



ECONOMIC AND  
FINANCIAL  
COMMITTEE  
TOPIC BULLETIN

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# Academy Model United Nations

- THE TWENTY-FIRST ANNUAL CONFERENCE -

Hello Delegates,

My name is Lucas and I am currently a senior in the Academy for Business and Finance at Bergen County Academies. Coming into high school, I was never involved with Model UN, but was immediately drawn in to the idea of dealing with current and relevant global conflict in a diplomatic manner, working with other delegates who share the same passions and interests as I do. As a result, throughout my freshman, sophomore, and junior year, I participated in countless college conferences, winning Outstanding Delegate at PMUNC and Honorable Mention at YMUN. Furthermore, I was fortunate enough to be selected as a member of the Secretariat for the Junior Academy Model UN conference held at Bergen County Academies, arranging and putting the pieces together for a successful junior conference, and this year I am doubling as a director of Internal Affairs for AMUN XXI. Outside of Model UN, I spend the majority of my time on the tennis court, whether it be on the school's varsity team or for a ranking in the state.

We are looking forward to this year's ECOFIN topics being debated and hope to see diplomatic discussions for the ultimate goal of reaching resolutions. If you have any questions or concerns, feel free to email me at the email below. Good luck!

Best,

Lucas Kim, Co-Chair, ECOFIN  
[luckim20@bergen.org](mailto:luckim20@bergen.org)

Dear Delegates,

My name is Jacob Mitovich, and I'm a junior in the Academy for Business and Finance at BCA. I'm thrilled to be chairing the ECOFIN committee at AMUN XXI, and since it will be my first time chairing, I am very excited to share this experience with each and every one of you!

I became involved in Model UN during my sophomore year, and since then, I've been to many conferences and have been an active member of the club at BCA. In addition, I served as a moderator at BCA's JAMUN last spring. At my first conference, I represented Chile's views on renewable energy policy, and while I found it very difficult to excel, I really enjoyed immersing myself in an issue that I am very passionate about. Model UN has made me further appreciate international affairs and global issues; I now enjoy reading the "World" section of the New York Times in addition to the politics section.

Good luck, and have a great time at our conference; it will truly be one to remember! If you have any questions or concerns, please do not hesitate to email me at my Bergen email listed below.

Sincerely,

Jacob Mitovich, Co-Chair, ECOFIN  
[jacmit21@bergen.org](mailto:jacmit21@bergen.org)



## **Topic A: Preventing “Brain Drain”**

### **Introduction**

The “brain drain”, also known as human capital flight, is a pressing issue faced by numerous countries, both developed and developing, throughout the world. Brain drain refers to educated, skilled individuals leaving a region in search of better opportunities in another region. Many of these individuals leave underdeveloped or developing nations for developed nations. Alternatively, an individual might leave a post-industrial, declining developed nation for a metropolitan, modern developed nation with more opportunities. An international brain drain may occur when an underdeveloped country invests too many resources in secondary and university education in comparison to elementary education. Investment in elementary education is what truly increases a nation’s productivity. Many countries that have invested in achieving universal literacy rates, such as Thailand and Indonesia, and ones that have invested in primary education have seen high economic growth and development. This is because this investment is



what was able to build human capital, which increased productivity. This productivity would incentivize highly educated workers to stay in their developing nations rather than moving abroad for higher-paying and more plentiful jobs (Economics for the IB Diploma).

According to a United Nations Conference on Trade and Development (UNCTAD) report, there are “over two million educated and highly qualified nationals of the world’s poorest countries who have left to work elsewhere” The report also states that those individuals “could counter the ‘brain drain’ effect on their home countries by contributing to knowledge transfer and channeling investment back home”. Even though emigrants give billions of dollars to their families during their time abroad, this is offset by the lack of resources and opportunities that impoverished countries have because educated, skilled émigrés are not returning. According to the report, almost twenty percent of people from the world’s 48 least-developed countries with a university-level

education leave for abroad. Additionally, the number of these individuals has almost doubled since the year 2000, from 1.3 million to more than two million today.

The loss of its skilled workers creates a difficult economic situation for any nation, especially after investing substantial taxpayer dollars in education. This phenomenon is found in national economies throughout the world, regardless of a country’s development status. It can be argued, and is by various economists, that developing nations endure the majority of brain drains’ implications, as the disparity in opportunity between the developed and developing world is the largest. However, brain drains can occur even within a single country, as skilled workers are likely to concentrate themselves in urban areas where opportunities are abundant.

The effects of the brain drain are widespread and are best explained through the lens of basic economic theory. First, however, two important assumptions must be made. Any economic theory



from the point forward is implied to be *ceteris paribus*, which means “other things equal”. Economists use the concept of *ceteris paribus* to draw conclusions about the relationships between multiple variables. Furthermore, economics is founded on another essential concept: that of rational self-interest. This means that it is assumed that all individuals in any given economy act in their own self-interest, and make decisions to maximize their utility.

Any economy must answer three basic economic questions: what to produce, how to produce, and for whom to produce. The first two questions pertain to resource allocation, which “refers to assigning available resources, or factors of production, to specific uses chosen among many possible alternatives,” (Economics for the IB Diploma). The condition of scarcity of resources forces economies to make decisions about how to allocate said scarce resources. In the case of education, the government has many uses for money collected through tax revenues, yet it has decided to

spend a portion of these funds investing in education.

However, often times it is difficult for a government to determine the socially optimal amount of funds to devote toward activities, resulting in resource misallocation. In the case of education, many of its positive benefits are not accounted for when the government budgets its funds, resulting in an underallocation of resources to its production. Education is widely regarded to be an example of a positive consumption externality.

“Developed nations will have too many workers for not enough jobs, causing a decrease in average pay and an increase in either unemployment or highly educated workers in low education work. Meanwhile, developing nations, upon losing educated workers, continue to fall behind and have their economies weakened. As both these scenarios lead to a weaker economy, brain drain has the potential to be quite devastating to the world economy. After all, it damages all nations involved.” (“Economic Impact of Brain Drain”). In other words, a shift of the supply curve to the right



when the demand curve stays the same will increase the quantity of workers, but it will lower the price (salary) of workers.

## Topic History

Historically, the primary cause of the brain drain has been a lack of economic opportunity within one's home country. The "brain drain" phenomenon was observed as early as the 1960s, and has become a widely-debated issue among developed and developing countries since then.

In addition to economic reasons, past brain drains have also been caused by political and social factors, such as discrimination and persecution. For example, many educated, skilled workers of Jewish descent, or those who did not look favorably upon the Nazi regime, were behooved or forced to leave their country. This has had a permanent effect on Germany, as many of the workers who left did not return, even after the war ended. In many countries in Eastern Europe as well as the USSR, there was an uncontrollable

loss of skilled professionals as part of a brain drain from the 1920s until the 1960s. After a while, this problem calmed down and was stopped "Taking measures against the brain drain of human capital". While this committee recognizes social and political causes to human capital flight, it will primarily focus on economic causes.

In Brazil, a brain drain has been caused by President Jair Bolsonaro's animosity towards scientists and researchers. In April 2019, "Earlier this month, Bolsonaro announced that the budget of the Ministry of Science, Technology, Innovation, and Communication would be cut in half and that scholarship programs for the National Council on Scientific and Technological Development, called CNPq, the primary scientific research agency in Brazil, would be cut as well" ("Brazil slashes funding to scientists. The planet may suffer."). The scholarship cuts have resulted in many students considering whether or not to emigrate from Brazil.



## Current Situation

Despite popular belief, developed countries are also subject to the negative effects of brain drain. Many of these countries suffer from an internal brain drain, where human capital is moving from rural and post-industrial areas to metropolitan areas with growing service and technology sectors. This is the case in the United States, where many highly educated workers are moving from Rust Belt and New England states to a handful of major cities such as San Francisco and New York City (“Losing Our Minds: Brain Drain across the United States”).

However, in spite of these negative consequences, the developed world also stands to gain the most — at the expense of developing nations. These countries, most of which are located in Europe, often experience a “brain gain”, or an increase in the influx of skilled workers from foreign countries, typically attributed to better opportunities, higher wages, and improved working conditions. In other words, these countries receive the

economic and social benefits of highly-educated individuals without incurring the costs of educating them themselves, a clear example of a positive production externality.

The African continent is among the most negatively affected by the brain drain; its political landscape remains largely unstable, with corruption resulting in severe social and economic consequences. For these reasons, many of those with secondary or tertiary education migrate to developed countries. The vast majority of this migration from Africa is to the United States, with notable exceptions being “Algeria, Senegal, and Tunisia, from which migrants go mainly to France,” (“How Extensive is the Brain Drain?”). In Egypt, “2.5 percent of such [highly educated] individuals emigrating to the United States and another 5 percent emigrating to other OECD countries”. This report also notes that South Africa’s migration rate of highly educated individuals is “more than 8 percent”. However, South Africa has developed grassroots initiatives to attract its skilled workers back to their



country of origin (“The brain drain: Old myths, new realities”). These figures are understated because “the OECD records immigrants from only the top 5 or 10 countries from which they come to each OECD country. Thus, for example, the OECD figures for Canada would include specific information on the numbers of immigrants from China and Mexico, but not those from Jamaica and El Salvador. This is a problem when emigration flows are significant for the source country but small for the receiving country. Thus, particularly for small countries, our estimates of immigration to OECD countries other than the United States may be seriously understated.” (“How Extensive is the Brain Drain?”).

In many Asian countries, human capital flight is prevalent among those with a tertiary education. According to Euromonitor, in Pakistan, “the migration rate of individuals with a tertiary education is more than 7 percent” (“Special Report: Brain Drain”). In India, the rate among those with tertiary education is 2.7 percent (“How Extensive is the Brain Drain?”). While India is

experiencing a minor brain drain, it is also seeing the world’s biggest “reverse brain drain”. The country previously experienced a loss of skilled workers, but then experienced reverse migration as skilled workers return back to their country of origin. “Its strong economic growth and boom in opportunities in information and communication technologies (ICT), business services and education has meant that many IT professionals and finance graduates are leaving developed countries to return to India for work.” (“Special Report: Brain Drain”). For both India and Pakistan, the figures noted do not take into account the substantial quantity of professionals that emigrate from the Indian subcontinent to certain Middle Eastern countries and therefore fails to include a significant component of the brain drain in these countries. In Iran “the fraction of the population with a tertiary education living in OECD countries is around 25 percent”. For Korea, it is 15 percent, and for the Philippines, 10 percent. China’s migration rate of “highly educated individuals from China is about 3



percent” (“How Extensive is the Brain Drain?”). Taiwan’s drain of highly educated individuals to the U.S. is 8-9 percent.

In Mexico, many academics and intellectuals have emigrated from the country, many to the United States, because of a lack of high-paying jobs, violence, and political nepotism and red tape. According to a report from America’s Quarterly, one out of every 19 Mexicans living in Mexico with a bachelor’s degree or higher lives in the United States. (Academic Brain Drain). Additionally, “27 percent of Mexicans with doctorates work in the United States” (“Not nostalgic about their country’: Latin America’s brain drain is accelerating”). The problem is that Mexico does not invest enough resources in science and technology. Mexico also has few opportunities for educated immigrants seeking jobs in Mexico. Mexican universities also pay their professors much less than their American counterparts.

Many educated people have left and/or would like to leave Venezuela because of violence and political instability. As a result,

many foreign oil and gas companies have recruited geologists and other energy specialists from Venezuela. Since the oil and gas sector comprises around 25% of the country’s GDP, according to Business Insider, this has negative consequences for Venezuela. Additionally, Venezuela does not sufficiently fund the medical sector, resulting in many medical workers struggling to make ends meet, emigrating, or emigrating to finish schooling. Also, “Venezuela is the second lowest ranking country globally after Myanmar for its capacity to retain talent in the GCI 2013,” (“Special Report: Brain Drain”). For Jamaica, “The drain from Jamaica’s population with secondary education is 33 percent, while that from its population with tertiary education is more than 77 percent.” (“How Extensive is the Brain Drain”).

## Country Policy

In South Korea, the government has instituted policies to stymie the migration of educated people to other countries. Examples of the ways it has been doing that include



making it easier for universities to have campuses in their cities, offering language camps so that Koreans can learn foreign languages in Korea, and making it easier for foreigners to move to and study in Korea. China has also been greatly affected by the brain drain. However, there has since been a reversal, with highly-skilled individuals moving to China. One of the reasons for that has been higher salaries. In 2008, China instituted the 1,000 Talents Programme, which offers high-paying jobs for migrants to China. 6,000 people have moved to China since 2008, and it has resulted in great contributions in China's many sectors.

The European Union is working towards addressing the brain drain phenomenon across the continent. In 2018, the European Committee of the Regions released the report "Addressing brain drain: SEDEC The local and regional dimension" defining the brain drain, analyzing case studies of it, and recommending ways to address it. The report recommends four different methods to deal with the brain drain. First, it recommends

that countries "investigate and understand the needs of talent". Countries must understand why skilled, tertiary-educated workers are leaving their countries or regions. Second, it recommends that countries "Coordinate players and synergise resources for talent-based growth". The universities supplying workers and the businesses demanding workers must coordinate and cooperate with each other. Third, it recommends that countries "identify and support key driving sectors for retaining/attracting talent". Countries and regions must invest in fields and sectors that will attract new skilled, educated workers and/or keep ones currently living in the country or region. Fourth, countries must "stimulate the absorption of outside talent". Countries must strategize how to create a brain gain or keep their workers in their home countries.

The African Union has taken action to mitigate the brain drain from the continent to developed nations. In 2018, it released a draft report titled "The Revised Migration Policy Framework for Africa and Plan of Action (2018-2027)" where



it detailed the brain drain problem and possible solutions as well as the kinds of migration. The report states that countries in Africa must prevent the brain drain of doctors, nurses, engineers, and other educated, skilled workers (“African Union devises 10-year plan to stem brain drain”). In order to do this, countries must make available more opportunities for education, professional development, and employment. The report also encourages Africans living abroad to return and bring their skills to invest in their local communities. The report makes note of critical technical skills that are desperately needed in Africa. Engineers are an example of workers with such critical skills.

## Questions to Consider

How has your country been affected by the brain drain?

What steps is your country taking to lessen the extent of the brain drain?

What can be done to lessen the extent of the brain drain?

How would your country benefit from having educated, skilled citizens remain?

Does your country believe brain drain is a good or bad thing?

Why is your country affected by the brain drain, if it is in fact so?

Is your country experiencing a brain gain?

Is your country a developing or developed economy?

How has your government invested in increasing human capital?



# Topic B: Illicit Trade of Counterfeit Goods

## Introduction

Illicit trade refers to the illegal transfer and selling of goods and items. It includes organized crime, the production and selling of knock-off luxury goods, the illegal trade of animal parts, and more counterfeit processes. Counterfeiting goods means to imitate them fraudulently, which is what many factories and groups do. In Thailand, there are fake rolex watches made in Taiwan that are sold in the Thai markets, posing as legitimate ones. Countries where fake goods originate mainly include China and Hong Kong, and the countries most affected by them include the United States, France, Italy, and Switzerland. Specifically, 86% of the world's fake goods originate in China, according to the U.S. Chamber of Commerce. Illicit trade can also include drugs and pharmaceutical goods, but since our SPECPOL committee will be discussing that, we will only be focusing on non-drug related instances of illicit trade of counterfeit goods.

There are many consequences resulting from counterfeit trade.



Counterfeit trade hampers economic growth. BASCAP (Business Action to Stop Counterfeiting and Piracy) and the International Trademark Association (INTA) released a report, where they wrote that a percentage point reduction in the intensity of counterfeit trade activity would result in \$30 to \$50 billion in economic growth in 2017 for the OECD countries. From this loss in economic activity, local governments lose a significant amount of tax revenue. According to an article from the International Chamber of Commerce, “sales tax is estimated to represent between 70% – 90% of the financial losses that the displacement of genuine economic activity brings about”. If a firm has less sales due to counterfeit trade, then there exists less revenue from a sales tax (a sales tax is a valued-added tax that taxes consumption) From this, governments have less money to invest in roads and schools. The BASCAP/INTA report estimates that between 70% to 90% of financial losses to due economic activity displacement is because of the loss in sales tax revenue. This

report also writes that between 2 and 2.6 million net jobs were lost in 2013 due to the displacement of legitimate economic activity from counterfeiting.

Another consequence of counterfeit trade is a loss in foreign direct investment. According to Investopedia, foreign direct investment is a channel in which a company invests money into business interests they have in a foreign country. FDI increases in a country with strong intellectual property rights, and it lessens in a country with weak intellectual property rights. According to the article from the International Chamber of Commerce mentioned above, “The total reduction in FDI due to counterfeiting and piracy is estimated at US\$111 billion”. Many companies, especially those in the pharmaceutical and equipment manufacturing industries do not want to invest in places where their intellectual property could be stolen through counterfeit networks and actions.



## Topic History

Due to advances in technology, a great increase in international trade, and a reduction in global trade barriers, there has never been an era in which counterfeit trade has been more prevalent. That being said, counterfeit trade has always existed. According to history.com, Organized crime groups such as the Mafia have been involved in the illegal trade of goods for more than a century. During the Prohibition Era in the United States, it was the Mafia that controlled the business of bootlegging alcohol. By controlling the bootlegging business, members of the Mafia learned the skills of managing businesses involved in illegal trade, allowing them to expand to illegal trade in other industries.

In the past, countries have come together to pass agreements and conventions regarding counterfeit trade. The Paris Convention for the Protection of Industrial Property, signed on March 20th, 1883, was signed by 11 countries: Belgium, Brazil, France, Guatemala, Italy, the Netherlands, Portugal, El

Salvador, Serbia, Spain, and Switzerland. It has been amended numerous times, now more than 170 countries are contracting parties to it (“Find Law”). This treaty lays out rules for international patent reciprocal filing rights, protections for trademarks, trade names, and service marks. Countries that are contracting parties to the Paris Convention are also able to join the Patent Cooperation Treaty (PCT). This treaty allows for international patent applications to be filed by contracting parties.

In 1886, the Berne Convention for the Protection of Literary and Artistic Works was first signed in Berne, Switzerland, and it has been modified numerous times, most recently in 1971 in Paris. According to Britannica, “The core of the Berne Convention is its provision that each of the contracting countries shall provide automatic protection for works first published in other countries of the Berne union and for unpublished works whose authors are citizens of or resident in such other countries”.

The Trade-Related Aspects of Intellectual Property Rights



(TRIPS) agreement became effective starting in 1995 because of the creation of the World Trade Organization. According to the United States Patent and Trademark Office, “TRIPS applies basic international trade principles to member states regarding intellectual property, including national treatment and most-favored-nation treatment. TRIPS establishes minimum standards for the availability, scope, and use of seven forms of intellectual property: copyrights, trademarks, geographical indications, industrial designs, patents, layout designs for integrated circuits, and undisclosed information (trade secrets). It spells out permissible limitations and exceptions in order to balance the interests of intellectual property with interests in other areas, such as public health and economic development.”

## Current Situation

The problem of illicit trade has been worsening in recent times. According to the OECD, the global

counterfeit trade volumes were \$509 billion in 2016, which is greater than the \$461 billion volume in 2013 and 2.5% of the world’s trade volume, compared to \$200 billion in 2008, or 1.9% of the world’s trade volume. The OECD recently stated that “trade in fake goods is now 3.3% of world trade and rising”. According to the OECD report “Trends in Trade in Counterfeit and Pirated Goods”, in 2016, footwear made up 22% of counterfeit seizures, compared to clothing at 16%, leather goods at 13%, and electrical equipment at 12%. Trademark violations make up 95% of the intellectual property rights law violations associated, compared with copyrights at 2%, design rights at 2%, and patents at 1%.

Despite the troubling trends in counterfeit trade, there are organizations dedicated to combating the problem. The International AntiCounterfeiting Coalition, Inc. (IACC) was formed in 1979, and its mission is “to combat counterfeiting and piracy by promoting laws, regulations, directives, and relationships designed to render the theft of



intellectual property undesirable and unprofitable” (IACC). The organization consists of over 250 companies, law firms, government agencies, intellectual property associations, and more groups that collaborate with each other to fight counterfeiting and piracy. The International Trademark Association (INTA) is another organization that, with its Anticounterfeiting Committee, supports increased global efforts to combat counterfeiting and counterfeit trade. It calls on governments to do more to strengthen laws, regulations, and trade agreements, and it also urges governments to recognize the link between counterfeiting and organized crime. Additionally, the United Nations has been committed to solving this issue. In 2014, the United Nations Office on Drugs and Crime (UNODC) “launched a new campaign to raise awareness about the links between organized crime and the trade in counterfeit goods” (“New UN campaign spotlights links between organized crime and counterfeit goods”). This is because when a consumer buys a counterfeit item,

they may be inadvertently giving their money to organized crime groups. The campaign set to inform consumers of the prevalence, dangers, and ethical issues of illicit trade.

## Country Policy

In order to fight the illegal trade of goods, many countries have instituted policies intended to do so. One of the ways that Thailand has been trying to combat counterfeit trade has been through strengthening intellectual property laws. In January of 2018, the Thai government introduced legislation that would speed up the process of prosecuting those infringing intellectual property rights. Thailand’s Department of Intellectual Property has also led a campaign to end counterfeit trade by issuing warnings to vendors and retail property owners, as well as by trying to ensure cooperation between Thailand’s many law enforcement agencies. The number of patent and trademark examiners has also been increased. This is especially significant because Thailand is known for its



counterfeit markets and factories, similar to other countries in East and South Asia.

On December 15th, 1995, the ASEAN Framework Agreement on Intellectual Property Cooperation was signed by Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. “This Agreement recognises the important role of intellectual property rights in the conduct of trade and the flow of investment among the Member States of ASEAN and the importance of cooperation in intellectual property in the region, as well as expressed a desire to foster closer cooperation in the field of IP and related fields to provide a firm basis for economic progress, the realisation of the ASEAN Free Trade Area and prosperity among the ASEAN Member States. The Agreement also recognised the need to promote closer cooperation and understanding among the countries in the region in the field of intellectual property and related fields to contribute to regional dynamism, synergy and growth” (ASEAN Intellectual Property Portal). The ASEAN

Working Group on Intellectual Property Cooperation (AWGIPC) was created in 1996 because of this agreement, and it deals with the protection of intellectual property rights.

The United States uses its Immigration and Customs Enforcement agency to, among other activities, crack down on counterfeit trade. Its Homeland Security Investigations (HSI) component and the U.S. Customs and Border Protection (CBP), for example, teamed up with local officers in Atlanta to seize counterfeit sports merchandise during the most recent Super Bowl. This was a component of its Operation Team Player, a mission to target counterfeit sports merchandise.

The European Union has taken measures to prevent and lessen counterfeit trade and the infringement of intellectual property rights. The European Union’s regulation number 608 from 2013 is the most current regulation that deals with intellectual property rights. It lays out rules that customs authorities must follow when inspecting goods



liable for inspection. According to the European Union, this regulation “specifies the range of IP Rights and infringements that are covered; contains provisions for right holders on how to ask protection to customs; determines procedures for customs to follow in case of identification of goods suspected of infringing an IPR; provides provisions for cooperation and exchange of information between customs and right holders; includes measures to ensure that the interests of legitimate traders are protected” (Eur-Lex).

In South America, many countries have been dealing with illicit trade, and they have enacted measures to mitigate it. According to Americas Quarterly, “46 percent of software installed in Brazil is unlicensed, and totals a loss of \$1.7 billion in commercial value” (“How Latin America's Governments Compare on Anti-Piracy”). Brazil, along with other South American countries such as Colombia, Paraguay, and Venezuela, has a digital pirating problem. In Brazil, selling pirated software results in up to four years in prison. Many South American countries also have

problems relating to counterfeit trade in major cities, port cities, and on shared borders with other countries. The Triple Frontier between Paraguay, Brazil, and Argentina is another place rampant with illicit activities. According to the Americas Quarterly article, “A 2015 decree permits customs to operate inside Uruguay’s 13 FTZs and fine the owners and distributors of counterfeit products. The customs authority promotes transparency by publishing regularly updated reports on the type and value of seized counterfeit goods.” One problem that Uruguay still faces, however, is that there are not judges and prosecutors who are specialized in intellectual property law. In contrast, “Paraguay has a specialized prosecutor who only deals with IP protection issues”, according to the article. Other countries, such as Brazil, carry out occasional raids on counterfeit markets to collect counterfeit goods. According to the Americas Quarterly article, “Occasional raids shut down counterfeit markets, such as São Paulo’s 25 de março, where approximately 800 tons of



goods worth \$78 million were seized in 2017.”

During the past 50 years, investment has increased greatly into Africa. Demand has also increased for branded goods, but many do not have the means to buy those goods. This has created a market for counterfeit goods on the continent. The difficulty in combating illicit trade in Africa stems from the fact that its markets structure differs from that of first-world countries. While there are places with modern trade networks, the most common trading channel is a spaza shop. These local businesses are part of larger trade networks spanning across borders that counterfeiters use to smuggle products and trade. These networks are informal and uncontrolled, according to GoLegal (“Africa – An ideal market for brand holders and counterfeiters”). Compared to other continents, one major counterfeit good traded in Africa is pharmaceutical drugs. This is an issue because people with serious illnesses, such as malaria and HIV, are not being treated with the fake medicines.

## Questions to Consider

How has your country been affected by illicit trade?

What steps is your country taking to combat illicit trade? (e.g. advertising campaigns, more regulations, stricter security)

What can be done to combat illicit trade?

Does your country have any organized crime groups or underground organizations that engage in illicit trade?

What goods in your country are being counterfeited and illegally traded?

What laws does your country have in place to protect intellectual property rights?

What laws does your country have in place to regulate international trade and ports?



Which countries share your country's perspectives/missions regarding illicit trade?

Is your country primarily an importer or exporter of counterfeit products?

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### Topic A

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