

ISARMUN 2018



ISARMUN

United Nations
Security Council

UNSC

STUDY GUIDE

Table of Contents

Introduction from the Chairs	III
Introduction to the Committee	IV
Topic A- The question of Kurdish minorities in Asia Minor and the Middle East.....	1
1. Introduction to Topic A	1
2.Discussion of the topic	3
2.1 Turkey.....	3
2.2 Syria	4
2.3 Iraq	5
2.4. Iran	6
3. Points a Resolution Should Address	8
5. Further reading	8
Topic B – The trade warfare as a threat to global peace and stability	9
1. Introduction to Topic B	9
2.1 In defense of free trade	10
2.2. Of abundant and scarce resources	11
2.3. Trade War – an essentially subtractive model.....	11
2.4. Trade War – a race to the bottom.....	12
3. Bloc positions	13
4. Points a Resolution Should Address	19
5. Further reading	19

Introduction from the Chairs

Honorable delegates,

It is our greatest pleasure to welcome you to the United Nations Security Council at IsarMUN 2018. Together with your fellow delegates, you will discuss and, hopefully, draft a resolution pertaining to the issue of Cyber Warfare and the Kurdish issue, two nightly actual topics that regularly appear on the news. As an advanced committee, we intend to make the simulation as genuine as possible, both in terms of the approach to the topics, and to the procedure and diplomatic behavior and tricks. At the same time, please don't forget the conference is also about the parties, discovering the city and meeting new people! We hope to see you at all the social events.

This Study Guide is intended to give you an overview of both topics. While we tried to introduce the issues to you and provide the key facts, please don't consider it a complete and detailed analysis. You are encouraged to use the sources and your own research to get prepared for the debate, and you should consult your country's position on the topic in debt to represent it genuinely.

We are looking forward to seeing you all very soon!

Yours sincerely,

Jakub & Korbinian

Introduction to the Committee

The United Nations Security Council is one of the main bodies of the United Nations. It is composed of 5 Permanent Members: the People's Republic of China, France, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, and 10 non-permanent Members elected for a term of 2 years according to a geographical allocation of seats. To ensure its permanent operation, the Members have to keep a Permanent Mission to the UN in New York, where the Council is meeting anytime a need would arise. Usually, the Members are represented by their Ambassadors to the UN. The Members of the UN conferred the primary responsibility for the maintenance of international peace and security on the Security Council (Art. 24 UN Charter).

Under Chapter VI of the UN Charter, the Security Council may investigate any situation that may lead to international friction, a dispute, or endanger international peace and security. It may also recommend any solutions, procedures and methods it deems appropriate and requests the Member States to follow them. If these measures are not successful and the Council determines the existence of a threat to peace, it may refer to Chapter VII, which allows it to make binding decisions. It may employ sanctions (interruption of economic relations, embargos)¹ or use military force against a state, either by using forces under the Council's command provided by the Member States (called the blue helmets) or by authorising Member States to use their own military². All Members of the UN are bound to respect and carry on the decision of the Security Council³ and these take precedence to any international agreements such as treaties⁴.

The Council makes its decisions in the form of resolutions. These need a concurring vote of at least 9 Members, including all of the Permanent Members. This is nowadays interpreted to mean that at least 9 votes in favour are required, and no P5 Members can vote against. However, an abstention is not seen as a veto.⁵

The Security Council was created after the Second World War in response to the failure of the League of Nations to maintain international peace and security. Although the Council was largely paralysed during the Cold War, with the dissolution of the Soviet bloc, the amount of peacekeeping missions increased drastically with the Security Council creating peacekeeping missions in Bosnia and Sudan to Somalia and Cambodia.⁶

¹ Charter of the United Nations, article 41

² Charter of the United Nations, article 42

³ Charter of the United Nations, article 25

⁴ Charter of the United Nations, article 103

⁵ Charter of the United Nations, article 27

⁶ *United Nations Security Council* in Encyclopaedia Britannica, <https://www.britannica.com/topic/United-Nations-Security-Council>, section *History*

Topic A- The question of Kurdish minorities in Asia Minor and the Middle East

1. Introduction to Topic A

Kurdish struggle for autonomy has been a conflict long in the making. The mountainous region in the middle east and home to 30 million Kurds has recently been centre stage of media attention.

Shouldering the lion share of the fight against ISIS Kurdish militias empowered by victory have since pushed for greater autonomy in the region.

The subsequent geopolitical strain put on the four nations ruling the region Syria, Iraq, Iran and Turkey provides the background for one of the most inflamed conflicts in recent times.

While all of the four hosting nations deal in their own way with their Kurdish minority they are united in the rejection of an independent Kurdistan.⁷



Kurdish inhabited area Source: CIA (1992)

Kurds have long been present in the mountain region where Syria, Turkey, Iraq and Iran meet, which has provided them both with shelter but also much larger neighbors. While academia is divided on the exact date, it is estimated that Kurds descended from Indo-European tribes settling in the region 4000 years ago.⁸

Of the approximately 30 million ethnic Kurds in the area 15 million live in Turkey, 6.5 million in Iran, 5 million in Iraq and 2 million in Syria.

Additionally, a Kurdish diaspora of 1.5 million exists in Western Europe as well as 200,000 in the area of the former Soviet Union. Most Kurds identify as Sunni Muslim.⁹

While the Kurdish struggle for autonomy has been a constant for centuries the recent rise and consequent fight against ISIS has lead to widespread media attention.

⁷ Gunter, M. M. (2014). Unrecognized De Facto States in World Politics: The Kurds. *Brown Journal of World Affairs*, 20(2), 161–178.

⁸ Gunter, M. M. (2014). Unrecognized De Facto States in World Politics: The Kurds. *Brown Journal of World Affairs*, 20(2), 161–178.

⁹ Ünver, H. A. (2016). Schrödinger's Kurds: Transnational Kurdish Geopolitics in the Age of Shifting Borders. *Journal of International Affairs*, 69(2), 65–98.

Especially so, since Kurdish militia in Syria and Iraq have played a pivotal role in curtailing further ISIS expansion.

Geography like mountains and rivers are thought to have played a significant role in shaping Kurdish identity. „A historical buffer zone between greater powers“ the region has traditionally been at the forefront of geopolitical disputes. Hence, Kurds have often been subject to foreign rule. While there has never been a precedence for a unified Kurdistan in the modern sense of a state there have been several semi-independent emirates that existed all the way into the 19th-century.

The Battle of Chaldiran in the 16th-century saw Kurdish territory fall under Ottoman and Safavid rule. The Ottomans put the territory under their protection and used it largely as borderland against the Safavids. In return, Kurds were able to gain official Ottoman titles and prestige. In the Safavid region however, Kurds faced prosecution and a brutal police state.

Overall, Kurds were able to remain largely autonomous under Ottoman rule, which gradually changed as the empire sought to centralize its administration.

As Russia made significant land gains against the Ottoman Empire in the early 19th-century, Kurds now faced not only Turks and Persians but yet another neighbor fighting for dominance.¹⁰

Total defeat of the Ottoman Empire in World War I meant that the Kurdish territory fell under British and French control. In 1920 it was handed over to Syria, Turkey, Iran and Iraq under the Treaty of Sevres.

There was a brief opportunity for independence when American President Woodrow Wilson considered an autonomous development for non Turkish minorities in the Ottoman Empire.

The Treaty of Sèvres in August 1920 even included autonomy for a predominantly Kurdish area and the possibility of independence from Turkey (Article 62), yet it never went into effect.¹¹

Instead, the consequent rise of Turks under Kemal Ataturk saw the Treaty of Lausanne recognize a modern Turkey without the mentioning of a Kurdish minority.

Borders since then have remained largely the same while the consequent shift from Islamic fraternity to modern nation state nationalism saw Kurds develop a self-understanding as an independent people.

While the four hosting nations have changed their policies regarding Kurds over the years the status quo has remained the same. Significant changes occurred when in 2003 a coalition headed by the US invaded Iraq and overthrew the Saddam regime.

¹⁰ Ünver, H. A. (2016). Schrödinger's Kurds: Transnational Kurdish Geopolitics in the Age of Shifting Borders. *Journal of International Affairs*, 69(2), 65–98.

¹¹ Gunter, M. M. (2014). Unrecognized De Facto States in World Politics: The Kurds. *Brown Journal of World Affairs*, 20(2), 161–178.

The subsequent power vacuum provided the opportunity for Kurds to establish autonomous rule in Iraq.¹²

Civil war in Syria, a direct result of the Arab spring, caused the Syrian government to focus its military on retaining control of Damascus. One year later, Kurdish militias started to drive out remaining government forces and proclaimed an autonomous state the Democratic Federation of Northern Syria (SDF). As of 2018, SDF holds roughly 28% of Syrian territory.¹³

2. Discussion of the topic

2.1 Turkey

The Ottoman Empire predecessor to modern Turkey, largely welcomed ethnic pluralism and utilized religion as social adhesive. In contrast, Turkish state founder Kemal Atatürk decided to build a secular state seeking to unify all its citizens through nationalism instead.

Hence, non Turkish ethnic groups were regarded as a variety of Turks (mountain Turks in the case of Kurds). This disregard for ethnic minorities is largely responsible for the strained relationship between Ankara and the Kurds.

A military coup d'état in 1980 saw official policy change. Religion was once again used to act as a unifier while ethnic minorities were actively ignored in mass education. Terms such as „Kurd“ were erased from textbooks. When first terrorist activities erupted in 1984 focus was put on the terrorist organizations behind it rather than on underlying societal tensions.¹⁴

PKK (Kurdistan Workers Party) the organization behind the 1984 terrorist attacks was founded in 1978 when first attempts by Öcalan its leader to bring the Kurdish issue to the forefront of public discussion were met with pushbacks nationalists and the government.

After the 1980 coup d'état a large backlash against multiple political organizations saw PKK withdraw to Lebanon and Syria where the group first decided on using guerrilla warfare as means to further their cause.¹⁵

In 1999 PKK declared a unilateral ceasefire claiming to focus on peaceful means to further their cause from now on.

Yet, other militant groups resumed their activities and the government crackdown continued.¹⁶

¹² Gunter, M. M. (2014). Unrecognized De Facto States in World Politics: The Kurds. *Brown Journal of World Affairs*, 20(2), 161–178.

¹³ Plakoudas, S. (2017). The Syrian Kurds and the Democratic Union Party: The Outsider in the Syrian War. *Mediterranean Quarterly*, 28(1), 99–116.

¹⁴ Yanarocak, H. E. C. (2016). Turkish Staatsvolk vs. Kurdish identity: Denial of the Kurds in Turkish school textbooks. *Journal of the Middle East & Africa*, 7(4), 405–419.

¹⁵ Kuzu, D. (2016). The politics of identity, recognition and multiculturalism: the Kurds in Turkey. *Nations & Nationalism*, 22(1), 123–142.

In 2002 with the rise of the AKP (Justice and Development Party) Turkey started to ease restrictions on Kurdish culture and use of language.

When a major Kurdish party was banned by Turkey's Supreme Court new insurgency started and PKK resumed their activities.

This new wave ended in 2013 when it was revealed that the government and jailed head of the PKK Öcalan came to an agreement that PKK was to leave and end their activities in Turkey.¹⁷

Seeing Kurdish progress in Syria in recent years as a threat to potential calls by Kurds in Turkey for more autonomy the government decided to intervene.

In 2015 Turkish forces bombed Iraqi PKK as well as Kurdish targets in Syria. As a result, violence in Turkey spread once again. Recently, Turkish forces have undertaken further actions and launched a military operations against Kurdish PKK fighters in Iraq.¹⁸

2.2 Syria

Kurds make up the largest minority within the Syrian State representing about 7-10% of the population.¹⁹

Before the 2011 uprising Kurds had been systematically discriminated against as they were denied basic rights. 300.000 did not receive citizenship since the 1960s. Additionally, land previously owned by Kurds had been confiscated and

redistributed among Arabs in order to break up the Kurdish dominated north east. Yet, most major Kurdish parties did not immediately take sides in the wake of the civil unrest that unfolded during the Arab Spring.

In mid-2012 most government forces had been pulled out of Kurdish regions to defend the capital and the surrounding area. Filling the vacuum Kurdish groups took control and by 2014 Kurdish parties lead by the Democratic Union Party (PYD) declared an autonomous administration comprising the three districts: Afrin, Kobane and Jazira.

When the 2011 uprising against the Baath regime had begun, the PYD had only been one of many Kurdish political organizations. Originally an offshoot of PKK it officially severed ties and quickly became the most influential Kurdish group within Syria. This is largely due to their practical approach and realpolitik. When Assad withdrew most of



¹⁶ Ünver, H. A. (2016). Schrödinger's Kurds: Transnational Kurdish Geopolitics in the Age of Shifting Borders. *Journal of International Affairs*, 69(2), 65–98.

¹⁷ Weiss, M. (2016). From constructive engagement to renewed estrangement? Securitization and Turkey's deteriorating relations with its Kurdish minority. *Turkish Studies*, 17(4), 567–598.

¹⁸ Weiss, M. (2016). From constructive engagement to renewed estrangement? Securitization and Turkey's deteriorating relations with its Kurdish minority. *Turkish Studies*, 17(4), 567–598.

¹⁹ (2017 October 31) Who are the Kurds? BBC. Retrieved from <https://www.bbc.com/news/world-middle-east-29702440>

his forces in the north of Syria in July 2012 PYD could seize the opportunity as they were the only political organization with their own military force. Hence, PYD was able to capture Kurdish towns without engaging in combat.²⁰

While the main political body in Syria the Syrian National Council accused the PYD of opportunism but could do little as military forces were needed to secure the capital. Still, some Kurdish parties accused the PYD of collaborating with Assad instead of seceding completely, which the PYD denied.²¹

Later in 2014 when the rise of ISIS threatened Iraq and moved to lay siege to Kobani. One of the largest cities under Syrian Kurdish control Kurdish forces previously divided joined forces and with the help of US air strikes pushed back further ISIS aggressions in 2015.

As Turkey feared a consolidated Kurdish State, it formed an alliance with Russia and Iran to curtail Kurdish advances.

Since any further US actions to support the PYD has seized it seems Turkey has managed to convince the US that this is a core interest to Turkey.

Both being NATO allies it seems unlikely the US will support Kurdish interests over Turkish ones for now.

2.3 Iraq

In the aftermath of Ottoman defeat in World War I Britain took over colonial rule in the area that is now Iraq sharing the former Empire with France.

While Kurdish resistance tried to establish an autonomous region and briefly succeeded during the hurdles of World War II Britain once again regained control in 1945.

Even after Iraq overthrew the pro-British monarch in 1958 and the consequent coup d'état in 1963 by the Baath party Kurds never again were able to successfully press their demands.

Oppression under the new regime drastically worsened and peaked on March 16th 1988 when Saddam Hussein ordered an offensive including a chemical weapons strike against ethnic minorities thought to previously have fought for Iran against Iraq in which 180.000 people died.²²²³

Only when an international alliance led by the US entered the war against Iraq the UN Security Council declared a no-fly zone over northern Iraq an area where mostly Iraqi Kurds reside.

This resulted in government forces retreating allowing once again for Kurdish self-governance.

²⁰ Plakoudas, S. (2017). The Syrian Kurds and the Democratic Union Party: The Outsider in the Syrian War. *Mediterranean Quarterly*, 28(1), 99–116

²¹ Paasche, T. F. (2015). Syrian and Iraqi Kurds: Conflict and Cooperation. *Middle East Policy*, 22(1), 77–88

²² Genocidewatch:

genocidewatch.org/images/Iraq_07_02_Anfal_The_Iraqi_State_s_Genocide_against_the_Kurds.pdf

²³ Gabreldar, B. (2018). Kurdish Independence in Iraq. *Harvard International Review*, 39(1), 7–9

A Kurdish government was established in 1992. Yet, in 1994 civil war erupted, which lasted four years. Eventually, the two main parties KDP and PUK entered a US brokered peace deal in 1998 reigning in a new era of peace and state building.²⁴ Its success largely haled from substantial infrastructure investment, which was left in ruins after the Iraq-Iran war of 1980-1988.

Iraqi-Kurdish forces, the peshmerga, are largely responsible for the regions stability and relative safety compared to the rest of the country. This has benefited investment and resulted in continuous economic growth of more than 8% from 2004 to 2009.

Official Iraqi recognition of the regions autonomy only came in 2005.

Yet, both parties still entertained their own respective government structures at the time. Only joining forces in 2006 while the last separate ministries only came together in 2012.

To this day peshmerga units are still largely affiliated to either party.

While Iraqi Kurds certainly experience by far the greatest autonomy they have enjoyed large international support on the way. Notably the US has rallied behind the KRG in order to facilitate and benefit their entry point into a war against Iraq since Turkey did not allow for troops to be stationed in its territory.

Turkey on the other hand sees its interests conflicted. On the one hand, it does not want to support and spread contagious Kurdish independence. Yet, especially since US retreat from Iraq it has seen itself in an increasing conflict with Iran for influence in Iraq. For now it seems as KRG is benefiting from this unique power dynamic facilitating it to thrive for the longest time in a century.²⁵

2.4. Iran

Similar to their neighbors the Iranian Kurdish struggle for more autonomy has been long in the making. A modern nationalist movement however, only developed towards the end of World War II.

In 1945 the Kurdish Democratic Party of Iran (KDPI) was formed to represent Kurdish interests and further its people's cause.

To this day, one of the most successful moves towards an Iranian Kurdistan came upon in 1946 when a Kurdish movement resulted in the temporary Republic of Mahabad a largely Kurdish state. Benefiting and supported by Soviet forces occupying Iran at the time the young nation fell after just 11 months when Soviet troops got pulled out of the territory. The Shah's army quickly retook the rouge state and ending Kurdish ambitions for decades.²⁶

Initially many supported the movement around Khomeini since he represented change from the authoritarian rule of the Shah. When it became more and more clear however, that he would not support Kurdish autonomy but instead focused on a unified

²⁴ Gabreldar, B. (2018). Kurdish Independence in Iraq. *Harvard International Review*, 39(1), 7–9.

²⁵ Romano, D. (2015). Iraqi Kurdistan and Turkey: Temporary Marriage? *Middle East Policy*, 22(1), 89–101.

²⁶ Geoffrey F. Gresh. (2009). Iran and the Caucasus 13, 187-196

Shia state many Kurds got disillusioned and started pressing demands for an independent Iranian Kurdistan.²⁷

In 1989 the Iranian government managed to assassinate Abdul Rahman Ghassemlou the leader of the KDPI dealing it a significant blow from which the organization struggled recover.²⁸

In recent years, the internet and social media provide outlets for many Kurdish activists to spread information and awareness of their cause. Yet, real political change has yet to be seen.

In 2004 the Party for Freedom and Life in Kurdistan (PJAK) was formed with the aim to engage in military struggle with the Iranian establishment. While not related to the KDPI its goals of cultural rights are similar.

Another Iranian-Kurdish group the Kurdish United Front (KUF) was formed in 2006 with the goal of advancing Kurdish rights without taking to violence. To do so KUF is focused on getting more Kurdish representatives into regional and national parliament.²⁹

A common theme for Kurds of all regions throughout history to this very day is one of oppression and struggle against larger neighbors with competing interests. Continuously they have been at the mercy of regional or international powers such as the US or Britain and France before that. As the modern nation state system and its seemingly solid standing seem to persist for now chances for an independent Kurdistan remain subdued.

²⁷ Kamrava, Mehran, and Hassan-Yari Houchang. "Suspended Equilibrium in Iran's Political System." *The Muslim World* 94 (2004): 495–524.

²⁸ Ünver, H. A. (2016). Schrödinger's Kurds: Transnational Kurdish Geopolitics in the Age of Shifting Borders. *Journal of International Affairs*, 69(2), 65–98.

²⁹ Taysi, Tanyel B; Yildiz, Kerim (2007), *The Kurds in Iran: The Past, Present and Future*, London.

3. Points a Resolution Should Address

1. What could a possible political solution to the Kurdish issue encompass?
2. Which nations should be involved in possible negotiations? Should there be nations acting as mediators?
3. What would be regarded as favorable outcome of such negotiations?
4. What cultural and educational measures does the UNSC recommend to enhance greater understanding between different ethnicities in the area?
5. What does the UNSC propose on the rights and acknowledgment of the Kurdish ethnicity within their respective society?
6. How should the Kurdish Regional Government (KRG) be regarded within the international community?
7. How does the UNSC look upon the Turkish military intervention in the Kurdish region of Northern Syria?
8. How does the UNSC look at Kurdish paramilitary groups, movements and political parties?

5. Further reading

Mehmet Özcan, *Seeking new solution paths for the Kurdish issue*. European Policy Centre, 4 March 2013, available at http://www.epc.eu/documents/uploads/pub_3350_seeking_new_solution_paths_for_the_kurdish_issue.pdf

Sonia Roy, *The Kurdish Issue*. Foreign Policy Journal, 22 April 2011, available at <https://www.foreignpolicyjournal.com/2011/04/22/the-kurdish-issue/>. You are also invited to check the bibliography of that article.

F. Stephen Larrabee, *Turkey and the Changing Dynamics of the Kurdish Issue*. Survival, volume 58, issue 2, 18 March 2016, pp 67-73.

Profile: Who are the Peshmerga?. (2014 August 12) BBC News. Retrieved from <https://www.bbc.com/news/world-middle-east-28738975>

Who are the Kurds?. (2017 October 31) BBC News. Retrieved from <https://www.bbc.com/news/world-middle-east-29702440>

Kurdish People Fast Facts. (2018 April 01) CNN News <https://edition.cnn.com/2014/08/18/world/kurdish-people-fast-facts/index.html>

Topic B – The trade warfare as a threat to global peace and stability

1. Introduction to Topic B

A trade war is a situation in which countries raise or create tariffs and quotas in order to limit the imports from other, usually targeted, countries, and when these retaliate with the same³⁰. Tariffs are taxes on import and export of goods and services from other countries³¹, while quotas are limits on the quantity of good and services that can be imported/exported³². Usually such measures are motivated by protectionism, election promises, problems on the labor market, or an economic crisis. A trade war starts when a government attempts to protect a domestic industry and/or create jobs.

The last major trade war occurred with the 1930 Smoot-Hawley Tariff. It increased 900 import tariffs by an average of 40 to 48 percent. Its purpose was to support U.S. farmers who had been ravaged by the Dust Bowl. But it also raised food prices for Americans who were already suffering from the Great Depression. Other countries retaliated with their own tariffs. It forced global trade down by 65 percent, worsened the depression, and contributed to the start of World War II.³³

Recently, the topic came to the attention of the public at large due to the measures introduced by the USA. President Trump repeatedly blamed foreign competition for the economic difficulties of the United States, including the closure of some production plants from various sectors, such as heavy industry, and unemployment that is caused. Once in power, President's Trump administration introduced a range of tariffs in order to reduce imports from China and the European Union. We will analyze the scope of these measures, expected and actual short-term results, as well as their reception abroad and the reaction of concerned states. The guiding question is whether we can say that such measures, economic in nature, can be called hostile, and whether we can talk of a "war" or a threat to world peace and security.

2. Discussion of the topic

In light of the Chinese American trade stand off there have been many theories and opinions on free trade vs protectionism. This discussion is to provide but a short overview of some of these views.

No country has ever grown to prominence without protectionism.³⁴ Infant industries, usually further down the supply chain, are not yet as competitive as their more mature counterparts may be in the rest of the world. In such cases, economics of scale and

³⁰ *Trade War* in the Cambridge Dictionary <https://dictionary.cambridge.org/dictionary/english/trade-war>

³¹ *Tariff* in the Cambridge Dictionary, <https://dictionary.cambridge.org/dictionary/english/tariff>

³² *Quota* in the Cambridge Dictionary, <https://dictionary.cambridge.org/dictionary/english/quota?q=quota%2B>

³³ *Smoot-Hawley Tariff Act* in Encyclopaedia Britannica, <https://www.britannica.com/topic/Smoot-Hawley-Tariff-Act>

³⁴ Ellen Frank (2004). *Dollar and Sense*. Retrieved from <http://dollarsandsense.org/archives/2004/0704dollar.html>

scope have not yet been established and prices are still high. To allow for learning and growth the government may decide to shield a particular industry off from international competition.³⁵ This may be done by quotas, tariffs or subsidies. Resulting in either lowering prices for domestic industries or increased prices for foreign companies.³⁷

Once the desired maturity and competitiveness has been reached markets are liberated.

This practice goes back to the classics like Alexander Hamilton and is still used today.³⁸ Famous examples in recent history are China, Japan and the Asian tiger states all of which have seen tremendous economic growth and real wage increases.³⁹

Studies have shown that quotas are more capable at producing the desired effect than tariffs as they are more flexible and easily adaptable to the infant industries' learning curve.⁴⁰

Even fierce proponent for free trade Adam Smith conceded that in some cases protectionism is necessary.⁴¹ Whenever national defense is at risk the burden of protectionism may be shouldered by the people in order to safeguard independence. Much like Trump now claims that national steel production is vital in order to insure that the US arms industry remains independent of foreign imports.⁴²

Another prominent example can be observed in the EU agricultural market.⁴³ Subsidies ensure profitability and independence from other sources. In the event of a crisis or conflict food supply may be considered more important than price efficiency.

2.1 In defense of free trade

Perhaps the most powerful of arguments brought forward against protectionism is the theory of „comparative advantage“.

British politician David Ricardo argued that every nation has a comparative advantage in producing a particular good. By focusing on its most efficient trade any country can

³⁵ Melitz, M. J. (2005). When and how should infant industries be protected? *Journal of International Economics*, 66(1), 177–196.

³⁶ Infant-Industry Theory. Investopedia. Retrieved from <https://www.investopedia.com/terms/i/infantindustry.asp>

³⁷ Protectionism. Investopedia. Retrieved from <https://www.investopedia.com/terms/p/protectionism.asp>

³⁸ Fletcher, I. (2010, September 12) America was founded as a protectionist nation. *Huffington Post*. Retrieved from https://www.huffingtonpost.com/ian-fletcher/america-was-founded-as-a_b_713521.html

³⁹ Fletcher, I. (2011, April 17) Japan, the forgotten protectionist threat. *Huffington Post*. Retrieved from https://www.huffingtonpost.com/ian-fletcher/japan-the-forgotten-protect_b_850269.html?guccounter=1

⁴⁰ op. cit. 29

⁴¹ Lemieux, P. (2018 March 7) The national-security argument for protectionism. *The Library of Economics and Liberty*. Retrieved from https://www.econlib.org/archives/2018/03/the_national-se.html

⁴² Swanson, A., Ewing, J. (2018 August 12) Trump's National Security Claim for Tariffs Sets Off Crisis at W.T.O. *The New York Times*. Retrieved from <https://www.nytimes.com/2018/08/12/us/politics/trumps-tariffs-foster-crisis-at-the-wto.html>

⁴³ Q&A: Reform of EU farm policy. *BBC*. Retrieved from <https://www.bbc.com/news/world-europe-11216061>

improve prosperity. Subsequent trading with others achieves higher overall productivity.⁴⁴

A single country may possess multiple comparative or absolute advantages in different industries. Eventually, every country may gain from free trade by harnessing their individual advantages.

Example: Imagine Angela Merkel was not only a better chancellor than her secretary but also better at writing e-mails and organizing her own appointments than him. Would it be efficient for her to engage in both professions?

2.2. Of abundant and scarce resources

Trump has repeatedly called for American manufacturing that has been outsourced or off-shored to be repatriated.⁴⁵ The reasoning behind the move abroad is explained by the Heckscher-Ohlin factor model. The Swedish economists laid out that every country is abundant in at least one production factor (i.e. land, capital, labour) and (comparatively) scarce in another.⁴⁶

As such, countries may trade to import needed and export excessive resources. In addition, the value and as such the pay for the abundant factor is increased by trading.

Hence, when (capital abundant) America engages in trade with (labour abundant) China American capital and Chinese labour is appreciated. In return, the scarce resource (here American labour and Chinese capital) that is not sold or exported is depreciated.

The Heckscher-Ohlin is helpful in understanding the effects of free trade on an existing economic ecosystem and may explain why some countries have reservations about it.

2.3. Trade War – an essentially subtractive model

When a trade war is underway and both sides begin to retaliate initially consumers may substitute targeted goods with those that are not. That way they evade a substantial effect on their welfare.⁴⁷

At the same time, global supply chains are undercut as industries are seeking to evade tariffs. Doing so may take time and cost a substantial amount of money as contracts are untwined and new trading partners are scouted for.

As can be already observed some countries are suffering as a consequence while others are gaining.⁴⁸

⁴⁴ Chu, B. (2018 June 6) How we can learn from the history of protectionism. Independent. Retrieved from https://www.independent.co.uk/news/long_reads/protectionism-history-how-learn-trump-trade-tariff-law-smoot-hawley-a8384216.html

⁴⁵ Editorial Board (2018 January 23) Mr. Trump's Tariffs Will Not Bring Back Manufacturing Jobs. The New York Times. Retrieved from <https://www.nytimes.com/2018/01/23/opinion/trumps-tariffs-manufacturing-jobs.html>

⁴⁶ Heckscher-Ohlin Model. Investopedia. Retrieved from <https://www.investopedia.com/terms/h/heckscherohlin-model.asp>

⁴⁷ Substitution Effect. Investopedia. Retrieved from <https://www.investopedia.com/terms/s/substitution-effect.asp>

Meanwhile, companies are likely to pass tariffs onto consumers in order to protect profit margins.

Once consumers are no longer able or willing to evade tariffs their real welfare is decreasing in response. This is becoming an increasing possibility as Trump announced new tariffs on 200 billion dollar worth of Chinese goods.⁴⁹

Working class people will be hit hardest as they are least able to sustain long term increases in every day expenses.⁵⁰ As such, those that are meant to be protected by tariffs are hit hardest.

Domestic corporations on the other hand largely benefit from tariffs in the short run as consumers substitute foreign for domestic goods. Even those companies that are retaliated against may be protected through state subsidies as may be the case with US agriculture hit by Chinese tariffs.⁵¹

However, in the long run companies will find themselves in an unfavorable position. Subsidies and artificially cheaper goods (in comparison to tariff hit competitors) ultimately lead to lower incentives to innovate and compete internationally. Additionally, Brazil and the EU and others may enforce their own measures as such subsidies may be seen as anticompetitive behavior.

Overall, the described effects will lead to a lower global trade volume and increase distrust in a rules based trade order considerably.

2.4. Trade War – a race to the bottom

In theory, a prolonged trade war may seem like an unlikely outcome considering previous bad experiences during the great depression.⁵²

US: Prisoners' dilemma shows why trade wars happen

		China	
		No tariffs	Tariffs
United States	No tariffs	US pay-off: +5 China pay-off: +5	US pay-off: -10 China pay-off: +10
	Tariffs	US pay-off: +10 China pay-off: -10	US pay-off: -5 China pay-off: -5

Source: Oxford Economics

In the prisoner's dilemma, the Nash equilibrium results from each player's incentive to not cooperate (without knowing how the other player reacts). Applied to the current trade tensions, it illustrates why there may be a *perceived* incentive to impose tariffs.

Trump seems to believe that „trade wars are good and easy to win“. In the case of inferior economic powers such as South Korea that might be true. When the trading partner has

much more to lose than one self than there is a great incentive to give out favourable terms in order to evade a trade war. If however, the opponent is comparable in

⁴⁸ Huang, C. (2018 August 26) South-east Asia will gain from a prolonged trade war, analysts say. Straitstimes. Retrieved from <https://www.straitstimes.com/asia/east-asia/south-east-asia-will-gain-from-a-prolonged-trade-war-analysts-say>

⁴⁹ Huang, C. (2018 August 26) South-east Asia will gain from a prolonged trade war, analysts say. Straitstimes. Retrieved from <https://www.straitstimes.com/asia/east-asia/south-east-asia-will-gain-from-a-prolonged-trade-war-analysts-say>

⁵⁰ Kucik, J. (2018 August 13) A trade war is bad news for working-class Americans. Channel NewsAsia. Retrieved from <https://www.channelnewsasia.com/news/commentary/us-china-trade-war-impact-working-class-americans-10606196>

⁵¹ Lee, Y. N. (2018 April 6) Trump wants to protect farmers from Chinese trade retaliation. That may create a bigger problem. CNBC. Retrieved from <https://www.cnbc.com/2018/04/06/donald-trump-wants-protect-us-farmers-from-chinas-tariff-but-trade-spat-may-widen.html>

⁵² Little, B. (2018 March 5) The Great Depression Lesson About 'Trade Wars'. History. Retrieved from <https://www.history.com/news/trade-war-great-depression-trump-smoot-hawley>

economic prowess and moreover, has the ability, will and political system to sustain long term losses things are very different. As the prisoner's dilemma above provides the payoffs may look somewhat like that. Exact payoffs may vary substantially. Yet, game theory does explain why it is in China's best interest to retaliate. If the US one-sidedly declares tariffs China's ideal response is to retaliate in order to receive the best payoff possible. Trapped in this dilemma no one can win both sides may decide to retaliate each round of new tariffs.

Only communication and goodwill on both sides may get them out of this predicament. Otherwise, further escalation is likely to lead to a race to the bottom wherein everybody suffers and no one wins. Whereas China with its limited democratic system is able to absorb such circumstances much better than the US may eventually remain victorious as a new administration in the US after the next election might very well decide to end the trade war with favorable conditions for China.

Overall, China is likely to sustain a trade war longer than the USA can as their ability to suffer is greater. Additionally, reasons provided for the initiation of the protectionist activities seem to reflect a misunderstanding of international free trade. As free trade is essentially an additive system the focus should perhaps lay on the distribution of mentioned surplus.

3. Bloc positions

USA

On March 8, 2018, President Trump announced a 25 percent tariff on steel imports and a 10 percent tariff on aluminum. Trump said, "Trade wars are good, and easy to win." But the markets disagreed. Stock markets around the world tumbled in fear of a trade war between the world's three largest economies.

The U.S. Congress is the only body authorized to impose tariffs. But Trump used a special power granted by Congress in 1962. It allows a president to curb imports that threaten national security. The Commerce Department reported that dependence on imported metals threatens the U.S. ability to make weapons. But the Aerospace Industry Council said Trump's tariffs would instead raise costs for the military and exporters.

Eight countries have filed formal complaints with the World Trade Organization. Many of these countries, like Canada, India, and the EU, are allies. They say Trump cannot justify the tariffs on the basis of national security. The other five complainants are Mexico, Norway, Switzerland, China, and Russia.

America is the world's largest steel importer. Trump believes the tariffs would protect the 147,000 workers in the U.S. steel and aluminum industries. But they could hurt the 6.5 million workers in U.S. industries that import steel.

A trade war raises costs for steel users, like automakers. Tariffs lowered second-quarter profits for the big three automakers. To satisfy shareholders, they may have to pass those costs onto consumers. Costs have already outweighed the benefits of Trump's tax plan.

The tariff is in effect against China, Japan, and Russia. Japan's trade minister said, "I believe there is absolutely no impact on America's national security from imports of steel and aluminum from Japan, which is an allied nation."

On March 26, 2018, Trump exempted South Korea from the steel tariff. The U.S. ally is the third largest foreign supplier of steel. In return, South Korea agreed to amend the 2012 bilateral trade agreement. The United States will keep its 25 percent tariff on pickup trucks for an additional 20 years. Under the original agreement, the tariffs would have expired in 2021. South Korea agreed to double its import quota for U.S. cars. Argentina, Australia, and Brazil were also exempted. The United States has a trade surplus with Australia.

At first, Trump said Canada and Mexico would be exempt until the his administration re-negotiated the North American Free Trade Agreement. Canada is the largest source of U.S. steel imports. Mexico is the fourth largest.

Mexico will also impose tariffs on imports from the United States. It will target industries in areas that supported Trump. These include flat steel, lamps, and pork products.

After the June 11, 2018, G7 meeting, Canadian Prime Minister Justin Trudeau said Canada would retaliate with tariffs.

The head of the U.S. Chamber of Commerce said Trump's trade war could cost 2.6 million U.S. jobs. He included the effects of Trump dumping NAFTA.

On August 10, 2018, Trump announced he would double the tariffs on aluminum and steel imports from Turkey. He was trying to obtain the release of jailed American pastor Andrew Brunson. Turkey claims he was involved in the 2016 coup to overthrow the government. The U.S. move lowered the value of the Turkish lira to a record low against the U.S. dollar. This renewed fears that the poor health of the Turkish economy could trigger another crisis in the eurozone.

Trade War With the EU

Trump initially delayed the tariff against the European Union until June 1, 2018. He wanted the U.S. ally to cut its 10 percent tariff on U.S. autos. He also asked the EU to set quotas on its steel exports.

But on May 31, 2018, Trump announced the tariff would be imposed on Canada, Mexico, and the EU. The U.S. Aluminum Association said the move will disrupt "supply chains that more than 97 percent of U.S. aluminum industry jobs rely upon."

On June 21, Germany proposed an end to the EU's 10 percent tax on U.S. auto imports. In return, Trump must forget about imposing a 25 percent tax on European auto imports. There is already a 25 percent U.S. tariff on light trucks. On June 22, the EU imposed tariffs on \$3.2 billion of American products. It targeted imports like bourbon, motorcycles, and orange juice that will impact Trump's political base.

Both moves follow the April 21, 2018, EU upgrade of its trade agreement with Mexico. Once signed, it will remove tariffs from almost all trade between the two areas.

On July 17, the EU signed a trade agreement with Japan. It reduces or ends tariffs on almost all goods. It's the largest bilateral trade agreement, covering \$152 billion in goods. It will come into force in 2019 after ratification.

On July 25, 2018, the EU and the United States agreed to hold off on any new tariffs, reassess the steel and aluminum tariffs, and work toward zero tariffs on non-auto industrial goods. The EU agreed to import more U.S. liquefied natural gas and soybeans. That would reduce its reliance on Russian LNG, and help out American farmers who have lost the Chinese market due to the trade war. But Russia's LNG price is much lower than America's, so it's unlikely any big changes will be made there.

U.S. Trade War with China

On January 22, 2018, President Trump imposed tariffs and quotas on imported Chinese solar panels and washing machines. China is a world leader in solar equipment manufacturing. The World Trade Organization ruled that the United States didn't have a case in levying the tariff. In August, 2018, China filed a complaint with the WTO.

On March 8, 2018, Trump asked China to develop a plan to reduce the \$375 billion U.S. trade deficit by \$100 billion. China is amenable to the idea. Part of China's economic reform plan is to reduce its reliance on exports. But it cautions there isn't much it can do, since the deficit is fueled by high U.S. demand for low-cost Chinese goods.

On March 22, 2018, the Trump administration upped the ante. It announced it would levy tariffs on \$60 billion of imports from China. The administration also said it would limit U.S. technology transfers to Chinese companies. China requires foreign companies who want to sell products in China to share their trade secrets with Chinese companies. China responded by announcing tariffs on \$3 billion in U.S. fruit, pork, recycled aluminum, and steel pipes.

On March 26, 2018, the Trump administration began quietly negotiating with Chinese trade officials. The administration focused on three requests. It would like China to reduce its tariffs on U.S. automobiles. It wants China to import more U.S. semiconductors. American companies also want greater access to China's financial sector.

On April 3, 2018, the Trump administration announced it might impose tariffs on \$50 billion in Chinese imported electronics, aerospace, and machinery. China retaliated hours later. It announced 25 percent tariffs on \$50 billion of U.S. exports to China. These also won't go into effect immediately. China's tariffs strategically targeted 106 products. China also penalized two other U.S. exports: sorghum and Boeing airplanes. It targeted industries located in states that supported Trump in the 2016 election.

Shortly afterward, China canceled all U.S. soybean import contracts. China imports \$12 billion in U.S. soybeans. China needs soybeans to feed pigs, its primary meat staple. But China can replace U.S. beans with those from Brazil. U.S. farmers sell one-half of their crop to China. If that market disappears, it will hurt the United States more

than China. In July 2018, soybean prices hit a 10-year low as analysts predicted oversupply.

On April 6, 2018, Trump said he might impose tariffs on \$100 billion more of Chinese imports. It would cover just one-third of U.S. imports from China. If China retaliates, that would impose tariffs on all U.S. exports to China.

On April 10, 2018, China announced that trade negotiations had broken down. The United States demanded that China stop subsidizing the 10 industries prioritized in its "Made in China 2025" plan. These include robotics, aerospace, and software. China also plans to be the world's primary artificial intelligence center by 2030. Later that day, Chinese President Xi Jinping announced he would reduce tariffs on imported vehicles. Although it allowed Trump to save face, it wouldn't affect trade very much.

Most automakers find it is cheaper to build in China, regardless of tariffs. Other promises, such as reducing restrictions on foreign direct investment, are not new.

On May 4, 2018, the Trump administration presented China with five demands. It asked China to:

- End subsidies to tech companies.
- Stop stealing U.S. intellectual property.
- Cut tariffs on U.S. goods by 2020.
- Open China to more U.S. investment.
- Reduce the trade deficit by \$200 billion by 2020.

China is unlikely to comply with the first two demands. They are at odds with China's goal of becoming a tech leader. On the other hand, China does want to reduce its trade deficit. China's economic reform plan is to become less reliant on exports. On May 10, China agreed to import more U.S. products.

On May 15, China agreed to remove tariffs on U.S. pork imports. It will also allow Qualcomm to acquire NXP. In exchange, the United States will remove tariffs on Chinese telecom company ZTE.

This agreement supports a mercantilist philosophy. It promotes specific industries that are important for the leaders' political purposes. Pork growers tend to vote Republican, which is why China targeted their exports. The telecom industry is part of China's growth strategy, which is one reason why Trump imposed tariffs. The other is that the company violated U.S. sanctions against Iran and North Korea. On June 12, the Senate blocked Trump's deal.

Many countries see Trump's removal of tariffs on ZTE as a weakness they could exploit. They will redouble efforts to find exceptions to Trump's tariffs. Many European countries want to avoid U.S. sanctions on Iran. They may threaten tariffs on U.S. imports as a bargaining tool.

On May 29, the Trump administration said it would announce by June 15 a final list of products to receive tariffs. It will first target \$50 billion in imports from China. By June

30, it would announce investment restrictions on Chinese acquisition of U.S. technology.

On July 6, Trump's tariffs went into effect for \$34 billion of Chinese imports. China levied a 40 percent tariff on U.S. autos. It could threaten the exports of American-made cars that employ thousands of works in the South. Tesla announced it will build a factory in Shanghai to avoid the tariff.

China will also levy tariffs on U.S. agricultural exports. Midwest farmers could be stuck with excess produce and livestock. On July 24, 2018, Trump announced he would offer \$12 billion in subsidies to American farmers. On August 27, the administration announced a \$4.7 billion bailout. It may make a second payment in December if it's still needed. But corn growers alone said their costs top \$6 billion.

On July 10, 2018, the Trump administration announced it might impose 10 percent tariffs on another \$200 billion of Chinese imports. They are likely to go into effect in September. The tariffs will raise prices on an variety of consumer goods, including fish, luggage, tires, handbags, furniture, apparel, and mattresses. If China retaliates, Trump will add tariffs until all \$500 billion of Chinese imports are affected. That could threaten shale oil exports. China buys 20 percent of U.S. oil exports.

On August 2, 2018, the administration announced a 25 percent tariff on \$16 billion worth of Chinese goods. It went into effect on August 23. It applies to industrial equipment like tractors, plastic tubes, and chemicals. In response, China announced a 25 percent tariff on \$16 billion worth of U.S. goods, including autos and coals. It went into effect the same day.

Causes of U.S. Trade War with China

U.S. politicians have long threatened a trade war with America's largest trading partner in goods. A trade deficit occurs when exports are less than imports.

In 2017, the United States exported \$130 billion to China. The three largest export categories are aircraft at \$16 billion; soybeans, \$12 billion; and automobiles, \$11 billion. U.S. imports from China were \$506 billion. Most of it is electronics, clothing, and machinery. But a lot of the imports are from U.S. manufacturers that send raw materials to China for low-cost assembly. Once shipped back to the United States, they are considered imports. As a result, tariffs hurt U.S. corporations as well as foreign ones.

China is the world's No.1 exporter. Its comparative advantage is that it can produce consumer goods for lower costs than other countries can. China has a lower standard of living, which allows its companies to pay lower wages. American companies can't compete with China's low costs, so it loses U.S. manufacturing jobs. Americans, of course, want these goods for the lowest prices. Most are not willing to pay more for "Made in America."

How It Affects the Public

The trade war is already increasing the prices of consumer goods that use steel and aluminum. Domestic manufacturers that rely on imported raw materials or parts are reacting to higher costs. Since their profitability is lower, their only other choice is to slash jobs. Soda and beer suppliers are the first to raise prices.

The tariffs give a competitive advantage to domestic producers of that product. Their prices would be lower by comparison. As a result, they would receive more orders from local customers. As their businesses grow, they would add jobs.

But Alliance of Automobile Manufacturers warned that even U.S.-produced steel will cost more once cheap foreign imports are eliminated. The move is "threatening the industry's global competitiveness and raising vehicle costs for our customers."

Many U.S. industries were affected soon after Trump announced the tariffs. Mid-Continent Nail in Missouri announced layoffs because steel prices are now too high for them to remain profitable. Harley-Davidson announced it would move some production abroad to avoid retaliatory EU tariffs. The Maine lobster industry will suffer from Chinese retaliatory tariffs on U.S. seafood. California cheese makers are already seeing their markets in China and Mexico disappear due to retaliatory tariffs. Wisconsin auto parts manufacturers and the U.S. bourbon industry are other industries being punished.

Many U.S. imports from China originated in the United States. Raw materials are sent to China for processing, then exported back into America. An example is salmon caught in Alaska and sent to China for processing, then sent back to U.S. grocery shelves. If Trump imposes tariffs on seafood imports, it will raise prices by 25 cents to 50 cents a pound.

Foreign tariffs on U.S. exports will make them more expensive. U.S. exporters may have to cut costs and lay off workers to remain competitively priced. If they fail, they may cut costs further or even go out of business.

In the long term, trade wars slow economic growth. They create more layoffs, not fewer, as foreign countries retaliate. The 12 million U.S. workers who owe their jobs to exports could get laid off.

Consultant Oxford Economics predicted the trade war could cost the global economy \$800 billion in reduced trade. That could slow growth by 0.4 percent. It's occurring at the same time that oil prices and interest rates are rising.

Over time, trade wars weaken the protected domestic industry. Without foreign competition, companies within the industry don't need to innovate. Eventually, the local product would decline in quality compared to foreign-made goods.

4. Points a Resolution Should Address

1. How does the UNSC look upon trade wars as a legitimate tool in international relations?
2. What measures does the UNSC propose to end the ongoing trade conflict between China and the USA?
3. What nations should be involved in possible negotiations?
4. Due to the global scale of the dispute what nations would be equipped to act as possible mediators?
5. What risk does protectionism pose to international peace and stability?
6. Does the UNSC deem protectionism viable as part of a nations long term trade strategy and if so under what conditions?
7. May one-sided acts of protectionism be deemed (un)permissible?
10. What possible political solutions could be entertained to prevent further trade disputes such as this?

5. Further reading

Kevin Liptak, Cristina Alesci and Jeremy Diamond, A peek inside Trump's chaotic trade war. CNN, 1 October 2018. Available at <https://edition.cnn.com/2018/09/24/politics/donald-trump-trade-policy-china/index.html>

Dorcas Wong and Alexander Chipman Koty, The US-China Trade War: A Timeline. China Briefing, 26 September 2018, available at <http://www.china-briefing.com/news/the-us-china-trade-war-a-timeline/>

Emily Stewart, Can the US-China trade war be stopped? 11 experts weigh in. Vox, 9 July 2018, available at <https://www.vox.com/policy-and-politics/2018/7/8/17544460/trump-china-tariffs-trade-war>

Investopedia Retrieved from <https://www.investopedia.com/terms/t/trade-war.asp>

The Political Economy of the Smoot-Hawley Tariff. Barry Eichengreen. NBER Working Paper No. 2001 (August 1986) Retrieved from <https://www.nber.org/papers/w2001.pdf>

The Optimal Tariff. International Trade Theory and Policy. Retrieved from <http://internationalecon.com/Trade/Tch90/T90-9.php>