Country: Brazil

Committee: Special Political and Decolonization Committee (SPECPOL)

Topic: Effects of Foreign Companies on the Economies and Politics of Central American Nations

The impact of foreign companies on the economies and politics of Central American countries is a two-sided issue. While foreign companies have a great impact, helping to strengthen Central American countries, they also pose certain risks.

The Federative Republic of Brazil is well aware of the influence and consequences of foreign companies on both the economies and policies of Central American countries. The irrefutable influence played by foreign companies in this regard affects the countries of Central America in a bilateral way. Brazil intends to address this issue separately from the economic and political perspectives and seeks to provide an objective viewpoint. From an economic point of view, foreign companies, which bring positive and major influences such as the necessary capital, technology and expertise, can also lead to economic dependency, which deeply affects the economy and industry of the country. Politically, while foreign companies can have positive effects, such as introducing higher standards of governance and transparency and encouraging better practices by local governments, they can also cause corruption by using their economic power or by circumventing local laws.

Briefly, while recognizing the benefits of foreign direct investment, we argue that it is important and effective to establish frameworks that take into account the risks it entails. Brazil is ready to mobilize and support the movement for sustainable development.