Economic and Financial Committee

Promotion of Sustained Economic Growth in Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs).

Lukas Chalupka

Letter from the Chair

Distinguished delegates,

It is my pleasure to welcome you to the Zilina Model United Nations conference of 2015, on behalf of my own as well as in the name of all the other members of the staff. Especially, I am delighted that you have decided to participate in the Economic and Financial Committee I will be the chairperson of.

My name is Lukas Chalupka, I am second-year student of Government and Economics at the London School of Economics and Political Science and I am veteran of about 10 MUN conferences. I see MUN as an incredible chance to relax and to engorge myself in the debate, as well as a chance to challenge my negotiation skills and to broaden my horizons. I want the delegates in my committee to enjoy each and every aspect of MUN as much as I do, so I will do my best to make ZAMUN 2015 a conference you will remember for years to come.

I believe that this study guide will help to aim your investigation by providing you with a list of sources where you can find some basic information about the problem and so it will help you to identify the major points of clash. However, I want to encourage you to do further reading to gain a deeper insight into the issue. The more information you will have, the better-quality discussion you can lead. Likewise, I would like to recommend you to put special emphasis on the position of the country you will represent as well as on the positions of the countries that can be your closest allies or major opponents. The better you know the position of these states, the better you can cooperate on defending the position of your own country. Eventually, I want to emphasise the necessity of mastering the Rules of Procedure. Therefore, I would like to suggest you to read through the ZAMUN 2015 Rules of Procedure.

If you have any further questions concerning the topic do not hesitate to contact me at lukas.chalupka@gmail.com. Please, use "your country, ZAMUN 2015" as the subject.

I look forward to meeting you in person at the conference and the fruitful debates.

Yours faithfully,

Lukas Chalupka

Introduction to the Committee

Economic and Financial committee is one of the six committees of the UN General Assembly also known as the second committee. Like other committees it was formed after the WW1. ECOFIN is open and equal to all 193 member states of the UN. All resolutions passed in ECOFIN are non-binding, nonetheless hold immense importance in the international community. Through policy dialogue and oversight for specialized agencies, functional commissions, and regional commissions, ECOFIN's mandate allows for the responsibility to address problems with comprehensive approaches.

As the name implies the primary aim of ECOFIN is the promotion of economic development. ECOFIN was created with the purpose to "promote international co-operation in the economic field," as outlined in Article 13 of the United Nations. Charter of 26 June 1945. According to its mandate, ECOFIN aims to discuss "macroeconomics policy questions like financing for development, globalization and eradication of poverty.''

In the past ECOFIN has addressed issues of financial sustainability and economic cooperation between countries. From general to specific groups of countries, the committee has laid great stress upon the issue of Least Developed Countries and Landlocked Developing Countries. Moreover discusses variety of International Measures for preventing financial crisis.

ECOFIN is engaged in improving the quality of debate and the impact of the decisions made. The committee has also works in collaboration with IMF and The World Bank in order to promote welfare and economic stability, and also is responsible to promote economic development but in a sustainable manner as where environmental sustainability must not be ignored.

It plays a unique role within the United Nations as a primary organ tasked with discussing crosscutting issues related to development, cooperation financial stability. In addressing these issues, ECOFIN may make recommendations, initiate studies and submit draft conventions to the General Assembly. The General Assembly Plenary Second Committee the delegates will not just propose solutions only but instead be able to debate the events leading to these concerns. Unfolding these scenarios and understanding of current events is essential for a productive discussion in the committee session.

Introduction to Topic

In 1971, the international community recognized the existence of a category of countries whose distinctness lies not only in the profound poverty of their people but also in the weakness of their economic, institutional and human resources, often compounded by geophysical handicaps, which are currently identified as "least developed countries". These countries are particularly ill-equipped to develop their domestic economies and to ensure an adequate standard of living for their populations. Their economies are also acutely vulnerable to external shocks or natural disasters. The group of LDCs thus constitutes the weakest segment of the international community and the economic and social development of these countries represents a major challenge for themselves as well as for their development partners.[1]

Since 1971, the United Nations General Assembly decided to hold four United Nations Conferences on the Least Developed Countries, and two United Nations Conferences on Landlocked Developing Countries which were recognized to experience further difficulties in their trade and development process as a consequence of their lack of direct access to sea transportation and their isolation and remoteness from major world markets.[2] These Conferences formulated several national and international measures for accelerating the development process in the least developed. Nonetheless, the problems of the least developed countries and landlocked developing countries have not been alleviated yet and so these countries are being outperformed and outgrown by the more developed nations.

This Study Guide will present a broad overview of even broader topic of economic growth in the developing countries. It will not try to show you what points to put into resolution or try to pitch two position one against another, but rather it will give you an outline for your research. We have tried to show you, dear delegates, most-widely believed reasons for the economic underperformance of the least developed countries, the solutions that have already been tried by the United Nations, and measures that if implemented or regulated might be further sources of economic growth.

Statement of the Issue

This section of the Study Guide will focus on the major problems which the least developed countries and landlocked developing countries are facing. Nonetheless, we would like to encourage you to look for further barriers to economic growth as the list of the issues is far from being exhaustive. In addition, we want you to bear in mind that despite the fact that these barriers to growth and development can be separated into different categories, many of these barriers, although in different categories, are interconnected.

Least Developed Countries

Structural Dependence on Export of Minimally Processed Natural Resources

If we look at the economic performance of countries all around the world, an interesting trend can be observed. The data shows economic stagnation in resource-rich Africa while rapid growth in resource-poor East Asia. In fact, the developing world's leading hard-rock mineral exporters had a per capita GDP growth rate at half the rate of a control group of non-mineral states. This anomaly, or resource curse, can be explained by structural dependence of these developing countries on export of minimally processed natural resources, including hard rock minerals, petroleum, timber, and agricultural commodities.[3]

There are several alleged reasons why structural dependence on export of minimally processed natural resources hinders economic growth:

- International commodity markets are inherently unstable. Therefore, government revenues and foreign exchange supplies are unreliable while private investments are prohibitively risky, which is detrimental to economic growth.[4]
- There are poor economic linkages between resource and non-resource sectors. Therefore, resource industries were unlikely to stimulate growth in the rest of the economy, particularly if foreign multinational companies dominated resource extraction and were allowed to repatriate their profits instead of investing them locally.[5]
- Resource booms produce a type of short-sightedness among policymakers, which results insufficient economic planning and in sufficient diversification and makes countries vulnerable to the volatile international markets.[6]
- Resource exports tend to empower sectors, classes, or interest groups that jealously guard the status quo and favour growth-impeding policies.[7]

Quality of Human Capital

The concept of human capital formation refers to the process of acquiring and increasing the number of people who have the skills, good health, education and experience that are critical for economic growth.[8] It is widely agreed that the level of human capital is strongly correlated with the level of economic growth. The intensive use of human capital accounts for increased productivity and technological growth that stimulates economic growth in terms of growth in GDP. This is done by expanding the education-intensive research and development industry and facilitating technological innovations at the heart of economic expansion. Hence, human capital serves as a driver for economic growth and provides motivation for human capital policies in developing countries.[9]

Amount of schooling completed by individuals became virtually synonymous with the measurement of human capital in past decades and the developing countries have made considerable progress in closing the gap with developed countries in terms of school attainment.[10] Nonetheless, the role of school attainment alone in the economic growth generation can be questioned. In fact, differences in economic growth across countries are closely related to cognitive skills as measured by achievement on international assessments of mathematics and science and once cognitive skills are incorporated into empirical growth models, school attainment has no independent impact on growth. Hence, putting emphasis school attainment rather than on the quality of schools does not necessarily generate desired economic growth. Consequently, data suggests that despite closing gap in school attainment, terms of cognitive skills, little closing of the gaps between developed and developing countries has occurred. This can be attributed to general focus on universal school attainment rather than schooling quality underlying the campaigns of Education for All and Millennium Development Goals.[11]

Migration

Not only quality of schooling, but also migration has significant effects on the quality of human capital in the developing countries. The term 'brain drain' designates the international transfer of resources in the form of human capital and mainly applies to the migration of relatively highly educated individuals from developing to developed countries. The data suggest that between 1990 and 2000, 63.7% increase in the number of highly skilled immigrants living in the OECD member countries was recorded, while in the same time period, the population of only unskilled immigrants has grown only by 14.4%.[12]

Despite the brain drain is often viewed as purely undesirable phenomena, research shows that both and negative consequences of brain drain exist. Firstly, positive effects of migration:

- since the return to education is higher abroad, migration prospects can raise the expected return to human capital and induce more people to invest in education at home;
- remittances sent home by migrant workers represent the second most important source of external funding in developing countries (official international remittances now total $93 billion per year and are about twice as large as the level of official aid-related inflows to developing countries;
- some of the migrant workers return back to their home country with additional skills acquired abroad and with scientific and/or business connections with the developed country.[13]

Secondly, negative effects of migration

- loss of skills for the source country;
- loss of ideas and innovation;
- loss of the nation’s investment in education;
- loss of tax revenues;
- loss of critical services in the health and education sectors.[14]

A heated debate is led in the scientific circles about how the positive and negative effects of the brain drain just described balance out. Empirical studies suggest that countries combining relatively low levels of human capital and low skilled emigration rates are more likely to experience a beneficial brain drain (net positive effect) and conversely. The situation of many small countries in Sub-Saharan Africa and Central America, in particular, is extremely worrisome. In contrast, the main globalisers (China, India, Brazil) all seem to experience non-negligible gains. Once translated into numbers, these gains outweigh the losers' losses, resulting in an overall gain.[15]

Inability to Access International Market

Integration into global markets offers the potential for more rapid growth and poverty reduction. But market barriers to some key developing country exports have made it harder for the least developed countries to take full advantage of this opportunity. Estimates of the welfare gains from eliminating barriers to merchandise trade—in both industrial and developing countries—range from US$250 billion to US$620 billion annually, with about one-third to one-half accruing to developing countries.[16]

Despite the fact that successive rounds of multilateral negotiations (Annecy, Torquay, Geneva, Dillon, Kennedy, Uruguay and Doha Rounds of Trade Negotiations) have lowered average levels of protection and have improved market for developing countries in particular, some protectionist measures holding back export-led growth and greater diversification in developing countries still remain:[17]

Agriculture is widely subsidized in the economically developed countries. Much of this support increases with the level of output, contributing to excess production that competes with developing country farmers for markets. Since about three-quarters of the world's poor still live in rural areas, mostly dependent on agriculture, these subsidies have a substantial negative effect on the least developed countries. This negative effect is magnified further by the tariffs imposed on agricultural imports from LDCs, which exceed those on typical inter-OECD exports by factors of 10 or more.[18]

The pattern of protection creates particular hurdles for countries taking the first steps up the technology ladder. Protection is relatively low for primary products, but increases sharply for low-technology, labor-intensive food processing and light industries, declines somewhat in the medium-technology range—such as automotive products—and is lowest at the upper end of the technology spectrum.[19] By reducing demand for more processed imports from developing countries, tariff escalation hampers the expansion of their processing industries and export diversification.[20]

Human Rights

Wealth is a key determinant of government ability to advance basic rights. This is because the greater the potential resources to the government, the more it is able to fund basic subsistence, literacy, and health programs. Data confirm this thesis and suggest that freeing up budget constraints helps in promoting of basic human rights, but higher government spending is neither necessary nor sufficient cause of human rights development. Other factors, most notably democratic political institutions, influence a government's willingness to promote human rights, which is at least as important as government's ability to do so.[21]

Landlocked Developing Countries

In spite of technological improvements in transport, landlocked developing countries continue to face structural challenges to accessing world markets. As a result, landlocked countries often lag behind their maritime neighbours in overall development and external trade. [22] Nine of the twelve countries with the lowest Human Development Index scores are landlocked, thirteen landlocked countries are classified as 'low human development' and not one of the non-European landlocked countries is classified as 'high human development'.[23]

The relatively poor performance of many landlocked countries can be attributed to distance from coast and the difficulty of land transportation over great distances — a problem that, despite huge technological advances, remains today.[24] The ratio of transport and insurance costs to the total value of exports, in aggregate, is roughly 9% greater for landlocked countries than for the maritime countries and for a majority of regions, the average ratio for landlocked countries is nearly twice larger than that of the maritime countries.[25] High transportation costs typically place landlocked countries at a distinct disadvantage relative to their coastal neighbours when competing in global markets, so geographically remote areas have difficulty realizing gains to specialization and associated benefits.[26] Hence, landlocked countries on average export less than one-half of the per-capita amount of their maritime neighbours.[27]

Distance alone, however, cannot explain why landlocked countries are at a disadvantage compared with equally remote, inland regions of large countries. For instance, some regions of China, India and Russia lie further from the coast than many landlocked countries like Azerbaijan and Moldova. While these inland subnational regions indeed face great distance-based cost disadvantages relative to their maritime counterparts, they do not have to face the challenges that result from a dependence on passage through a sovereign transit country. There are different forms of dependence on other countries' transit routes for access to overseas markets:

> Landlocked countries are completely dependent on their transit neighbours' infrastructure to transport their goods to port. Weak infrastructure imposes direct costs on trade passing through a transit country and thus limits the ability of landlocked country products to compete in global markets and limits the return to investment. This challenge is most acute in eastern and western Africa (e.g.: Burundi limited by Tanzania, CAR limited by Cameroon and DRC) and in the countries that mainly export primary commodities with low value to cost ratios (e.g.: Botswana, the economy's heavy dependence on diamonds, allows the country to bypass transit neighbour infrastructure by utilizing air transport).[28]

Landlocked countries depend on strong political relations with transit countries. Although there is a legal basis for rights of landlocked transit as outlined in Article 125 of the UNCLOS,[29] in practice, this right of access must be agreed upon with the transit and is determined by the relationship between the countries.

Landlocked country still must rely on peace and stability within the transit country. When transit countries suffer from civil war, transit routes can be damaged or closed, which often requires a rerouting of major trade corridors or, in the worst case, a stoppage of transit. [30]

Landlocked countries are also subject to the administrative burdens associated with border crossings (e.g.: custom charges), with these often adding the greatest amount to shipping costs (in the eastern Africa, direct administrative costs comprise as much as 20% of the freight costs[31]). Nonetheless, these direct costs form only a small part of the picture. International transit also requires burdensome paperwork and bureaucratic procedures that are costly to deal with and place a high administrative burden on shippers (e.g.: border crossings causing delays) and corruption has also imposed significant costs on trade in central Asia and the South Caucasus. Administrative burdens are often connected to political relations with the country, with the burdens increasing as a response to the souring of cross-border relations. [32]

From the previous paragraphs it follows that fortunes of a landlocked country are strongly tied to the fortunes of the regional economies to which it has linked itself, making the country vulnerable. When landlocked economies are also developing economies, not only do these vulnerabilities have immediate implications for growth and development outcomes, but they may interact with and magnify some of the attributes of underdevelopment itself.[33]

Past UN Actions

Least Developed Countries

First United Nations Conference on the Least Developed Countries

The conference was held in Paris in 1981 and allowed the international community to adopt the Substantial New Programme of Action. Programme contains guidelines for domestic action by the least developed countries, which were to be complemented by international support measures. However, despite the major policy reforms initiated by many least developed countries to carry out a structural transformation of their domestic economies, and the supportive measures taken by a number of donors in the areas of aid, debt and trade, the economic situation of these countries as a whole worsened in the 1980s.[34]

Second United Nations Conference on the Least Developed Countries

The Paris conference of 1990[35] reviewed the socio-economic progress made in the least developed countries in the 1980s, and formulated national and international measures for accelerating the development process in the least developed countries for the 1990s. The outcome of the Conference was embodied in the Paris Declaration and Programme of Action for the Least Developed Countries for the 1990s, wherein the international community committed itself to urgent and effective action, based on the principle of shared responsibility and strengthened partnership, to arrest and reverse the deterioration in the socio-economic situation in the least developed countries and to revitalize their growth and development. The Programme goes beyond the Substantial New Programme of Action adopted in 1981 and contains many novel features: the emphasis is placed on the need for development to be human-centred and broadly based, and the Programme includes respect for human rights and observance of the rule of law, the need to improve and expand institutional capabilities and efficiency, and the importance of decentralization, democratization and transparency at all levels of decision-making. In addition, the international community, particularly the developed countries, collectively committed itself to a significant and substantial increase in external financial support.[36]

Third United Nations Conference on the Least Developed Countries

Ten years after the adoption of the Paris Programme of Action the objectives and goals set therein have not been achieved. Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 focused on:

A significant reduction in extreme poverty (taking into account not only the sheer economic aspects, but also the social, human and environmental dimension);

Developing human and institutional resources to support sustained growth and sustainable development;

Removing supply-side constraints and enhancing productive capacity and promoting the expansion of domestic markets to accelerate growth, income and employment generation;

Accelerating LDCs' growth with the aim of enhancing their share in world trade and global financial and investment flows;

Environmental protection, accepting that LDCs and industrialized countries have common but differentiated responsibility;

Attaining food security and reducing malnutrition.[37]

Fourth United Nations Conference on the Least Developed Countries

In the decade between the adoption of the Brussels Conference of 2001 and Istanbul Conference of 2011, least developed countries had made some progress in economic, social and human development; however, 75 per cent of the least developed countries' population still lived in poverty.[38] The Istanbul Declaration and Programme of Action outline the strategy for sustainable development of the least developed countries for the next decade with strong focus on improving the productive capacity of LDCs. It places the primary responsibility on LDCs for their own development and emphasises the need for genuine partnership between LDCs and the donors. During the next 10 years, LDCs' national policies of LDCs and international support measures will focus on the following specific objectives:

Achieve sustained, equitable and inclusive economic growth by strengthening the LDCs productive capacity;

Build human capacities by fostering sustained, equitable and inclusive human and social development, gender equality and the empowerment of women;

Reduce the vulnerability of LDCs to economic, natural and environmental shocks and disasters through strengthening their resilience;

Ensure enhanced financial resources;

Enhance good governance at all levels, by strengthening democratic processes, institutions and the rule of law.[39]

Landlocked Developing Countries

International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation

The conference was held in Almaty, Kazakhstan in August 2003 and was aiming to stimulate international solidarity and partnership to assist landlocked developing countries to effectively participate in the international trading system, though, among other things, establishing transit systems. The major outcome of the conference was Almaty Declaration and Programme of Action establishing a new global framework for developing efficient transit transport systems in landlocked and transit developing countries. The Programme suggests five measures to be undertaken by both landlocked and transit developing countries (with the support of their development partners) to achieve its objectives:[40]

Policy improvements (reducing customs bureaucracy and fees);

Improved rail, road, air and pipeline infra-structure;

International trade measures (give preferential treatment to landlocked countries' goods, making them more competitive);

Technical and financial international assistance by the international community (lend know-how and money to landlocked and transit countries for infrastructure and policy improvements);

Producing an annual review of the progress made to be presented before the United Nations General Assembly.[41]

Second United Nations Conference on Landlocked Developing Countries

The conference was held in Vienna, Austria in November 2014. The major outcome of the conference was Vienna Programme of Action offering review and assessment of the implementation of the Almaty Programme of Action and six clearly defined priorities addressing, in a holistic manner, the special development needs and challenges of landlocked developing countries arising from their landlockedness, remoteness and geographical constraints:[42]

Fundamental transit policy issues (simplification and standardization of rules and documentation)

Infrastructure development and maintenance (including transport infrastructure, information and communications technology and energy infrastructure)

International trade and trade facilitation (improving competitiveness in international trade, diversifying the production and streamlining and harmonization of customs and transit procedures)

Regional integration and cooperation (promote meaningful regional integration to encompass cooperation among countries in a broader range of areas such as investment, research and development, and policies)

Structural economic transformation

Means of implementation (calling for support of development partners)[43]

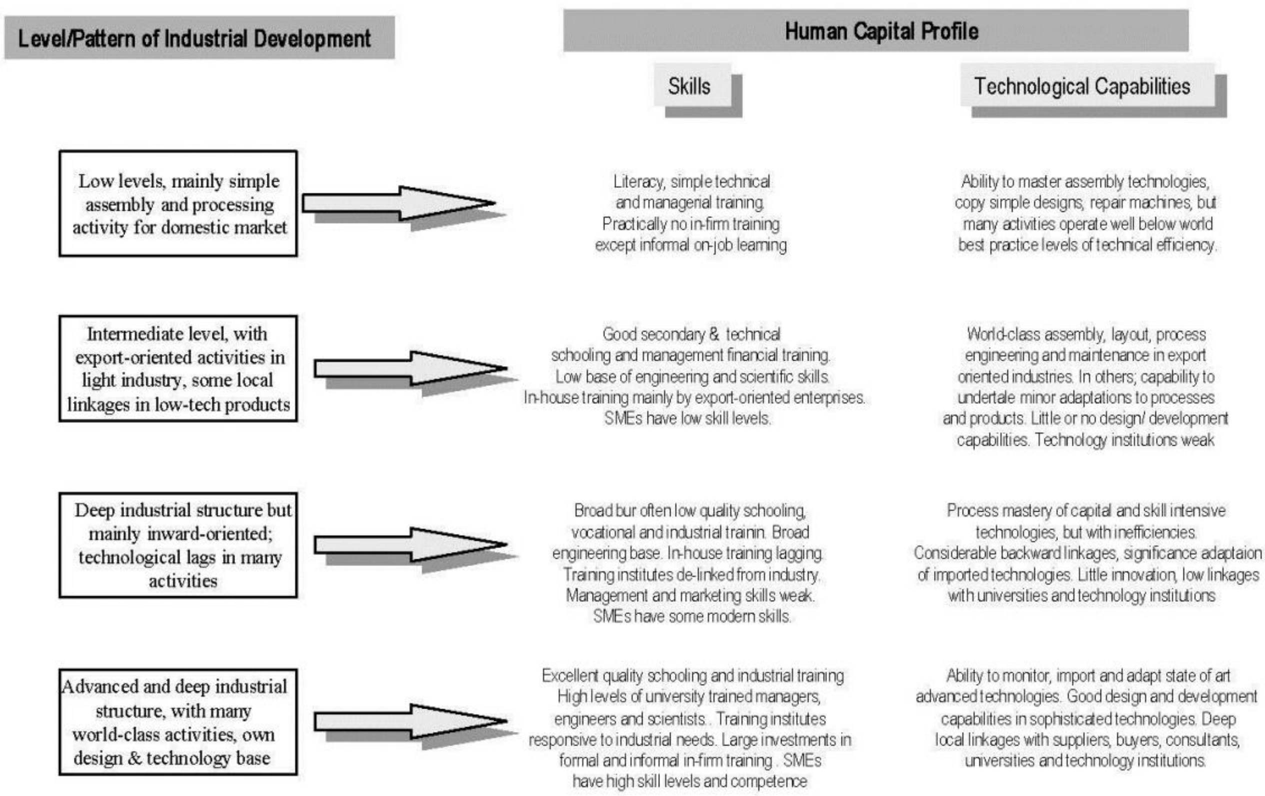
Possible Solutions

In this section of the Study Guide, the most widely discussed solutions for achieving economic growth in the least developed countries and landlocked developing countries will be outlined. Nonetheless, it is up to you, distinguished delegates, to assess the desirability and the modes of possible implementation of these solutions. In addition, we would like to point out that these are not the only solution available; therefore, we would like to encourage you to look for further solution or modifications of the outlined solutions which might be more in line with your country's position. Some of these solutions follow directly from the problems stated in the previous section, (e.g.: if tariff escalation is a problem, the tariff de-escalation might be a solution) others have already been used, in one way or another, by UN.

Least Developed Countries

Human Capital Development Strategies

HCD strategies need to be situated within the developmental context of a country – we must take into account the workforce needs, skills and competencies, level of technology and level of industrial development. The figure bellow assigns Human Capital Development strategy (consisting of two distinct processes – skill development through formal education and training and capability formation through specific technology-based experience) to developmental context of a country: [44]



45

Nonetheless, relatively high opportunity cost of providing education should be taken into account. In a sense, human capital accumulation is just like investment, as current costs are associated with future benefits. Therefore, both time and resources invested into education in the current period can be used to produce output in the current period instead. However, by acquiring schooling people accumulate skills (human capital), and a more highly skilled labour force in the future permits more future output to be produced.[46] In addition, further resource constraints in the developing countries need to be taken into account. Many LDCs frequently find it is necessary to make decisions about whether to spread resources broadly across their population to provide as great of coverage as possible for its schools or to concentrate resources on those students identified as the best. [47]

Foreign Direct Investment

Foreign direct investment (FDI) and trade are often seen as important catalysts for economic growth in the developing countries. FDI is an important vehicle of technology transfer from developed countries to developing countries and also stimulates domestic investment and facilitates improvements in human capital and institutions in the host countries.[48]

Even though past studies show that FDI and trade have a positive impact on economic growth, the size of such impact may vary across countries depending on the level of human capital, domestic investment, infrastructure, macroeconomic stability, and trade policies:

> The magnitude of positive effect of FDI on economic growth depends on the stock of human capital available in the host economy. In fact, for countries with very low levels of human capital the direct effect of FDI is negative. [49]
>
> The growth-enhancing impact of FDI on domestic investment depends critically on the absorptive capacity of a host country, since there are two opposite effects of FDI: attraction of complementary activities and displacement of domestic competitors. The data suggest that FDI exerts a positive, though not strong, effect on domestic investment, presumably because the attraction of complementary activities dominates the displacement of domestic competitors.[50]
>
> Sound macroeconomic policies and institutional stability are necessary preconditions for FDI-driven growth to materialize. Lowering the inflation rate (indicating that the host country's macroeconomic policies are stable and disciplined), tax burden (making the investments, foreign and domestic, more profitable), and government consumption would advance economic growth in developing countries. [51]

FDI can be more productive than domestic investment. Domestic firms have better knowledge and access to domestic markets; if a foreign firm decides to enter the market, it must compensate for the advantages enjoyed by domestic firms. It is most likely that a foreign firm that decides to invest in another country enjoys lower costs and higher productive efficiency than its domestic competitors. In the case of developing countries in particular, it is likely that the higher efficiency of FDI would result from a combination of advanced management skills and more modern technology; FDI may be the main channel through which advanced technology is transferred to developing countries.[52] Different types of economic distortions, however, may jeopardize the role of FDI as a means for advanced technology transfer.[53]

Border Control – Solution to Migration?

In the past five decades, there has been a considerable and persistent growth in the number of people migrating from less-developed countries to developed countries. The distributional impacts of international migration often have political consequences, which give politicians an incentive to manage the levels of restrictiveness in immigration policies. However, in spite of substantial efforts, restrictive immigration policies and the militarisation of border controls have failed to significantly curb immigration from developing countries. Given that the most obvious cause of migration from developing countries is the disparity in the levels of income, employment and social well-being, one 'smart solution' often proposed by some scholars, development practitioners and politicians is to promote social and economic development in the less-developed migrant-sending countries as a way of curtailing immigration The underlying assumption for these proposals is that aid, trade and other development promoting incentives can generate 'rapid' economic growth and development in the migrant-sending countries. This will, in turn, induce potential low income migrants to stay at home (IOM and UNCTAD, 1996). Thus, development promotion policies are expected to address the root causes of migration and lead to a reduction in the migrant flows.[54]

In addition, both international migration and remittances significantly reduce the level, depth, and severity of poverty in the developing world. Results suggest that, on average, a 10% increase in the share of international migrants in a country's population will lead to a 2.1% decline in the share of people living on less than $1.00 per person per day.[55]

Human Rights Based Approach to Development

From a rights-based perspective, poverty is seen as a denial or violation of human rights. Increasing poor people's ability to claim their socio-economic rights was thus seen as an integral part of poverty eradication and overall development. In this framework, the role of NGOs was to support the process of claiming rights by local people and their organizations, especially through the provision of funding, training and capacity building. The rights-based approach as an alternative development model is attractive for a number of reasons: Firstly, rights-based approaches resonate with the idea of participation as a more transformatory approach to development. Indeed, rights-based approaches are seen as potentially 'repoliticizing' participation by focusing both on the processes of local political action, such as grassroots mobilization, collective action and advocacy, and on their outcomes. Secondly, given its basis in international law, the rights-based approach involves a move towards development as an entitlement and away from notions of benevolence and charity. Finally, rights-based approaches also imply a constructivist approach through which oppressed or exploited groups may articulate and advocate for rights that are not yet recognized by law. In such instances, rights-based approaches may entail struggles for rights not currently institutionalized into the international human rights framework. Nonetheless, rights-based approaches is still very young and so key academic analysts have remained sceptical whether the rights-based approaches will truly deliver on their promises.[56]

Landlocked Developing Countries

Landlocked developing countries need to place particular emphasis on developing their internal transportation infrastructure. Trade is significantly affected by transportation costs, so investments in railways and roads — both construction and maintenance — are crucial for keeping these costs down.[57]

Regional infrastructure integration strategies are needed to develop active trade routes and to expand market access for landlocked countries. Internal infrastructure in the landlocked countries will yield limited returns if not accompanied by similar investments in transit countries. Similarly, regional integration strategies need to focus on administrative coordination (such as standardize border procedures), thus reduce transport costs incurred due to time inefficiencies[58]

Landlocked countries need to invest, where possible, in developing industries less affected by transport costs. This includes shifting away from primary commodities, which are subject to major price fluctuations and low value to weight ratios, toward those with higher value or lower transport costs relative to value of goods.[59]

Block Positions

When looking for the block position your country should take in the issue, several factors has to be considered. I have formulated a series of questions which may help you to find the position your country should take:

- Is your country developing country, landlocked developing country or developed country?
- How is your country affected by the problems of LDC and LLDC?
    - What are the major industries in your country?
        - Is your country employing protectionist measures?
        - Is your country affected by protectionist measures?
    - Is your country facing immigration/emigration pressures?
    - Is your country donor of development aid/FDI?
- How is your country currently coping with the problem?
    - What are the policies of your country towards LDCs and LLDCs?
        - Are these policies effective?
        - Do you need/want to try something new?
    - Can you offer some knowhow to other countries coping with similar problems?
    - Do you want to propagate any particular solution of the problem?
- Is your country cooperating with her neighbours/international organisations?
    - Do you need to cooperate?
    - Can you rely on your partners that they will not free-ride on you trying to resolve the problem?
- What are the (political, economic, etc.) connections of your country with the other countries in the committee?
    - Are your particularly dependent on any of the country in the committee?
    - Do you need/want/have to support the opinion of any of your partners?
    - Do you need/want/have to block the opinion of any of your opponents?

Resources

[1] Second United Nations Conference on the Least Developed Countries, “Paris Declaration and Programme of Action for the Least Developed Countries for the 1990s,” United Nations, (1990), accessed on December 29, 2014, http://www.cinu.org.mx/temas/desarrollo/dessocial/ldc/ldc2_en.pdf .

[2] International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, “Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries,” United Nations, (2003), accessed on December 29, 2014, http://www.unece.org/fileadmin/DAM/trans/doc/cd/Almaty_PoA.pdf .

[3] Michael L. Ross, “The Political Economy of the Resource Curse,” *World Politics*, Vol. 51, No. 2 (1999), 297-322.

[4] Jere R. Behrman, "Commodity Price Instability and Economic Goal Attainment in Developing Countries," *World Development* 15, no. 5 (1987).

Gerald Tan, "Export Instability, Export Growth and GDP Growth," *Journal of Development Economics* 12 (1983).

Cristian Moran, "Export Fluc tuations and Economic Growth," *Journal of 'Development Economics* 12 (1983).

[5] Augustin Kwasi Fosu, "Effect of Export Instability on Economic Growth in Africa," *Journal of Developing Areas* 26 (1992).

[6] Ross, “The Political Economy of the Resource Curse,” 298.

[7] Ibid., 299-301.

[8] Sushil Kumar Haldar and Girijasankar Mallik, “Does Human Capital Cause Economic Growth? A Case Study of India,” *International Journal of Economic Sciences and Applied Research* 3 (1): 7-25 (2010), 8.

[9] G. Becker, K. Murphy, & R. Tamura, R., “Human capital, fertility and economic growth,” *Journal of Political Economy*, 98 (5): 12-37, (1990).

[10] Eric A. Hanushek, “Economic growth in developing countries: The role of human capital,” *Economics of Education Review*, 37 204–212 (2013), 204.

[11] Ibid., 210-211

[12] Michel Beine, Frederic Docquier and Hillel Rapoport “Brain Drain and Human Capital Formation in Developing Countries: Winners and Losers,” (2008), The Economic Journal,Vol. 118, No. 528 (Apr., 2008), pp. 631-652.

[13] Richard H. Adams Jr. and John Page, “Do International Migration and Remittances Reduce Poverty in Developing Countries?,” (2005), World Development Vol. 33, No. 10, pp. 1645–1669.

[14] OECD Development Centre, “The Brain Drain and Negative Social Effects: When is the Home Country Hurt?,” (2007) accessed on March 6, 2015, http://www.oecd-ilibrary.org/development/policy-coherence-for-development-2007_9789264026100-en;jsessionid=c906dli1qh3k.x-oecd-live-03.

[15] Beine et.al. “Brain Drain and Human Capital Formation in Developing Countries: Winners and Losers,” (2008).

[16] International Monetary Fund and the World Bank, “Market Access for Developing Country Exports—Selected Issues,” (2002) accessed on December 28, 2014, https://www.imf.org/external/np/pdr/ma/2002/eng/092602.pdf, 4.

[17] International Monetary Fund and the World Bank, “Market Access for Developing Country Exports—Selected Issues,” (2002), 10.

[18] International Monetary Fund and the World Bank, “Market Access for Developing Country Exports—Selected Issues,” (2002), 4-6.

[19] Cernat, Lucian, Sam Laird, and Alessandro Turrini, "Back to Basics: Market Access Issues in the Doha Agenda," *New York and Geneva: United Nations Conference on Trade and Development*, (2002).
[20] IMF and WB, "Market Access for Developing Country Exports—Selected Issues," 15.
[21] Lanse Minkler and Shawna Sweeney, "On the Indivisibility and Interdependence of Basic Rights in Developing Countries" (2011) Human Rights Quarterly > Volume 33, Number 2.
[22] Michael L. Faye , John W. McArthur , Jeffrey D. Sachs & Thomas Snow, "The Challenges Facing Landlocked Developing Countries," *Journal of Human Development*, 5:1, (2004), 31.
[23] United Nations Development Programme, "Human Development Report", (2002), New York.
[24] Faye et.al. The Challenges Facing Landlocked Developing Countries, 32
[25] World Bank, "World Development Indicators," (2002), Washington DC.
[26] Adam Smith, "An Inquiry into the Nature and Causes of the Wealth of Nations" Freebooks.com. (1796), accessed on December 28, 2014, http://www.ifaarchive.com/pdf/smith_-_an_inquiry_into_the_nature_and_causes_of_the_wealth_of_nations[1].pdf, Chapter III.
[27] World Bank, "World Development Indicators," (2002).
[28] Faye et. al. The Challenges Facing Landlocked Developing Countries, 43-47
[29] United Nations, "United Nations Convention on the Law of the Sea," (1982).
[30] Faye et. al. The Challenges Facing Landlocked Developing Countries, 43-47
[31] G. Anyango, "Comparative transportation cost analysis in East Africa," *Office of Sustainable Development Bureau for Africa* (1997) , Kenya.
[32] Faye et. al. The Challenges Facing Landlocked Developing Countries, 43-47
[33] John Serieux , "The Impact of the Global Financial and Economic Crises on the Development Prospects of the Landlocked Developing Countries" United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developed Countries and Small Island Developing States," (2009)
[34] ECLAC, "First United Nations Conference on the Least Developed Countries," Outcomes on Least Developed Countries, United Nations, accessed on December 29, 2014, http://www.un.org/en/development/devagenda/ldc.shtml .
[35] Second United Nations Conference on the Least Developed Countries, "Paris Declaration And Programme of Action for the Least Developed Countries for the 1990s," United Nations Conference on Trade and Development, (1990), accessed on December 29, 2014, http://www.cinu.org.mx/temas/desarrollo/dessocial/ldc/ldc2_en.pdf .
[36] ECLAC, "Second United Nations Conference on the Least Developed Countries," Outcomes on Least Developed Countries, United Nations, accessed on December 29, 2014, http://www.un.org/en/development/devagenda/ldc.shtml .
[37] Fourth United Nations Conference on the Least Developed Countries, "Programme of Action for the Least Developed Countries for the Decade 2011-2020," United nations, (2011), accessed on December 29, 2014, http://unohrlls.org/UserFiles/File/IPoA.pdf .
[37] Third United Nations Conference on the Least Developed Countries, "Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010" United Nations, (2001), accessed on December 29, 2014, http://www.un-documents.net/ac191-11.htm .
[38] Fourth United Nations Conference on the Least Developed Countries, "Programme of Action for the Least Developed Countries for the Decade 2011-2020," United nations, (2011), accessed on December 29, 2014, http://unohrlls.org/UserFiles/File/IPoA.pdf .
[39] UN-OHRLLS, "Istanbul Declaration and Programme of Action – 2011," United Nations, (2011), accessed on December 29, 2014, http://unohrlls.org/about-ldcs/istanbul-programme-of-action/
[40] UN-OHRLLS, "Almaty Declaration and Programme of Action," United Nations, (2004), accessed on December 29, 2014, http://unohrlls.org/about-lldcs/programme-of-action/.
[41] International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport

Cooperation, “Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries,” United Nations, (2003), accessed on December 29, 2014, http://www.unece.org/fileadmin/DAM/trans/doc/cd/Almaty_PoA.pdf .

[42] UN-OHRLLS, “World leaders adopt ambitious 10 year action-plan for LLDCs,” United Nations, (2004), accessed on December 29, 2014, http://unohrlls.org/news/5-nov-2014-world-leaders-adopt-ambitious-10-year-action-plan-for-lldcs/.

[43] Second United Nations Conference on Landlocked Developing Countries, “Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024,” United Nations, (2014), accessed on December 29, 2014, http://www.lldc2conference.org/custom-content/uploads/2014/11/Vienna-Programme-of-Action1.pdf .

[44] Eric A. Hanushek, “Economic growth in developing countries: The role of human capital,” 209.

[45] S. Lall, “Competing with labor: Skills and competitiveness in developing countries,” Development Policies Department, International Labor Office, Discussion Paper 31, (1999).

[46] Stephen D. Williamson, “Macroeconomics,” 5th edition, Pearson Education, (2014).

[47] Eric A. Hanushek, “Economic growth in developing countries: The role of human capital,” 209.

[48] Shiva S. Makki and Agapi Somwaru, “Impact of Foreign Direct Investment and Trade on Economic Growth,” American Journal of Agricultural Economics, vol. 86, issue 3, (2004), 795-801.

[49] E. Borenszteina, J. De Gregoriob, J-W. Leec, “How does foreign direct investment affect economic growth?” *Journal of International Economics* 45 115–135, (1998), 134

[50] Idib., 134.

[51] Makki and Somwaru, “Impact of Foreign Direct Investment and Trade on Economic Growth,” 799.

[52] E. Graham, P. Krugman, “Foreign Direct Investment in the United States,” *Institute forInternational Economics*, (1991), Washington DC.

[53] Borenszteina, “How does foreign direct investment affect economic growth,” 133.

[54] Henry Telli “Less poverty, more emigration: understanding migrant flows from developing countries,” (2014) Migration and Development, 3:1, 54-72.

[55] Adams and Page, “Do International Migration and Remittances Reduce Poverty in Developing Countries?,” (2005).

[56] Matilda Aberese Ako, Nana Akua Anyidoho and Gordon Crawford, “NGOs, Rights-Based Approaches and the Potential for Progressive Development in Local Contexts: Constraints and Challenges in Northern Ghana,” (2013), Journal of Human Rights Practice Vol 5, pp. 46 –74.

[57] Faye et.al. The Challenges Facing Landlocked Developing Countries, 49

[58] Faye et.al. The Challenges Facing Landlocked Developing Countries,, 49

[59]Faye et.al. The Challenges Facing Landlocked Developing Countries, 52