Committee: Economic and Social Council

Topic A: The role of multinational corporations in sustainable development

Dear delegates,

It is an honor to the chair of the Economic and Social Council to welcome you in this year’s simulation, CIDEBMUN 2017. During this simulation the principal objective is to change the idea of the world in which we live and help you enhance the abilities of communication and diplomacy. CIDEBMUN is an event where you get to develop and apply skills of persuasion, confidence, and dialogue among others. Throughout this simulation it is expected enough research to understand and to be able to dialogue about the two topics assigned from the point of view of the country you were assigned.

The topics we will be discussing are “The role of multinational corporations in sustainable development” and “Future implementation of the Madrid international plan of action on ageing”. The first topic is discussing how multinational corporations can develop while trying to be environmentally responsible. The second topic is focused on discussing strategies on health and well-being for ensuring enabling and supportive environments for elder people.

“Yesterday is gone. Tomorrow has not yet come. We have only today. Let us begin.”

-Mother Teresa

Director: Myrna Patricia Ríos Marines
Moderator: Carlos Garza García
Introduction

The Economic and Social Council (ECOSOC) is the United Nations central platform for fomenting debate and innovative thinking, forging consensus on ways forward, and coordinating efforts to achieve international goals. It is also responsible for the follow-up to major UN conferences and summits. It is one of the six main organs of the United Nations established in 1945, and the principal body for coordination, policy dialogue and review, and proposals on economic, social and environmental problems, as well as for exertion of the internationally agreed development goals.

It serves as a central mechanism for the United Nations system’s activities and its specialized agencies that supervises bodies in the economic, social and environmental fields. It engages an extensive variety of policymakers, parliamentarians, academics, major groups, foundations, business sector representatives, and more than 3,200 registered non-governmental organizations.

The Economic and Social Council headquarters are in New York City, New York; close to the Empire State Building and the United Nations headquarters.

This committee focuses on topics oriented to economic, social and environmental issues. It includes regional economic and social commissions, functional commissions facilitating intergovernmental discussions of major global issues, and specialized agencies, programs and funds around the world to translate development commitments into actual changes in people’s lives.
Quorum

1. Australia
2. Bahamas
3. Bulgaria
4. Canada
5. China
6. Costa Rica
7. Cuba
8. Democratic Republic of the Congo
9. Denmark
10. France
11. Greece
12. Haiti
13. Iceland
14. Italy
15. Japan
16. Madagascar
17. Malta
18. Portugal
19. Russia
20. Seychelles
21. Singapore
22. South Korea
23. Switzerland
24. United Kingdom
25. United States
**Topic Introduction**

**Topic A: The role of multinational corporations in sustainable development**

Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance. (Ban Ki-moon, 2012)

We live in an era of globalization, consumerism and privatization where multinational corporations (MNCs) are recognized as an important aspect to carve the future of the world. Now, these factors have not only brought increase in wealth, but also destructive and harmful effects on the environment caused by the commercial activities performed. There are cases in which MNCs do not have or follow their environmental responsibility as a multinational corporation, which has a greater effect than a national corporation. According to the UN, to achieve sustainable development, the world needs to fulfil the 17 UN Sustainable Development Goals (SDGs).

In response to the high environmental standards in developed nations, multinational corporations regularly shift their environmentally pernicious operations to developing countries. It is estimated that around 170,000 hectares of natural forests have been cleared for production of merchandise. This continues destroying the habitats of the species, sometimes endangered, living there. This can be seen in different countries, for example, in Nigeria, the MNCs have taken highly noxious waste from European pharmaceutical companies. Workers who wear just a pair of shorts, take barrels of harmful chemicals through residential areas; this practice has led to high cancer rates in the region. This type of malpractices from MNCs also take place in other countries, such as in China, where approximately 700 million people, which is more than half of the population, consumes water with levels of animal and human dung, causing the highest mortality for deaths by liver cancer in the world. Most of these MNCs have not been responsible for their actions, and have negatively impacted the achievement of sustainable development in the continuously developing world.

To meet the targets adopted within the goal, we must embrace and become aware of the defining challenge of our time: the role that multinational corporations play when it comes to reducing inequality. Moreover, one of the greater challenges MNCs present upon discussing their battle against national companies is their indubitable grand power over the labor and market force. (BIMUN, 2017)
Now, the effort of the members of this committee is aimed to determine the role multinational corporations have in achieving economic sustainability and sustainable development and determine solutions to tackle the problems derived from their malpractices.
Corporate Social Responsibility (CSR) notion appears in USA in the late eighteenth century (Bowen, 1953). It displays the commitment of corporations to consider social issues of stakeholders (employees, civil society, NGOs, local populations, etc.). But, this concept will experience changes since there is a broad literature on the meaning, forms and impact of CSR practices. Gradually, CSR starts becoming a process to achieve sustainable development in societies.

The “Brundtland Report” in 1987 was the first link between poverty, environmental degradation, and economic development. And more recently in Rio 2012, business leaders and governments have renewed their commitment to promote a green economy that will protect the natural resources of the planet, as well as eradicating poverty.

Progressively, multinational corporations are making their best efforts to internalize sustainable development challenges of the regions in which they are operating. Hence, CSR follows a “triple bottom line” of sustainable development (economic, social and environment) which provides global solutions to the coordination problems between economy and society in a deregulated market context. (Wolff, 2007; Porter & Kramer, 2006)

Corporations are emboldened to respect the environment and the rights of a society, while still making their profits. In this view, the UN Global Compact initiative calls upon companies to embrace, support and enact, within their sphere of influence, a set of ten core values in the areas of human rights, labor standards, environment, and the fight against poverty. That is to incite companies to be aware of social and environmental issues, and thus to “redefine the social and moral contract between business world and society” (Renouard, 2008)

Although it must be emphasized that, corporates’ commitment comes from the pressure exerted from civil society about the harmful effect it has on the environment from their behavior.
UN Action

Integrating the Corporate Social Responsibility (CSR) into multinational corporations (MNCs) core business has recently become the center of executive decision-making. MNCs face challenges or confrontations to provide products and services that add value to society and to prompt economic development and social transformation in host countries, while fulfilling the environmental requirements.

There are still expectations and hope for this event, such as more international laws to end this, that are being formulated by the many countries participating in the committee. There is a rapid CSR growth in Europe and USA, meanwhile these practices are new in regions like Sub-Saharan Africa. Multinationals are trying to internalize this so-called ‘social-technology’ in their activities, to make the proposals to achieve sustainable development a reality. Of course, it is important to notice the social utility these actions have. But it should be however distinguished that some CSR practices remain ambiguous and archaic in some cases.

However, considering the reality on the ground, it might be legitimate to wonder whether the commitment of companies to be socially responsible is more suitable. Thus, some oil companies can install an abusive situation and identity tensions, by merely managing piecemeal problems and demands of communities regardless of the actual population development. For example, in the Niger Delta, the Igbo people, Ogoni and Ijaw feel excluded in the distribution of wealth from oil revenues from their regions (Cissé Fall, 2011).

Nevertheless, Social Corporate Responsibility (CSR) cannot be based entirely on the eagerness or disposition of business leaders. It must also incorporate with global public policies whose effectiveness reached the local level.
Questions

- How does the environmental impact your country produces affect third-world countries?
- What regulations is your country carrying out to make all its companies sustainably developed?
- How is this issue socially and environmentally impacting your country?
- Has your country been affected with harmful wastes from multinational corporations? If so, what has it done?
- Will the change or application of laws affect the economy in your country?
- Has your country seen any improvements with the application of your solutions?
- How this committee can benefit your country to make its proposals a reality?
Recommended Sites


Bibliography (Topic A and B)

- G. Q., PhD. Sustainable Development: The Role of Multinational Corporations [DOC]. Link