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United Nations Industrial Development Organization

“Coordinating Growth and Environmentally Sustainable Industrial Development in Rural China”

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Context & Historical Background

China is primarily a manufacturing based nation, with 40% of its GDP stemming from manufacturing. As China became the largest manufacturer in the world, it began shifting its focus towards the urban areas of the country. Much money and time was placed on improving the economic side of the manufacturing business, that a lot less time was being put on working towards a cleaner nation. But in the last few years, it is quite visible that China has been working towards establishing a much more sustainable industry. While China has been taking steps to become a green nation and working with the United Nations Industrial Development Organization, it still has a long way before the country can be considered a green nation, especially in rural areas. As the country had to rapidly urbanized certain areas, it has seemed to neglect the smaller rural towns and the possibility of establishing enterprises and industry in the area.

What are urban and Rural industries?

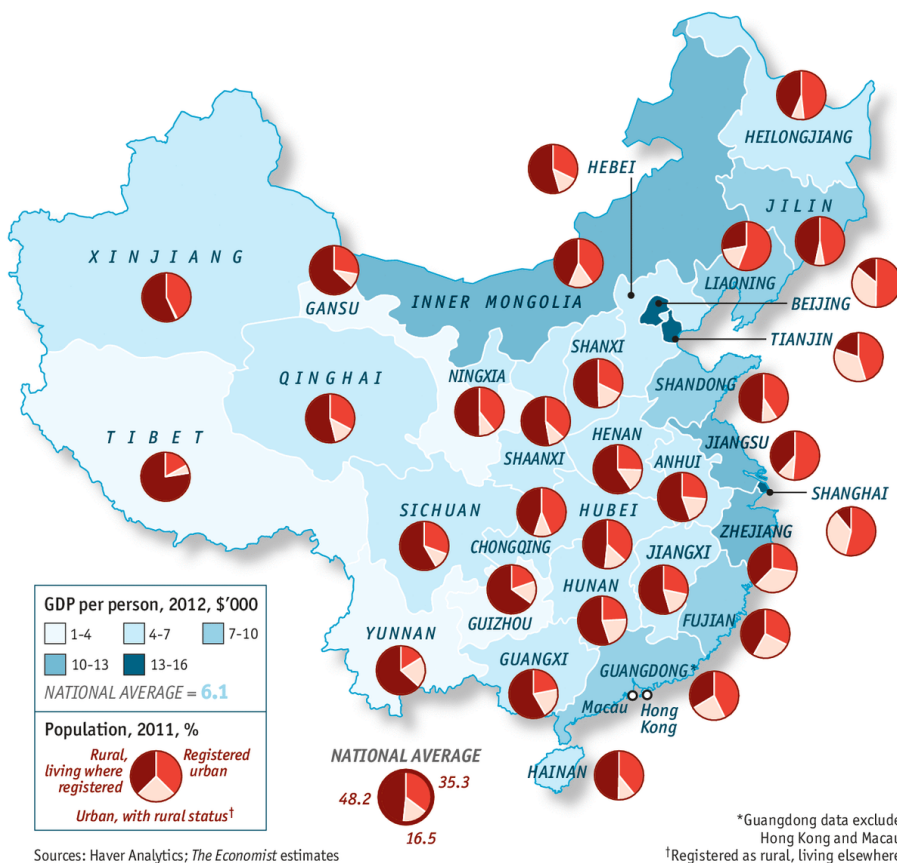
“The urban industries are characterised by high level of automation and use of heavy machinery with advance technology, huge capital investment and ample amount of financing through various leading big financial institution (both public and private financial institutions). On the other hand rural industries are basically based on Agro-based industries which mostly lack technical specialisation and proper funding unlike urban industries.”(International Journal of Applied Research, 2015)

There have been efforts made by China to improve development in rural areas. For example, Township and village enterprises (TvEs) in China originated from rural handicraft enterprises which were owned by collectives or people’s communes. In China, Township and village enterprises (TvEs) have been increasing in a rapid rate. By 2005, there were about 22 million TvE’s in rural China , creating jobs for 130 million workers and generating 30% of China’s GDP. Even though the development of the TvEs has been a positive factor in the development of the rural economy, by raising farmers’ income, the use of outdated production technology and poor management meant that the TvEs were creating large amounts of energy waste and causing environmental pollution. Even though China has been making progress in economically improving its rural area, there hasn’t been as much thought into developing the industrial side of the current issue.(Marking the Anniversary of UNIDO...)

One of the main factors that leads to the neglect of industrialization in rural areas is the location of industrial facilities. This has an large impact on overall poverty and inequality. Most

Chinese enterprises are often concentrated in urban areas because of the access to skilled labour force, better infrastructure, larger markets and technological development (Lanjouw and Lanjouw, 2001), industrialization may increase economic inequality between urban and rural areas. Promoting more development towards rural non-agricultural activities, like production in small and medium-sized enterprises, may be a way to decrease this imbalance.(Industrial Development and Economic Growth...)

Maintaining a clean and sustainable society is the only way to ensure a safe and a clean world for the upcoming generations. The industrial development of rural China will not only be a benefit to the nation itself, but it can also impact the the view of other nations in this aspects. If China, as the largest manufacturer in the world and as a leading power, is able to reform its rural industry to become more environmentally sustainable, other countries will hopefully follow in the same path.



A map showing the relationship between the status of the population vs. the GDP per person.

UN Involvement

When the United Nations Industrial Development Organization (UNIDO) was established in 1966 it was specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability.

The UN General Assembly restated that “sustainable development is a key element of the overarching framework for United Nations activities, in particular for achieving the internationally agreed development goals”, including those implemented in the Millennium Declaration and the Johannesburg Plan of Implementation.

The United Nation Industrial Development Organization supports countries’ efforts through three main fields:

- 1) creating shared prosperity;
- 2) advancing economic competitiveness,
- 3) safeguarding the environment.

“Under “creating shared prosperity”, UNIDO focuses on the development of agribusiness and rural entrepreneurship, increasing the participation of women and youth in productive activities, and improving human security in post-crisis situations,” (Li Yong). The UN created the 10th Five-Year Plan for China focusing on National Economic and Social Development, and proposed that rural infrastructures be reinforced to meet people’s growing needs for a better life.

In 2013, the President of China, XI Jinping, stated that “China’s cooperation with UNIDO had synchronized with China’s reform and the process towards a greater openness”, also stating that UNIDO had made a positive contribution to this ongoing process. President Xi said that with UNIDO’s vision, focusing on Inclusive and Sustainable Industrial Development, also aligned with China’s priority for future development, as the nation continues to promote industrialization and is ready to learn about new industrial ideas.

More information on the work the UNIDO does:

<http://www.unido.org/what-we-do.html>

Different Perspectives

In the past, there have been many countries that invested into rural development and industrialization, and were successful in creating a sustainable industry in rural areas. The overriding issue is that rural development strategies need to be country-specific because rural areas are not the same in different nations. This is why it is important for each delegate not only to investigate their country's views on the topic of sustainable industrial development in rural areas, but also the solutions the country would bring to the table. Other countries are on the same path as China and are working towards growth and environmental sustainable industrial development in rural areas, like India.

With 65% of India's population living in rural areas. When we look at the developing structure of India, we can see that the living and economic conditions are very different between the rural and urban areas. Rural areas are specialized more in agriculture while the country's industries are located mostly at urban locations giving a weak rural-urban connection which ultimately results in lower pace of development in rural area. Industrialization has a major role to play in the economic development of the underdeveloped countries.

The Indian rural industries sector aims to cater towns and cities or even export markets. The rural industries sector consists of two sub-sectors, modern small industries and traditional industries. The former covers small industries and the power looms whereas the later comprises of khadi, village industries, handloom, sericulture, handicrafts, and coir industry (A Study on Development of Rural Areas through Industries in India).

Key words

1. Industrial Development
2. Globalization
3. Environmental Sustainability
4. Rural and Urbanized Areas

Questions to consider

Some questions to consider would be;

1. Why is it so important for countries to develop the rural areas?
2. How has industrial development in the past benefited other countries, and impacted other nations?
3. How would the industrialization in rural areas in China benefit other countries?
4. In which ways can countries develop a more environmentally friendly industry?

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