**Committee :** Special Political and Decolonization Committee (SPECPOL)

**Country :** Germany

**Agenda Item :** Effects of Foreign Companies on the Economies and Politics of Central American Nations

 It is with great certainty that multinational companies play a significant part in shaping the economic and political state of Central American Nations , which has both positive and negative outcomes . To name a few , some of the economic effects are ; foreign companies often bring diverse job opportunities to the countries they operate in areas such as : Agriculture , manufacturation and services , another major economic effect that foreign companies have on these countries is that they often render the national economy dependent on them since they make up such a large margin on the national market of these countries which leave Central American Nations in a vulnerable position as the company policies can sometimes be harsh on citizens and the working class . Some of the political effects would include ; Central American Nations can be left facing problems regarding their sovereignty as foreign companies delve deeper and deeper in the national economy and even cause spike in the interest levels on the countries as they aim to make greater profit . Lastly , Central American Nations , who are already in a vulnerable spot politically can face major problems concerning labor and environmental affairs as foreign companies can induce hefty price tags , set harsh working conditions and deal damage to the environment all for bigger profit .

 In the past , countries like Guatemala and Nicaragua have taken action in order to nationalize the market which has been heavily under foreign influence . They have enacted policies such as ; bringing industries under state control , making land reforms which would transfer soil usable for agriculture from foreign control to local farmers . Some countries have established labor laws , a set minimum wage and rules to preserve the environment . Central American Nations have collaborated with neighboring countries to set boundaries regarding foreign investment which is a shared problem among these countries . Another point to be mentioned is civil organizations have formed among these countries who have been advocates of transparency and accountability for foreign economic powers .

 We , as Germany , have been involved with promoting economic cooperation with Central American Nations utilizing various ways such as ; development aid , investment help and through trade with these countries . The German government also offers financial assistance to local development projects whose aim is to improve infrastructure and environmental conservation . Germany also has a major presence in Central America both as an investor an importer . German companies operate in various sectors in different countries and Germany imports a diverse range of items from Central American Nations such as ; coffee , fruits and textiles . Lastly , Germany maintains political relations with the mentioned countries and forms dialogue on various issues within these nations through different platforms like The Central American Integration System (SICA) and The Central America Association Agreement .

 We believe that some possible solutions would be ; setting international laws regarding this topic and making sure that they are actively enforced , making requirements for foreign companies to be transparent about their income , spendings and profit to avoid economical crimes like tax evasion , investing in funds and educational platforms to enhance the capacity of the local workforce and to strengthen local business attempts and enterpreneurships .

**Sources :**

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