimea's illegal annexation, the issue is no closer to resolution. Retrieved September 19, 2020, from <https://www.brookings.edu/blog/order-from-chaos/2019/03/18/five-years-after-crimeas-illegal-annexation-the-issue-is-no-closer-to-resolution/>.

⁸⁵ Ibid.

The hostile military takeover of Crimea resulted in international sanctions against Russia.⁸⁶ However, the sanctions grew more intense as Russia continued the conflict in Donbas, another portion of eastern Ukraine. In the past six years, over 13,000 Ukrainians have died and two million have been displaced in Donbas, as Russia continues to fight over the region.⁸⁷ While most Western powers believe the annexation to be illegal, countries are hesitant to do any more than condemn the annexation and impose sanctions on Russia. This is because any militaristic action in the region may cause an escalation of the conflict which would be undesirable for most of the world.⁸⁸ Most experts believe that any negotiations or sanctions will be unsuccessful in order to remove Russia from the Crimea region. The solution to having Russia peacefully exit Crimea appears far away but will be necessary for the sovereignty of the Crimean people.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Conflict in Ukraine | Global Conflict Tracker. (2020, July 27). Retrieved September 19, 2020, from <https://www.cfr.org/global-conflict-tracker/conflict/conflict-ukraine>.

Possible Solutions

These five conflicts are just a few of many conflicts related to disputed territories across the globe. The scale of conflicts can be as large as debates over formerly independent states, to as small as debates over ownership of parts of a river for fishing. That being said, building a framework to solve these conflicts is essential for bringing stability to many regions of the world. The solutions are oftentimes complex, as the desires of the Indigenous people in a territory oftentimes differ from the desires of the countries who rule over a given territory.

The solutions for territorial conflicts must be nuanced and depend heavily on the history of the conflict. Creating blanket judgements about how territorial disputes should be decided can be dangerous, as there are oftentimes many moving parts in these disputes. It is also true that most solutions to a territorial dispute will leave all parties unhappy.⁸⁹ Many disputes occur because all entities view themselves as the sole owner of a territory that they do not have full control over. It is unlikely, however, that full control of a territory can and should be granted to any party.

It is essential the bilateral and multilateral discussions occur between all parties involved whenever a territorial dispute occurs.⁹⁰ It is typically in the best interest of all parties for a territorial dispute to be solved through peaceful negotiation rather than through force. In order to solve a dispute through peaceful negotiation, third-party negotiators will typically help mediate between negotiating states. In these negotiations, structures for demilitarization are essential to help decide the dispute.⁹¹ Furthermore, there are times where disputes cannot be decided. In these cases, sanctions, tariffs, and trade agreements are oftentimes used as mechanisms to bring the disputing parties into agreement.⁹² Most territorial disputes have very large economic incentives, so by incentivizing an agreement through economic means, an agreement is more likely to occur.

Finally, the role of force and power cannot be ignored in territorial disputes. Many territorial disputes began as a more powerful entity took control of the territory from a less powerful entity, often an

⁸⁹ Wiegand, K. (2017, May 24). Conflict Management of Territorial Disputes. Retrieved September 19, 2020, from <https://oxfordre.com/politics/view/10.1093/acrefore/9780190228637.001.0001/acrefore-9780190228637-e-554>.

⁹⁰ Ibid.

⁹¹ Ibid.

⁹² Ibid.

Indigenous group.⁹³ These Indigenous groups are not given the rights to rule over their own land and are often stripped of their economic resources. These voices are typically left out of the discussion when negotiations of territories begin.⁹⁴ However, it is essential that these Indigenous groups receive fair representation in multilateral discussions. Otherwise, the world simply repeats the process of colonialism once again.

⁹³ Quintero, J. (2012, May 29). Residual Colonialism In The 21st Century. Retrieved September 19, 2020, from <https://unu.edu/publications/articles/residual-colonialism-in-the-21st-century.html>.

⁹⁴ Ibid.

Bloc Positions

There are border disputes all throughout the world. As of 2014, there were more than 150 active territorial disputes according to National Geographic.⁹⁵ These territorial disputes occur mostly in Africa, Asia, and the Pacific region. However, there are still many disputes in the Americas, Europe, and Antarctica.⁹⁶ The blocs on this committee will be at least partially determined by a country's status in any ongoing territorial disputes, as well as their history with colonization. It is also worth noting that countries may be members of multiple blocs simultaneously, in that they may be party to multiple territorial disputes where they have different levels of relative power. For instance, India has territorial disputes with both China and Pakistan, and may desire different resolutions or action for each of those disputes. In order to identify the position of their country, delegates should carefully examine any territorial disputes they are involved in, directly or indirectly, as well as their advertised position on the topic. It is important to recognize that countries are predominantly self-interested, so the policies for which some advocate may seem philosophically inconsistent. However, the positions of UN Member States can be considered as follows.

Nations Disputing a Less Well-Equipped Power

Many nations with underprivileged Indigenous groups will fall into this category. Additionally, militarized superpowers with territorial disputes will also fall into this category. These nations oftentimes have a vested interest in colonial policies. Because these nations have a strong military, they are typically able to take control in their territorial disputes.⁹⁷ These nations tend to favor international laws that allow them to continue their actions.⁹⁸ Hence, they are often against tariffs on military superpowers who violate international law. Furthermore, these nations are in favor of peace-talks which usually legally bind the land to the nation with greater power. Anything which forwards the status quo is desirable for the more powerful nation in a territorial dispute.

⁹⁵ Conant, E. (2014, March 29). 6 of the World's Most Worrisome Disputed Territories. Retrieved September 19, 2020, from <https://www.nationalgeographic.com/news/2014/3/14.0328-disputed-territories-geography-russia-crimea/>.

⁹⁶ Ibid.

⁹⁷ Wyne, A. (2018, June 21). The Need for Superpowers to Embrace a Vision of World Affairs. Retrieved September 19, 2020, from <https://www.rand.org/blog/2018/06/the-need-for-superpowers-to-embrace-a-vision-of-world.html>.

⁹⁸ Ibid.

Nations Disputing an Equally Well-Equipped Power

If two nations have an equally equipped military or similar levels of economic influence, the type of territorial conflict usually does not involve annexation. Typically, these conflicts are smaller in nature, and are oftentimes, although not always, peaceful. These nations will typically look to make arrangements with similarly sized nations to be negotiators in these disputes. It is also important to note that many nations are involved in multiple territorial disputes, having more power in some than in others. For these nations, it is best to examine their specific interests to identify which disputes are most important to them.

Nations Disputing a Greater Equipped Power

This is the opposite of the first bloc. In the conflict with Ukraine, Russia holds far more military power than Ukraine. Because of that, Russia is able to take advantage of the situation, as the Ukrainian military is not a threat to Russia. Ukraine will consequently desire international action to upset the status quo. Generally, this type of situation requires the international community to intervene, in order to assist the less equipped nation.⁹⁹ It is hence in the best interest of this bloc to encourage policies which help defend smaller nations from invasion or exploitation by larger nations. These nations will often be highly in favor of demilitarization of conflict zones, or any other methods to level the playing field.

Countries Without Territorial Disputes

Countries without territorial disputes are quite rare. Most countries located on bodies of water with nearby islands have some territorial disputes.¹⁰⁰ However, countries without territorial disputes do exist, and should consider a few of the following questions. First, do they have an ongoing internal conflict with their Indigenous groups? Second, do these nations have strong allies who are currently in the midst of an important territorial dispute? Finally, are these nations at risk of having part of

⁹⁹ Mani, R., & Ponzio, R. (2017). Peaceful Settlements of Disputes and Conflict Intervention [PDF].

¹⁰⁰ Conant, E. (2014, March 29). 6 of the World's Most Worrisome Disputed Territories. Retrieved September 19, 2020, from <https://www.nationalgeographic.com/news/2014/3/14.0328-disputed-territories-geography-russia-crimea/>.

their land annexed? By considering these factors, countries will tend to have vested interests in one or more of the three blocs.

Glossary

Annex: A country annexes territory by taking control a piece of land that does not belong to them.

Colonialism: Colonialism is the practice of taking over another country or territory through force or other coercion.

Colonization of the Americas: Starting in the late 15 th and early 16 th centuries, continental North America and South America were seized by European settlers, as millions of Indigenous peoples were enslaved, murdered, or forced from their homes.

East India Company: The East India Company was a company affiliated with the British government that helped England colonize much of the East, especially aiding in the colonization and economic exploitation of India.

Empire: An empire is defined to be a political unit which controls territory and is ruled over by an emperor or empress.¹⁰¹ Typically, empires control territory where multiple different national or ethnic groups reside.

Imperialism: Imperialism is the philosophy that militarized nations should set up colonies in other regions of the world. It is often implemented as colonialism.

International African Society: The International African Society was a privately-owned company that was set up to explore and exploit overseas territory, namely, the Congo.

International Land Disputes: An international land dispute is a disagreement over the possession of land between two or more countries.

International Law: International law is a set of rules agreed upon by the international community at large. International law typically takes the form of a treaty. International laws are not particularly

¹⁰¹ Merriam-Webster.com Dictionary, s.v. "empire," accessed September 8, 2020, <https://www.merriam-webster.com/dictionary/empire>.

enforceable, as there is no overarching international government that can prosecute violations of international law.

Intra-National Territorial Disputes: An intra-national territorial dispute is a disagreement over the possession of land between two or more entities residing in the same country. These often occur between Indigenous groups and governments.

Nation: A nation is a large group of people having a common origin, language, and tradition, which make up a political entity.¹⁰² Nation-states, by contrast, are nations with sovereign control over their territory.

Sanction: A sanction is a restriction on the some or all exports coming from a country. Sanctions can be used when placing a tariff on a product or country would not be extreme enough.

Tariff: A tariffs is a specific tax on some or all exports coming from a country. Placing large tariffs on a country can damage the country's economy, as they will export fewer goods.

Territorial Dispute: A territorial dispute is a disagreement over the possession of land between two or more entities that control territories.

The Age of Imperialism: The time period in which philosophies of imperialism became extremely prevalent in shaping the foreign policy of militarized nations.

The Treaty of Versailles: The Treaty of Versailles was an important peace treaty that helped end World War I.

¹⁰² Black, R. (1999). Black's Law. Simon & Shuster.

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TOPIC B: ETHICAL RESPONSIBILITIES OF MULTINATIONAL COMPANIES

Statement of the Problem

A multinational corporation is a company that has facilities and other assets in multiple countries.¹⁰³ Typically, multinational corporations have a centralized head office in their home or origin country, where they manage their global efforts. Furthermore, it is common that multinational corporations have their headquarters in a developed nation, although this is not always a guarantee.¹⁰⁴ Multinational corporations hold great global influence and include most of the largest companies across the globe.

There are four types of multinational corporations, all with subtle differences. The first type is a decentralized corporation with a large presence in their origin country, but business operations headquarters in multiple countries.¹⁰⁵ The second type is a centralized corporation, which utilizes cheap resources overseas and sells their products within their origin country.¹⁰⁶ A global corporation is a company which conducts its research and development overseas.¹⁰⁷ The final type is a transnational corporation, which is simultaneously a decentralized corporation, a centralized corporation, and a global corporation. In other words, a transnational corporation is a corporation that has a strong domestic presence, headquarters around the world, and produces, sells, and researches their products overseas as well. Transnational corporations can create their own subsidiary companies to produce or market their goods overseas.¹⁰⁸ A subsidiary company is a company which is owned by a larger company with full control over the subsidiary. Many of the largest companies in the world are specifically transnational corporations.

¹⁰³ Chen, J. (2020, August 28). Multinational Corporation (MNC). Retrieved September 22, 2020, from <https://www.investopedia.com/terms/m/multinationalcorporation.asp>.

¹⁰⁴ Ibid.

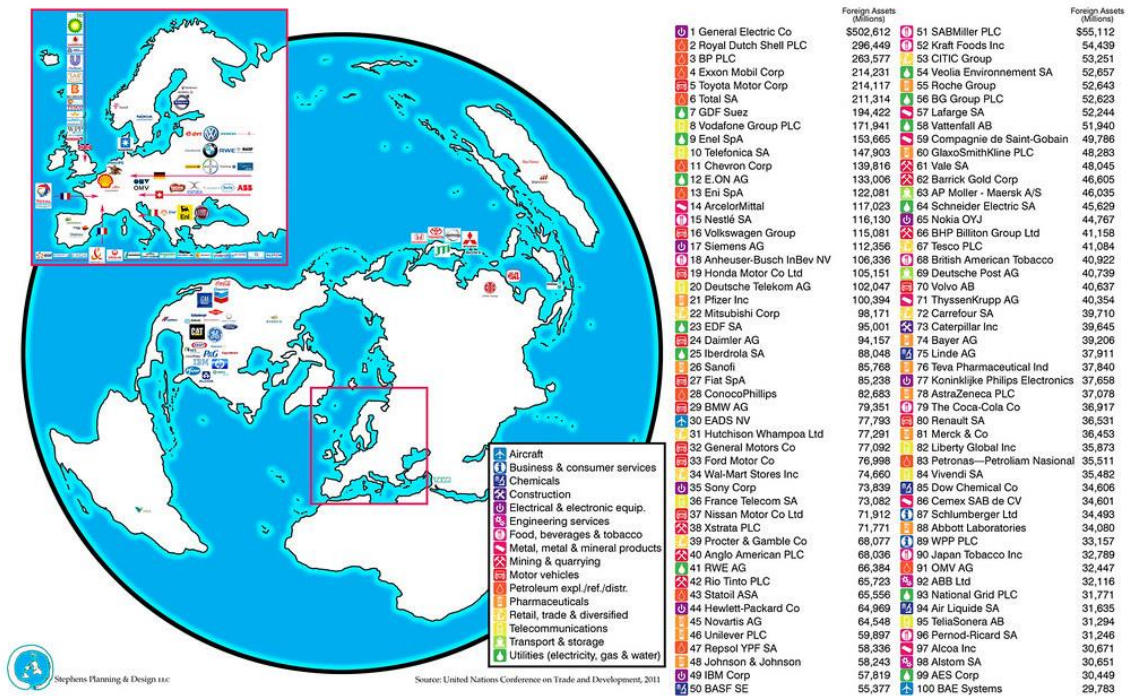
¹⁰⁵ Ibid.

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

TRANSNATIONAL CORPORATIONS



Business ethics is the study of business policies and practices which create negative externalities on the world.¹⁰⁹ An externality is defined to be an impact a business makes on the world around it. An example of a negative externality would be if a company that produces chemicals pollutes the air in a neighborhood, it would directly hurt the people who live in that neighborhood. For many actions that directly cause negative externalities, there are laws and taxes which are meant to prevent the externality. Business ethics studies how to minimize negative externalities and, furthermore, how to encourage businesses to limit their negative externalities and pursue positive local and global impacts.

Multinational corporations have great influence on the world around them. To start, all businesses create products that are purchased by some other entity (an individual, another business, a government, et cetera). Multinational corporations by their nature have a disproportionate share of global markets. Beyond the direct influence of their products, companies also hire individuals, helping maintain economies. Multinational companies clearly have roles in multiple economies,

¹⁰⁹ Twin, A. (2020, August 28). Business Ethics: Fair Business Policies Within Controversial Subjects. Retrieved September 22, 2020, from <https://www.investopedia.com/terms/b/business-ethics.asp>.

often giving rise to more employment related externalities than companies predominantly located in one country. Furthermore, companies typically pay some sort of taxes, or taxes are paid on their goods that they sell. Tax revenue is essential for important social services to exist and flourish, such as schools, social security, and healthcare. Some of these externalities are positive, and multinational corporations create these positive externalities in multiple countries. Nonetheless, despite some of the positive externalities multinational corporations create, they can also cause major negative externalities.

One of the biggest ethical concerns with multinational corporations in their treatment of overseas workers. Since companies are driven by profit, they try to increase revenues while keeping their costs at a minimum. This can become a problem as many corporations with headquarters in a developed nation attempt to cut costs through using inexpensive labor in developing nations.¹¹⁰ Oftentimes, the inexpensive overseas labor occurs in manufacturing facilities where employees are paid as little as 3 cents an hour, working near one hundred hours a week, in extremely dangerous conditions.¹¹¹ Furthermore, some companies end up hiring other companies or entities which use either slave labor or child labor in order to reduce their costs.¹¹² These are just some of the extremely negative circumstances that are oftentimes associated with companies which use labor in developing nations to save on costs.

Multinational companies are also oftentimes criticized for their role in pollution and global warming. According to the Guardian, more than 50% of all global industrial emissions since 1988 can be traced to just 25 companies.¹¹³ Multinational companies tend to make up the largest companies across the globe, and unless they are adequately fined for their emissions, they will continue to dangerously pollute the environment. Multinational companies are also heavily dependent on international shipments, which occur primarily by boat and by plane, producing further pollution. Because

¹¹⁰ Chen, J. (2020, August 28). Multinational Corporation (MNC). Retrieved September 22, 2020, from <https://www.investopedia.com/terms/m/multinationalcorporation.asp>.

¹¹¹ What is a sweatshop? (2020, September 22). Retrieved September 22, 2020, from <https://www.theworldcounts.com/challenges/people-and-poverty/slavery-and-sweatshops/sweatshop-workers-conditions/story>.

¹¹² Ibid.

¹¹³ Riley, T. (2017, July 10). Just 100 companies responsible for 71% of global emissions, study says. Retrieved September 22, 2020, from <https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change>.

companies respond to economic pressures, an efficient way to regulate these companies is by using tax incentives and disincentives to nudge these companies to consider their negative externalities on the environment.

Taxing negative externalities is a way to make companies internalize their negative externalities.¹¹⁴ That means, when a company makes a decision that causes harm to people or the environment, the company is taxed so that way they feel the effects of their action. By taxing negative externalities, the company being taxed is less likely to take actions with the associated externality.¹¹⁵ Furthermore, the tax revenue collected from the action can be used to help the group of people who may have been harmed by the externality. When the taxes are raised on products such as oil, carbon, unhealthy foods, and cigarettes, as they tend to cause harm to the environment and health care system, they are taxing the negative externality associated with the products.¹¹⁶ Taxing multinational corporations for their harmful actions is essential for the betterment of the world at large.

While taxing multinational companies is essential to ensure they uphold their ethical responsibilities, multinational companies frequently use loopholes and schemes to avoid paying taxes.¹¹⁷ This is particularly harmful as the lost tax revenue is money that could have gone to essential services for the country. According to economist Kuuti Koski, it is estimated that over 400 billion USD of corporate profits are moved across 79 countries every year.¹¹⁸ This results in about 125 billion USD of lost tax dollars every year.¹¹⁹ This leads to heavily underfunded social services throughout a country. It is essential for every multinational corporation to pay the taxes it owes. In order for this to occur, the UN must work on having countries collaborate to reduce the amount of unpaid taxes by these companies.

¹¹⁴ Pettinger, T. (2019, December 07). Tax on Negative Externality. Retrieved September 22, 2020, from <https://www.economicshelp.org/micro-economic-essays/marketfailure/tax-negative-externality/>.

¹¹⁵ Ibid.

¹¹⁶ Ibid.

¹¹⁷ Janský, Petr, and Miroslav Palanský. "Estimating The Scale Of Profit Shifting And Tax Revenue Losses Related To Foreign Direct Investment", *International Tax and Public Finance* 26/5 (2019): 1048–1103.

¹¹⁸ Ibid.

¹¹⁹ Ibid.

History of the Problem

Multinational corporations are heavily tied to the philosophy of imperialism and acts of colonialism. Imperialism is defined to be the philosophy of extending the power of a nation by direct or indirect control over the political and economic life of another territory.¹²⁰ Many current companies are considered to pursue a modern variation of this philosophy.¹²¹ By setting extremely low wages, workers in developing nations are often left to make products they themselves cannot afford.¹²² Exploiting affordable labor overseas is not a new phenomenon, but in the past this practice has been mostly driven at the country level. What began with the direct colonization of less militarized nations in order to utilize the labor or resources within has become the indirect colonization of labor and resource markets to increase the profits of multinational corporate entities.

One of the first grand-scale multinational corporations was the British East India Company.¹²³ The East India Company was formed in 1600 on the basis of expanding trade with East Asia, Southeast Asia, and India. It began as a corporate trading firm, which would make money by exploiting the resources and inexpensive labor in India.¹²⁴ The East India Company began using slave labor in order to gather spices and fabrics from India. The East India Company expanded to China in the mid 18 th century, and began importing Chinese tea and illegally selling opium to China.¹²⁵ The addictiveness of opium enabled Britain to take greater advantage of China when trading, because it produced a population dependent on the drug.¹²⁶ Internationally, there was an upsurge of firms in developed nations that began emulating the East India Company, taking advantage of overseas trade relationships.

¹²⁰ Imperialism. (n.d.). Retrieved September 22, 2020, from <https://www.merriam-webster.com/dictionary/imperialism>.

¹²¹ Lieberthal, C. (2015, May 13). The End of Corporate Imperialism. Retrieved September 22, 2020, from <https://hbr.org/2003/08/the-end-of-corporate-imperialism>.

¹²² Ibid.

¹²³ The Editors of Encyclopaedia Britannica. (2020, January 23). East India Company. Retrieved September 22, 2020, from <https://www.britannica.com/topic/East-India-Company>.

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ Ibid.

The role of colonialism in trade between nations changed in the late 1800's as the Industrial Revolution entered full swing in Europe and the United States.¹²⁷ International business was also skyrocketing because of the invention of the telephone in 1876 and numerous other devices in this time period.¹²⁸ Companies not only began manufacturing their goods overseas, they also began to sell their goods overseas.¹²⁹ Through globalization, companies evolved from centralized corporations to transnational corporations.

During the early 20th century, the creation of the factory system emerged. Companies began building factories to import food and were also organizing workers to mine resources such as minerals and petroleum.¹³⁰ This became the era of the transnational corporation, as companies began building large labor forces with specific operations teams outside their original country. Nearly all the transnational corporations were located in the United States and a handful of European states.¹³¹ Furthermore, over 60 percent of investments by American and European transnational corporations went to Latin America, Asia, Africa, and the Middle East.¹³² These companies earned huge profits, as they took advantage of labor costs being much cheaper in developing nations than in developed nations.¹³³

After World War II, there was a veritable explosion of transnational corporations throughout the world. Japan and Europe saw many more transnational corporations emerge as trade relationships between countries improved.¹³⁴ In the 1950s, banks in the US, Europe, and Japan began to invest large sums of money in industrial stocks, creating incentives for large companies to merge.¹³⁵ Many of the biggest companies began trading with each other as banks continued to lend these companies large sums of money. For reference, as of 1906, there were two or three companies worth over 500 million USD; by 1971, there were 333 companies worth over 500 million USD.¹³⁶ These 333 companies

¹²⁷ Brief History Of International Business Commerce Essay. (2018, November 21). Retrieved September 22, 2020, from <https://www.ukessays.com/essays/commerce/brief-history-of-international-business-commerce-essay.php>.

¹²⁸ Ibid.

¹²⁹ Ibid.

¹³⁰ Administrator. (n.d.). A Brief History of Transnational Corporations. Retrieved September 22, 2020, from <https://www.globalpolicy.org/empire/47068-a-brief-history-of-transnational-corporations.html>.

¹³¹ Ibid.

¹³² Ibid.

¹³³ Ibid.

¹³⁴ Ibid.

¹³⁵ Ibid.

¹³⁶ Ibid.

had control over seventy to eighty percent of all world trade.¹³⁷ Even after adjusting for inflation, this expansion remains highly significant.

Since the mid-1980s, there has been a large increase in the creation of transnational corporations in many developing nations. As international bank loans have grown in popularity, corporations in developing nations have had the opportunity to grow rapidly.¹³⁸ That being said, many companies founded in developing nations struggle, as existing multinational corporations tend to have more efficient production methods already set up. Because of this, cycles of poverty have persisted in many developing nations.

Occupational safety is an issue of great concern for many low-wage workers at transnational corporations. According to the Industrial Labor Organization, "In comparing the health and safety performance of home-based [transnational corporations] with that of the subsidiaries, it could generally be said that the home country operations were better than those of subsidiaries in the developing countries."¹³⁹ For example, the German pharmaceutical company Bayer is a transnational company which had historically harsh working conditions in their overseas subsidiary companies. In South Africa in 1976, nearly half the workers at one of Bayer's subsidiary's factory had severe health problems.¹⁴⁰ By 1990, many of the workers in the same factory had developed lung cancer from their working conditions. Instead of being compensated, Bayer shut down the factory and laid off nearly all of their workers in the factory.¹⁴¹ This is just one manifestation of the deleterious effects that transnational corporate practices can have on local economies. Delegates are encouraged to research the consequences of these practices, historically and in the present day, paying particular attention to their own nation's role.

¹³⁷ Frederick Clairmonte & John Cavanagh, *The World in Their Web The Dynamics of Textile Multinationals*, Zed Press, London, 1981, pp. 5-6.

¹³⁸ Administrator. (n.d.). *A Brief History of Transnational Corporations*. Retrieved September 22, 2020, from <https://www.globalpolicy.org/empire/47068-a-brief-history-of-transnational-corporations.html>.

¹³⁹ Administrator. (n.d.). *A Brief History of Transnational Corporations*. Retrieved September 22, 2020, from <https://www.globalpolicy.org/empire/47068-a-brief-history-of-transnational-corporations.html>.

¹⁴⁰ Ibid.

¹⁴¹ Ibid.

Past Actions

For much of its history, the UN ignored the relationship between transnational corporations and colonialism.¹⁴² However, corporations play a very large role with respect to human rights issues, and the UN strives to address human rights violations across the world, making it clear that the two should intersect, at least on this topic.¹⁴³ The UN finally decided to address the relationship between corporations and human rights in May of 2003, when they drafted and signed the Norms on the Responsibilities of Transnational Corporations and other Business Enterprises with Regard to Human Rights (NRTC).¹⁴⁴

The NRTC outlines the ethical responsibilities of transnational corporations, by invoking the UN Universal Declaration of Human Rights (UDHR).¹⁴⁵ The goal of the Universal Declaration of Human Rights (UDHR) is to state what humans are entitled to, by virtue of being human.¹⁴⁶ When the UN creates concrete goals about how to improve the lives of individuals, the UDHR provides the guiding principles. The UDHR discusses concepts of liberty, equality, the prohibition of slavery, economic and social rights, and special care for children.¹⁴⁷ Unfortunately, many transnational corporations continue to violate these standards.¹⁴⁸ This is why invoking the UDHR in the NRTC was so impactful; it implies that companies should strive to ensure all those working for them have their UDHR rights protected.

The NRTC also recognizes the historical damage that transnational corporations and various business enterprises have done to human rights.¹⁴⁹ It further notes the increasing influence of transnational corporations in recent years.¹⁵⁰ Due to their growth and previous impact on human

¹⁴² Decolonization. (2020). Retrieved September 25, 2020, from <https://www.un.org/en/sections/issues-depth/decolonization/>.

¹⁴³ Ibid.

¹⁴⁴ Draft Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights : draft Norms / submitted by the Working Group on the Working Methods and Activities of Transnational Corporations pursuant to resolution 2002/8, United Nations, 2003.

¹⁴⁵ Ibid.

¹⁴⁶ United Nations Universal Declaration of Human Rights, United Nations, 1948.

¹⁴⁷ Ibid.

¹⁴⁸ The Labor Institute, *Corporate Power and the American Dream*, April 1995, p. 11.

¹⁴⁹ Draft Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights : draft Norms / submitted by the Working Group on the Working Methods and Activities of Transnational Corporations pursuant to resolution 2002/8, United Nations, 2003.

¹⁵⁰ Ibid.

rights, it reaffirms that transnational corporations must be held accountable for their human rights violations.¹⁵¹ However, the bill does concede that most of the onus to promote human rights lies on the state.¹⁵²

The NRTC outlines six major areas in which companies and their respective states must protect human rights. The first of which is the right to equal opportunity and non-discriminatory treatment.¹⁵³ This means that multinational businesses must not discriminate against an individual “based on race, colour, sex, language, religion, political opinion, national or social origin, social status, indigenous status, disability, age, ... or other status of the individual unrelated to the inherent requirements to perform the job.”¹⁵⁴ The second way in which the NRTC protects human rights is by protecting every human’s right to safety and security. It does so by demanding that transnational corporations must not engage or benefit from violations of humanitarian law or cases of violence. While this may sound like a given, many companies still benefit from the violation of human rights, particularly worker’s rights.¹⁵⁵

The NRTC also outlines how transnational corporations must protect the rights of their workers in all countries in which the corporation operates, stating that “transnational corporations and other business enterprises shall not use forced or compulsory labour.”¹⁵⁶ Furthermore, it asserts that “transnational corporations and other business enterprises shall respect the rights of children to be protected from economic exploitation.”¹⁵⁷ The NRTC also claims that these companies must “provide a safe and healthy working environment” for all their workers.¹⁵⁸ Corporations are also mandated to pay their workers wages sufficient to support themselves and their families. Finally, transnational corporations must allow their workers to unionize and collectively bargain in order to

¹⁵¹ Ibid.

¹⁵² Ibid.

¹⁵³ Ibid.

¹⁵⁴ Ibid.

¹⁵⁵ Oosterveld, V. (2018). Gender-Based Crimes Against Humanity. Forging a Convention for Crimes Against Humanity, 16(4), 1st ser., 78-101. doi:10.1017/cb09780511921124.009.

¹⁵⁶ Draft Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights : draft Norms / submitted by the Working Group on the Working Methods and Activities of Transnational Corporations pursuant to resolution 2002/8, United Nations, 2003.

¹⁵⁷ Ibid.

¹⁵⁸ Ibid.

attain fair wages and working conditions.¹⁵⁹ Despite all these practices being mandated by the UN, many of them are not followed by large transnational corporations.¹⁶⁰

The three remaining specific areas of human rights that the NRTC protects are rights for national sovereignty, rights for consumer protection, and rights for environmental protection.¹⁶¹ With regards to national sovereignty, it states, “Transnational corporations and other business enterprises shall recognize and respect applicable norms of international law, national laws, regulations, administrative practices, the rule of law, the public interest, development objectives, social, economic and cultural policies.”¹⁶² Simply put, this mandates that corporations follow the national laws placed by each country they reside in, as well as relevant international law. With respect to consumer protections, the goods that transnational companies sell must be safe for consumers. Hence, there must be adequate testing for products that are sold internationally, as unfortunately some potentially harmful products are sold in developing nations by transnational corporations.¹⁶³ With regards to environmental protections, corporations have the responsibility to “conduct their activities in a manner contributing to the wider goal of sustainable development.”¹⁶⁴ However, due to the vague nature of this goal, many companies can claim they have the “wider goal of sustainable development” in mind, without actually doing anything to promote sustainable development. More broadly, the NRTC does not contain enforcement mechanisms, which means that even clear violations do not result in sanctions or other punitive measures.

¹⁵⁹ Ibid.

¹⁶⁰ Nelson, Jane. “A Responsibility for Government—How Far Should Companies Go?” in *Whose Responsibility? The Role of Business in Delivering Social and Economic Change*, ed. Amanda Jordan and Amy Lunt. Smith Institute, 2006.

¹⁶¹ Draft Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights : draft Norms / submitted by the Working Group on the Working Methods and Activities of Transnational Corporations pursuant to resolution 2002/8, United Nations, 2003.

¹⁶² Ibid.

¹⁶³ Louise Story & David Barboza, *Mattel Recalls 19 Million Toys Sent from China*, N.Y. Times (Aug. 15, 2007).

¹⁶⁴ Draft Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights : draft Norms / submitted by the Working Group on the Working Methods and Activities of Transnational Corporations pursuant to resolution 2002/8, United Nations, 2003.

Possible Solutions

There are two ways to effectively build on the NRTC. The first of which is adding more specificity to its recommendations on how companies protect human rights. With this, some particular areas must be enhanced in order for the NRTC to thoroughly tackle the many human rights abuses committed by multinational companies. The first of such area is environmental protection. One way that companies can become more sustainable is by committing to using zero-emission products.¹⁶⁵ Companies that commit to using zero-emission products typically end up paying more to create similar products than companies that emit a lot of carbon into the air. Nonetheless, by doing so the company can gain a significant amount of good press. If this is not enough of a motivator (and it very often is not), proper tax incentives for companies to reduce their carbon emissions can alter the incentive structure so that it makes more economic sense for companies to become carbon-free in the long run.¹⁶⁶

The NRTC must also be updated to further specify how to protect consumer privacy. With tech firms growing at exponential rates, there have been many concerns over how international companies have handled consumer data.¹⁶⁷ Because of how new many tech firms are, many of the laws about data privacy vary between countries.¹⁶⁸ This means that many tech firms which operate in multiple countries will often search for loopholes in collecting consumer data in each country they operate in.¹⁶⁹ However, with greater international standards for what type of data these companies can collect, the privacy of citizens can be better protected.

The other way in which the NRTC can be improved upon is by detailing incentives for companies to follow the guidelines of the NRTC. Steven Ratner, a scholar of law at Yale, argues that noncompliance with these principles arises because there are very few incentives for multinational companies to abide by any international laws.¹⁷⁰ Hence, this committee must work on building a

¹⁶⁵ International, F. (2015, July 16). Can Multinational Corporations Be Sustainability Leaders? Retrieved September, 2020, from <https://www.forbes.com/sites/forbesinternational/2015/07/06/can-multinational-corporations-be-sustainability-leaders/>.

¹⁶⁶ Ibid.

¹⁶⁷ Sun, Y., Zhang, J., Xiong, Y., & Zhu, G. (2014). Data Security and Privacy in Cloud Computing. *International Journal of Distributed Sensor Networks*, 10(7), 190903. doi:10.1155/2014/190903.

¹⁶⁸ Ibid.

¹⁶⁹ Ibid.

¹⁷⁰ Ibid.

framework to incentivize companies to abide by international law. In extreme cases, this could mean giving financial stimulus to companies that abide by international law, and taxing or sanctioning companies that do not abide by international law, but there are other types of rewards or penalties which can be deployed and which fall more squarely within the powers of SPECPOL. It is outside the purview of the UN to directly tell companies how to operate, or to create trade agreements between companies.¹⁷¹ However, the UN and its subsidiary bodies can encourage countries to take action to regulate corporations.

¹⁷¹ Vila, S. (2017, November 01). The treaty on transnational corporations and human rights enters "negotiation mode". Retrieved September 25, 2020, from <https://www.foei.org/features/treaty-transnational-corporations-human-rights-enters-negotiation-mod>.

Bloc Positions

There are two somewhat distinct blocs that naturally arise in the discussion of transnational companies: developed nations and developing nations. Most transnational companies originated in and are headquartered in a developed nation. Most of the exploitive practices by transnational corporations are carried out in developing nations. This division is not perfect. In fact, there is not necessarily only one way to delineate developed and developing nations. However, understanding countries' positions through their levels of development serves as a good springboard for delegates' further research into their own country.

Developed Nations

Developed nations have a vested interest in ensuring that their companies are able to exploit foreign markets. This is because a significant proportion of the taxes that governments in developed nations collect come from corporations, transnational corporations in particular.¹⁷² This helps increase the wealth of the nation. However, it also comes at the detriment of foreign nations, as they are not able to collect income tax from their extremely low earning citizens.¹⁷³ That being said, some developed nations are very adamant about protecting human rights across the globe. For that reason, each country will have a slightly more nuanced policy on how they hope global minimum wages change than this simple categorization may suggest.¹⁷⁴

This bloc also has a vested interest in environmental changes across the globe. Developed nations tend to have the ability to plan for long-term economic situations due to accumulated wealth.¹⁷⁵ Because of this, developed nations are better able to prepare for climate change. However, given an emphasis on global competition, nations are not properly incentivized to make their own changes

¹⁷² Lapatinas A, Kyriakou A, Garas A (2019) Taxation and economic sophistication: Evidence from OECD countries. PLoS ONE 14(3): e0213498. <https://doi.org/10.1371/journal.pone.0213498>.

¹⁷³ Ibid.

¹⁷⁴ Ibid.

¹⁷⁵ Canada, G. (2020, June 23). Climate change in developing countries. Retrieved September 25, 2020, from https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/environmental_protection_protection_environment/climate-climatiques.aspx?lang=eng.

the protect the environment, especially at the cost of profits.¹⁷⁶ Because of this, it is essential that developed nations work together in order to make sure companies do more for the environment.

Developing Nations

Developing nations have historically been victims of colonization. Colonization involved the colonizing nation stripping away the colony of its resources, or monopolizing the exploitation of these resources. Even decades after formal colonization ends, many developing nations are left with extremely minimal employment opportunities for their citizens.¹⁷⁷ Because there are more potential workers available than jobs available, these companies are able to negotiate extremely low wages across the world.¹⁷⁸ Wage laws and international protections for workers will be important to countries in this bloc.

Developing nations are not a monolith though. They will differ in the extent to which their economies are dependent on foreign transnational corporations. They will differ in the extent to which their environments have been degraded or the workers exploited by these corporations. As always, specific research on a delegate's assigned nation is essential to understand how that nation will approach a solution.

¹⁷⁶ Ibid.

¹⁷⁷ Ibid.

¹⁷⁸ Ibid.

Glossary

Business Ethics: Business ethics is the field of study which examines the role of ethics in corporate practice, often focusing on the externalities that a company creates.

Centralized Corporation: A centralized corporation is a corporation with one main headquarters.

Colonialism: Colonialism is the practice of taking over another country or territory through force or other coercion.

Developed Nation: Developed nations are nations with high average incomes per resident.

Developing Nations: Developing nations are nations with low average incomes per resident. Developing nations tend to have different regulations and minimum wages than developed nations.

Decentralized Corporation: A decentralized corporation is a corporation with operational offices across multiple countries.

East India Company: The East India Company was a company affiliated with the British government that helped England colonize much of the East.

Externalities: Broadly, externalities are the effects of an action that don't directly affect the party that performed the action, such as the pollution created by a factory.

Global Corporation: A corporation which sells products globally is a global corporation.

Globalism: Globalism is the idea that countries need to cooperate through trade and other agreements in order to improve the lives of everyone.

Imperialism: Imperialism is the philosophy that nations should set up colonies in other regions of the world.

Multinational Corporation: A multinational corporation is a corporation that has substantial operations in multiple countries.

Norms on the Responsibilities of Transnational Corporations and other Business

Enterprises with Regard to Human Rights: The NRTC is the main guideline the UN has for the ethical responsibilities of multinational corporations. This document should serve as a point of reference for delegates as they consider how to improve it.

Occupational Safety: Occupational safety describes minimizing the health risks of working a specific job.

Profit: A company's profit is how much money they make minus the amount of money they spend.

Subsidiary Company: A subsidiary company is a small company that is owned by a larger company.

Transnational Corporation: A corporation which is centralized, decentralized, and global at the same time is a transnational corporation. Most corporations this committee will deal with will be transnational, and multinational and transnational corporations will be used interchangeably.

UN Universal Declaration of Human Rights: The UN UDHR is one of the most important pieces of UN legislation written. It outlines what inalienable rights humans deserve simply because they are human.

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