



Background Guide in Brief

for the

*United Nations Economic and
Social Council for Asia and the
Pacific*

Harvard Model United Nations China

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Harvard Model United Nations China

A LETTER FROM THE SECRETARY-GENERAL ON BACKGROUND GUIDES IN BRIEF

Dear Delegates,

Welcome once more to Harvard Model United Nations China 2019! The entire Staff and Secretariat of HMUN could not be more excited to see you in person in Beijing in a few short weeks.

By now, you have most likely begun preparing for HMUN China 2019. Preparing for a Model UN conference can be intimidating, but our team is committed to providing you with the support and resources that you will need to succeed. In keeping with that mission, this year at HMUN China we are piloting a new resource—the Background Guide in Brief.

Background Guides are intended to outline the major issues and ideas that delegates will have to confront in the committee room. However, reading the Guide can also be intimidating for delegates without prior experience in English-language Model UN, or MUN in general. To help all delegates succeed, we have asked your Director to create an abbreviated version of your committee's Guide, enclosed in the following pages.

We hope that this Background Guide in Brief provides a helpful overview of your topic. That being said, your preparation should not end with this document. We encourage you to also read the full Background Guide, which goes into much greater detail and includes the full bibliographical documentation of our Directors' work. Full Guides also contain useful information on committee expectations and procedure, and you should use it as a resource now and at conference. In short, consider what you learn from the Background Guide in Brief to be a launching point for further research—be sure to take advantage of the time you have to prepare for conference as best you can, and feel free to reach out to your committee Directors with additional questions.

Thank you once again for choosing to participate at HMUN China 2019! We are beyond excited for conference, and look forward to welcoming you in Beijing in a few weeks.

Sincerely,

Anthony Bogachev

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Introduction and History of the Topic

The purpose of this committee is to address issues related to economic development and natural resources in Central Asia. In particular, we will focus on the dependency in the relationships between Central Asian states and economic superpowers, like Russia and China. We will also explore the implications of the Belt and Road initiative for Central Asian economies. The lower degree of development in those economies results from two major factors: a high degree of political and cultural autonomy under Russian rule, and the traditional nomadism in the expansive rural areas.

In recent years, Central Asian states have seen progress towards favorable policies for economic development. These include international trade agreements, such as the Common Economic Space, that have facilitated capital exchange

However, critical barriers to further growth continue to plague these states. First, the reliance on oil provides little insulation to the economy from shocks, caused by volatile oil prices.

Second, corruption, which began after the conclusion of Soviet rule, has hindered progress against inequality and towards economic opportunity. Many Central Asian leaders maintain oligarchical relationships with Russian politicians and engage in cronyism within their ranks. Therefore, future sustainable economic growth must derive from investment in non-petroleum economic sectors and reforms to legal and political institutions, alongside continued negotiations with major international trade partners.

We will engage in three major subtopics during conference:

1. Foreign Investment in Kazakhstan;
2. Oil & the Resource Curse in Turkmenistan;
and

3. One Belt, One Road and Interregional Trade.

The remainder of this document will give an overview of each of these three issues

Foreign Investment in Kazakhstan

Kazakhstan can be a model for economic growth in Central Asian countries, as it stands as a unique economic player among Central Asian countries. While many other countries have developed very close ties with regional economic powers, like Russia and China, Kazakhstan has pursued a policy of multi-vectorism. Under such a policy, Kazakhstan intentionally builds trade relationships with a multitude of partners and diplomatic allies, to avoid over-reliance on any one. This is an especially important policy with the fact that Central Asian countries relying nearly exclusively on Russia have seen unstable growth. Furthermore, the inability of domestic capital programs, such as sovereign wealth funds, to match and respond to market forces has justified the option of seeking greater foreign investments. Kazakhstan has also opted to reinvest profits from oil into the economy, rather than caching them within the pockets of the elite. This has stimulated the growth of new economic sectors, moving the Kazakh economy away from oil overreliance. Combined, these factors have propelled Kazakhstan to the number one spot among Central Asian economies.

Oil & The Resource Curse in Turkmenistan

Oil has played an important yet capricious role in jumpstarting Central Asian economic development, and the resource curse describes the economic malaises resulting from overreliance on short-term oil profits. The effects of the resource curse have worsened over the past few years, due to greater awareness of climate change, “pipeline politics,” and corruption. Climate change has thrown uncertain into the economic value of

future resource wells, as major economies try to wean themselves from reliance on petroleum-based energy. This has placed greater pressure on economic diversification, especially as oil reserves are quickly nearing depletion. Pipeline politics subjects oil-producing economic sectors to control by those economic actors and nations playing significant roles in transporting oil. Because much of the crude oil extracted from Central Asian states is sent to Russia for refinement and exporting, the economic superpower exercises de facto control over oil-reliant economies like Turkmenistan. Finally, corruption in Central Asian countries continues to lead to unpreferable oil-profit allocations, which focus funds on increasing the wealth of a narrow oligarchical group over reinvestments that will diversify and propel non-resource-based economic sectors. Turkmenistan's political situation exhibits patronal politics, whereby a market economy is overridden by political support and economic rewards given in exchange to favors for the sovereign. This has led to sultanism, whereby the boons of economic growth are almost exclusively redirected towards the wealth of the ruling authority. This has caused the Turkmen economy to lag significantly behind other Central Asian economies, serving as a warning sign to other oil-rich nations.

for strengthening national infrastructures and promoting interregional trade.

This Background Guide in Brief is not meant to provide an exhaustive introduction to the topic. Please consult the full Background Guide on the HMUN China website, which also includes citations for the material in this document.

One Belt, One Road and Interregional Trade

China has proposed a series of initiatives to strengthen interaction with the countries of Central Asia and the Caucasus, and this program is called One Belt, One Road. It seeks to reinvigorate trade connections with former Silk Road countries, primarily those of Central Asia. This is provided in contrast to former Soviet and Russian partnerships, each with their benefits and disadvantages for Central Asian economies. UNESCAP's mandate to promote regional cooperation can help those economies negotiate the choice between or beyond these two major economic powers, while developing new methods