

# Research Report

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## General Assembly 4

Establishing protocols regarding the exploitation of  
natural resources in LEDCs



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<b>Forum</b>	GA4
<b>Issue:</b>	Establishing protocols regarding the exploitation of natural resources in LEDCs
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## Introduction

The question of the exploitation of natural resources in LEDCs is incredibly diverse. Its impact on society ranges from the social to the political to the environmental. Therefore, a protocol should be established tackling all of these impacts.

At a basic level, we need food and shelter. However, the world's population is increasing rapidly as well as the improvement of the quality of life, meaning that more people are living more luxurious lives. A consequence of this is the growing demand for goods and services, which forces companies and firms to acquire natural resources. Despite most service companies' headquarters being situated in More Economically Developed Countries (MEDCs), the majority of potential natural resources in the world at this moment are in Less Economically Developed Countries (LEDCs). MEDCs, hungry for consumption, depend on the rich deposits of minerals and large forests in the LEDCs.

Although most resources are to be found in LEDCs, there is an unequal distribution of the resources, as MEDCs consume more whereas LEDCs have limited access to fundamental resources such as food and water. This leads to several political consequences aside from the better-known negative environmental impacts of the exploitation of resources.

## Definition of Key Terms

### Natural resources

Substances provided by nature that are useful to human beings and have an economic value. They can be classified as biotic or abiotic; renewable or non-renewable; potential or actual resources.

## Exploitation

The action of making use of and benefiting from resources.

## Illegal Exploitation

Any exploration, development, acquisition, and disposition of natural resources that is contrary to law, custom, practice, or principle of permanent sovereignty over natural resources.

## LEDCs

An LEDC (Less Economically Developed Country) is a nation with lower living standards and an underdeveloped industrial base. In less politically correct terms, it is also referred to as a Developing Country or a Less Developed Country.

## MEDCs

An MEDC (More Economically Developed Country) is a nation with a highly developed economy and an advanced technological infrastructure relative to LEDCs.

## General Overview

In the world, the most commonly used natural resources include water, fossil fuels and rare earth metals. Countries with the largest proven reserves of oil are Venezuela and multiple Middle-Eastern countries. These also have large natural gas reserves. Considering that oil is the primary energy source in the world, we must take a look at the effects of the use of this specific resource and its impacts.

## Environmental consequences

Although the General Assembly 4<sup>th</sup> committee specifies on political and decolonized nations, aspects of this issue that affect other sectors should be considered briefly. This includes the environmental impact that results from the exploitation of resources.

### *Utilisation of fossil fuels in LEDCs*

Although great quantities of fossil fuels are used in MEDCs, the amount of oil and coal being combusted for energy has risen in LEDCs too, as there is a higher demand for it, and it is even being subsidized by the government to lower costs for their citizens. However, this has a great impact on the environment on both a local and



international scale. It contributes to water pollution and more importantly, higher emissions of greenhouse gases.

### ***Deforestation in Brazil***

Brazil, home to the largest tropical rainforest in the world, also has the record for highest deforestation rates. Since 1970, more than 600,000 square kilometers of the Amazon rainforest have disappeared. Reasons for this massive destruction are logging, soybean plantation, and cattle ranching. There is a direct correlation between these activities and higher levels of carbon dioxide in the atmosphere, as the rainforest's fundamental biological role is to absorb these greenhouse gases. In turn, there are concerns of rising temperature levels and climate change.

The Kyoto Protocol links this environmental aspect to the political aspect of this issue. This protocol was set up with the goal to minimize carbon emissions as much as possible. Many LEDCs have signed this Protocol.

Not only are there negative effects on the atmosphere, but also on land and in water bodies. Unsustainable ways of resource mining include a lack of regulations and check-ups. This leads to higher chances of disastrous events and eventual pollution.

Another major concern would be the depletion of mineral reservoirs. Although there are still a great amount of resources in the world, many are difficult to get to. Therefore the known reserves are being depleted.

### ***The environment and society in Latin America***

The mining sector plays a prominent role in the economic growth of Latin America. However, this practice seems to be socially and economically unstable. Conflict arose due to the violation of human rights, of which 198 are still active. 70% of mining involves Canadian companies, which are open about the environmental impact including air, water and ground (whether actual or potential) pollution. In a case in Argentina, the cause of large amounts of water pollution was due to a defective installation of a dam by a Canadian mining company. Erosion and sedimentation in water sources is also a common problem in Panama and Peru, and in Guatemala there are traces of heavy metals such as magnesium, aluminium and iron.

Pollution in water sources mainly affects crop-production of nearby villages, thus affecting human health. Not only this, but it also causes the relocation of these villagers, who are either forced by corporate pressure, health issues, or bad production (agricultural and



domestic) yields, leading to adverse economic effects. Mining projects in the Andean region also affect indigenous peoples.

Other than social impacts due to pollution, there are consequences directly related to the mining industry. This is the amount of deaths and permanent injuries due to the high risk nature of the jobs. Not only the workers themselves, but also the communities around them suffer adverse health effects such as respiratory problems, dermatological and gastrointestinal issues and high levels of lead, mercury, copper and arsenic in populations' blood and urine samples.

### **Political and economic consequences**

Especially in LEDCs, the economic benefits of extracting natural resources such as coal and oil are not seen in the local economy. In fact, Kofi Annan, former UN Secretary-General, states that "Africa loses twice as much of its illicit financial outflows as it receives in international trade" as companies want to maximise their profits. In other words, there is not enough transparency in companies involved in mining and oil extraction.

Because MEDCs consume such a vast quantity of energy sources such as wood and oil as well as minerals, they rely on exports of these sources from LEDCs. However, there are cases where MEDCs take over the extraction of these. An example is the China-Africa economic relation, where China sees it as a source of resources and energy to support its need for its industrial and economic growth, and African countries such as Nigeria, South Africa and Angola profit from structural infrastructure such as railways and roads as well as low-priced goods in vast quantities. China, however, is not the only country which desires such raw materials. The USA, France and the UK are competitors for Africa's resources. France and the UK were the largest commercial partners with African countries. Although it seems to be a fair trading system, most profits are enjoyed in the developed world - transnational corporations (TNCs), such as Shell in Nigeria, are a good example of this. Shell hires cheap labour force, thereby keeping the profit for itself.

### ***Illegal exploitation of natural resources in the Democratic Republic of Congo***

The Democratic Republic of the Congo (DRC) is a well-known example of a country that exercises exploitation of natural resources in the informal sector. During the Second Congo War, also known as the Great War of Africa, there were pre-existing mining structures that were improved over time, which were then used by the Congolese, yet under Rwandan control systems. Exploitation of minerals was often done in violation of international law, leading to illicit activities. However, these were



often led by top army commanders, businessmen and even government officials. This was a factor that fed the war in DRC.

## Major Parties Involved and Their Views

All LEDCs are involved in this issue: The Middle East and Asia have the greatest oil and natural gas reserves; Africa has the largest mineral and precious stones and ores; Latin America contains a number of large mining projects.

### Saudi Arabia

Saudi Arabia is well known for its oil exports. Crude oil accounts for 76% of Saudi Arabia's total exports, and refined petroleum accounts for 5.7%.

### Brazil

Other than wood, Brazil exports iron ores, raw sugar and meat.

### Venezuela

Venezuela is among the 10 largest resource holders for iron, natural gas and oil. The reserves of this South American country is worth 4.3 trillion US dollars.

### China

China is one of the countries that uses most of African resources and is therefore relevant to this issue.

### United States

The United States is one of the largest importers of raw material, with its main import being oil from the Middle East.

### Japan

Japan's top import is also crude petroleum from the Middle East. However, since 2006, Japan has started to purchase more oil from the African continent.



## Timeline of Events

Date	Description of event
1850	(Second) Industrial Revolution. Technological and economic progress gained momentum. From this point onwards, many countries have relied on natural resources such as coal and oil.
1910-Present	Carbon dioxide levels have risen (and continue to rise) to dramatic levels. In present day, there are bigger concerns of the relationship between carbon dioxide in the atmosphere and the increasing climate change.
1945-Present	More than 150 wars due to natural resources. Of these, relatively few have been large-scale conflicts between countries; most - about 80 percent - have been civil wars in developing countries.

## UN involvement, Relevant Resolutions, Treaties and Events

- Kyoto protocol: an international agreement linked to the United Nations Framework Convention on Climate Change, targeted to reduce emissions of greenhouse gases.
- Corporate Social Responsibility (CSR) - businesses monitor and ensure its active compliance with the spirit of the law, ethical standards, and international norms.
- UNEP: Natural Resources and Peace Building Newsletter, 2014

## Evaluation of Previous Attempts to Resolve the Issue

Firms such as Anglo-American and Shell implement CSR in their guidelines. Both these firms have several reports showing the aid they give to the country of exploitation. It considers ethical, legal and economic aspects of both the company and the country where it is located. This means that the corporation makes profit whilst working within the national laws, and when it comes to making decisions, the firm has to take in account the views of the country as well.



This has had a good impact, yet only when policies are implemented correctly. However, not all firms stick to these, as they would earn less profit. Nonetheless, it is a good attempt to solve the issue if all firms stick to this.

Countries in the Sahel have been dealing with successive political and humanitarian crises for years which have created vulnerabilities to insecurity resulting from armed conflict, terrorist activities, illicit exploitation and trafficking. With a view to strengthening the collective action that addresses the root causes of instability in the Sahel, the United Nations Integrated Strategy for the Sahel has been put in place by the United Nations Office for West Africa (UNOWA), focusing on governance, security, and resilience in the region. More specifically, the Strategy seeks to strengthen the governance of natural resources in order to reduce tensions and potential for conflict between communities. It aims to achieve this by focusing on participatory legislation and policy and planning.

The EU-UN Partnership on Land and Natural Resource Conflicts, a joint initiative of the European Union (EU) and a group of seven United Nations agencies and departments (UNEP, UNDP, HABITAT, PBSO, DPA, DESA and IOM), have partnered to help countries prevent, reduce and resolve tensions over natural resources. The main aim of this partnership is to provide regional training.

These types of actions that have been carried out by UN bodies are indeed helping and preventing the conflicts between LEDCs and MEDCs and, more importantly conflicts within LEDCs. However, they only reach small groups of workers. As most LEDCs rely entirely on resource mining, it is a big target group that is not being reached. In other words, these actions being taken would work if practiced on a bigger scale or with an aim to reach more people.

## Possible Solutions

The reason why there is illegal exploitation of resources is policy failure or weak governance. In countries such as the Congo, the management of resources is not a priority. Therefore, a possible solution for this aspect of the issue is implementing compliance regimes and establishing regulatory frameworks not only on a national but also on an international level. Also, the implementation of sanctions against countries and individuals who practice these illegal activities (if not done so already) would help to diminish illegal exploitation.

The same should be done to minimize carbon dioxide emissions and water pollution. Other than the Kyoto protocol, more specific guidelines should be made that all resource mining companies should uphold.

As mentioned previously, the idea of implementing CSR within all mining firms would be a great method to solve the issue. We suggest you research this even further. Goals of CSR include: strengthening safety culture in working environment, transparency in businesses, respecting human rights, support national economic growth, and working for sustainable mining and development.

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