



**H·I·S**  
HARARE INTERNATIONAL SCHOOL

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# ZIMUN XI

## *The Cost of Innovation:*

*Navigating the Ethical Responsibilities of Technological  
Advancements and Societal Change for Inclusive, Sustainable  
Development in a Globalised World*



*Economic and Social Council*

*Exploring economic frameworks that integrate ethical technological  
advancements and promote sustainable supply chains in pursuit of  
fair trade practices in international trade*

**Committee:** Economic and Social Council

**Issue:** Exploring economic frameworks that integrate ethical technological advancements and promote sustainable supply chains in pursuit of fair trade practices in international trade

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**Position:** Chair

## INTRODUCTION

The issue which we aim to face is how we plan to make and integrate moral and legitimate technological advancements and supply chains across the world to achieve fair trade practices

## DEFINITION OF KEY TERMS

- **Economic Frameworks:** An arrangement of policy, rules, and principles whose purpose is to structure and channel economic activities. These frameworks provide guidelines on the manner in which trade, manufacture, and dispensation of commodities occur at both global and domestic levels. For such a setup, the frameworks aim to merge ethical considerations, technological advancements, and sustainability in global trade schemes.
- **Ethical Technological Advancements:** The development and application of technology in an ethical manner that benefits society. It entails solving challenges like privacy, equity, transparency, human rights, and environmental sustainability. Ethical technological innovation is centered on the health of people, communities, and the environment while enabling innovation and development.
- **Sustainable Supply Chains:** Supply chains that strive to minimize negative environmental and social impacts while promoting long-term ecological balance and human well-being. Supply chain sustainability involves minimizing waste, reducing carbon footprints, ensuring fair labor, and ensuring that resources are sourced and used responsibly.

- **Fair Trade Practices:** A movement and set of principles to guarantee that producers (specifically in third world countries, LEDCs) are fairly paid for their products, that their working conditions are secure and fair, and that environmental standards are protected. Fair trade aims to reduce poverty, improve social justice, and yield more just outcomes in international trade relationships.
- **International Trade:** Exchange of goods, services, and capital among territories or nations. International trade gives countries the means to consume goods and services not domestically produced, but at the same time it involves complexities such as tariffs, trade agreements, and balance of trade, with a bearing on economics, society, and the environment.
- **Supply Chain Transparency** - The act of opening up information about the sourcing, practices, and processes in a supply chain. Transparency allows consumers, businesses, and regulators to view where and how products are being sourced, made, and transported, and this can enhance accountability and sustainability.
- **Technology in Supply Chains:** The use of advanced technology tools and innovations, such as artificial intelligence (AI), blockchain, Internet of Things (IoT), and big data analytics, in an effort to maximize, monitor, and improve the efficiency, traceability, and sustainability of supply chains. All these technologies can be utilized to diagnose inefficiencies, track products, and authenticate ethical practices within global supply networks.
- **Corporate Social Responsibility:** An enterprise model where companies integrate issues of ethics, society, and the environment into their business practices and stakeholder relationships. CSR activities go beyond profit maximization and aim to benefit society, such as through ethical sourcing, equitable labor practices, and protection of the environment.
- **Global Trade Agreements:** International trade agreements between countries or regions that govern the rules and regulations of business. The agreements establish tariffs, quotas,

and trade barriers but also establish labor standards, environmental issues, and fair trade practices.

## **BACKGROUND ON THE ISSUE**

The issue of integrating ethics, technology, sustainability, and fair trade practices began in response to long-standing problems in international trade, particularly in the post-industrial era. The globalization wave in the late 20th century resulted in increasingly integrated economies, but also with serious problems such as environmental damage, labor abuses, and the imbalanced economic development. Fair trade movement arose at the beginning of the 1990s to counter the exploitation of workers and producers in poor countries, offering to have a better income, safe working conditions and environmentally sound production.

Technological advances in the area of blockchain and artificial intelligence (AI) have brought all of these new challenges and prospects in this area. Although these technologies do have the capacity to improve supply chain information transparency and efficiency, they have also given rise to ethical issues relating to privacy. These technologies have the capacity to assist the supply chain community in improving data transparency, veracity, integrity and security.

Since the problem has emerged gradually, the United Nations, and other agencies and organisations, including the World Trade Organisation (WTO), have started to pay more attention and foster the inclusion of ethical and sustainable values into global trade arrangements. Nevertheless, important problems still have to be addressed for ethical use of technology and sustainable supply chains to become deeply integrated in global trade structures.

Escalation or De-escalation: The problem has worsened in the past few years due to the growing emphasis on climate change, labor exploitation and unethical technological deployment. Increased demand for responsible trade and supply chain behaviour, driven by the recent growth of consumer activism and corporate social responsibility (CSR) pledges, has increased the pressure on governments and corporations to use sustainable and responsible practices.

Who is Affected and How: The workers most directly caught up in this problem are those in developing countries who maintain fragile wages, harsh working conditions, and exposure to environmental damage as a consequence of unsustainable supply chain activities. Likewise, in developed countries, consumers are being affected more and more, whose purchasing is guided by a concern for the traceability and sustainability of products. Multinational corporations, which drive the global supply chain, are under pressure to balance profit with ethical practices. In what concerns governments, especially governments in developing countries, a pressure exists to keep access to the global markets for trade while labour standards and environment protection can be enforced.

The international community is facing the critical task to introduce global trade structures that link economic growth to social equity and environmental sustainability. Given the increasing world-wide economic integration, the consequences of unethical trade behavior, environmental irresponsibility and labour exploitation spread widely. In addition, the advent of emerging technologies and consumers' desire for greater honesty, transparency, and ethicality in trade necessitates more sustainable, ethical, and transparent trade frameworks.

## CURRENT CONTEXT

Today, the decision on how to integrate ethical technological advances into the supply chain and promote fair trade practices is a complicated global challenge. In the last few months, there has been a greater focus on what role technology plays in building a more sustainable and ethical global supply chain. These technologies, for instance, have been used to create increased transparency and track and trace in supply chains that allow, on the one hand, to provide consumers and companies with the possibility to check the origin of goods and, on the other, to guarantee the respect of workers' rights.

Meanwhile, the COVID-19 pandemic has also revealed the fragility of global supply chains and the need to consciously think about global resilience and sustainability of international trade. For workers in supply chains, particularly throughout agriculture and manufacture, the pandemic has brought increased exploitation and this, again, has generated increased demands for worker protections and fair trade agreements.

Besides, the global climate crisis has attracted a considerable increase of concerns, making the need for businesses and governments a lot higher to apply sustainable actions in trade and manufacturing.

## MAJOR COUNTRIES AND ORGANIZATION INVOLVED

- **United Nations (UN):** The UN plays a pivotal role in promoting ethical and sustainable trade practices through initiatives such as the **Sustainable Development Goals (SDGs)** and agreements like the **Paris Agreement**. The UN's focus on environmental protection, poverty reduction, and labor rights has provided a framework for addressing the global challenges related to fair trade and sustainability.
- **European Union (EU):** The EU has been a leader in advocating for sustainable and ethical trade policies. The **European Green Deal** and **EU's Corporate Social Responsibility guidelines** are examples of how the EU is attempting to ensure that its trade practices align with environmental sustainability and ethical business practices.
- **Multinational Corporations:** Major corporations, such as **Unilever**, **Nestlé**, and **Apple**, are key actors in this issue. They face pressure to ensure that their supply chains are sustainable and ethical, and they are adopting initiatives to improve labor conditions, reduce environmental impact, and leverage technology for greater transparency.
- **Developing Countries:** Countries that are producers of raw materials, such as **Brazil**, **India**, and **Indonesia**, are crucial players in the conversation about fair trade. They often face challenges related to maintaining labor rights and environmental standards within their supply chains while competing in the global market.

## TIMELINE OF KEY EVENTS

- **12 December 2015 - The Paris Agreement on Climate Change**

The landmark agreement aimed at reducing global carbon emissions and promoting sustainable practices. It is central to international efforts to address climate change,

which directly impacts global trade and supply chains.

- **10 September 2017 - UN Resolution on Fair Trade Practices**

A resolution calling for greater integration of fair trade standards into international trade agreements, with a focus on worker protection, environmental sustainability, and ethical practices.

- **11 December 2019 - Launch of EU Green Deal**

A plan by the European Union to make the economy more sustainable, aiming for net-zero carbon emissions by 2050. The plan influences trade policies and encourages companies to adopt sustainable supply chain practices.

- **12 November 2020 - The UN's SDG Progress Report**

The release of the report highlighted the need for stronger commitments to ethical trade, sustainability, and reducing inequalities in global supply chains.

## RELEVANT UN RESOLUTIONS, TREATIES, & EVENTS

The United Nations (UN) has undertaken several initiatives to promote ethical technological advancements and sustainable supply chains in international trade. Below is a chronological outline of key actions:

- 1. United Nations Conference on Environment and Development (UNCED) – 1992:** Held in Rio de Janeiro, Brazil, this conference introduced the concept of sustainable development into international discourse, emphasizing the need for integrating environmental considerations into economic policies. (<https://www.un.org>)
- 2. United Nations Global Compact – 2000:** Launched by then-Secretary-General Kofi Annan, the Global Compact is a voluntary initiative encouraging businesses worldwide to adopt sustainable and socially responsible policies, including ethical supply chain practices. (<https://www.unglobalcompact.org>)
- 3. World Summit on Sustainable Development (WSSD) – 2002:** Held in Johannesburg, South Africa, the WSSD focused on practical measures to implement sustainable development, including the promotion of sustainable trade and the role of technology in achieving these goals. (<https://www.un.org>)
- 4. United Nations Forum on Sustainability Standards (UNFSS) – 2013:** Established to enhance

understanding of voluntary sustainability standards and their role in sustainable development, the UNFSS provides a platform for dialogue among stakeholders to promote ethical trade practices. (<https://www.un.org/sustainabledevelopment>)

- 5. 2030 Agenda for Sustainable Development – 2015:** Adopted by all UN Member States, this agenda includes the Sustainable Development Goals (SDGs), with Goal 12 focusing on responsible consumption and production, highlighting the importance of sustainable supply chains. (<https://unctad.org>)
- 6. United Nations Conference on Trade and Development (UNCTAD) Initiatives:** UNCTAD has been actively involved in promoting sustainable trade practices, including technical cooperation to help developing countries attract foreign direct investment towards sectors that lead to economic transformation and sustainable development. (<https://unctad.org/ter>)
- 7. United Nations Economic and Social Council (ECOSOC) Resolution on Information and Communications Technologies for Sustainable Development – 2024:** This resolution emphasizes the role of information and communications technologies in achieving sustainable development, including their application in promoting ethical trade practices. (<https://www.un.org/ecosoc>)
- 8. International Trade Centre (ITC) Initiatives:** The ITC has launched platforms such as the "Deforestation-Free Trade Gateway" to support small farmers in developing countries, helping them meet international sustainability standards and promoting ethical supply chains. (<https://www.intracen.org/sustainability>)

## PREVIOUS ATTEMPT TO SOLVE THE ISSUE

Efforts to integrate ethical technological advancements and promote sustainable supply chains in pursuit of fair trade practices in international trade have been undertaken by various member states, organizations, and other actors. Here are some notable examples:

### 1. Summits and Conferences

- World Economic Forum (WEF): The WEF has hosted numerous discussions on sustainable supply chains and ethical technology, including the annual meeting in Davos, where global leaders, businesses, and NGOs collaborate on frameworks for fair trade and sustainability.
- United Nations Climate Change Conferences (COP): These summits often address the



intersection of technology, sustainability, and trade, with a focus on reducing carbon footprints in supply chains and promoting ethical practices.

- G7 and G20 Summits: These gatherings have increasingly included discussions on sustainable trade practices, with commitments to promote fair trade and reduce environmental degradation in global supply chains.

## 2. Treaties and Agreements

- Paris Agreement: While primarily focused on climate change, the Paris Agreement has implications for sustainable supply chains, as signatory countries commit to reducing emissions, which often involves rethinking supply chain logistics and technology.
- United Nations Global Compact: This initiative encourages businesses worldwide to adopt sustainable and socially responsible policies, including in their supply chains, and to report on their implementation.
- EU Trade Agreements: The European Union has integrated sustainability clauses into its trade agreements, requiring partner countries to adhere to environmental and labor standards, thereby promoting fair trade practices.

## 3. Aid and Grants

- World Bank and IMF Programs: These institutions have provided funding and technical assistance to developing countries to help them build sustainable supply chains and adopt ethical technologies.
- USAID and DFID: The United States Agency for International Development (USAID) and the UK's Department for International Development (DFID) have funded projects aimed at improving supply chain sustainability and promoting fair trade practices in developing countries.
- Global Environment Facility (GEF): The GEF provides grants to support projects that integrate sustainable practices into supply chains, particularly in developing nations.

## 4. Corporate Initiatives

- Fair Trade Certification: Organizations like Fair Trade International work with companies to certify products that meet strict social, environmental, and economic standards, promoting ethical practices in supply chains.
- Blockchain for Transparency: Companies like IBM and Walmart have implemented

blockchain technology to increase transparency in supply chains, ensuring that products are sourced ethically and sustainably.

- Sustainability Programs by Multinational Corporations: Companies such as Unilever, Nestlé, and Patagonia have launched initiatives to ensure their supply chains are sustainable and ethical, often involving partnerships with NGOs and local communities.

## 5. NGO and Civil Society Efforts

- Oxfam and Fairtrade Foundation: These organizations advocate for fair trade practices and work directly with producers to ensure they receive fair wages and work under ethical conditions.
- Greenpeace: Greenpeace campaigns for sustainable supply chains, particularly in industries like palm oil, fishing, and textiles, pushing for greater corporate responsibility and transparency.
- Rainforest Alliance: This NGO works with farmers and businesses to promote sustainable agriculture and ethical supply chain practices, often through certification programs.

## 6. Academic and Research Initiatives

- MIT Sustainable Supply Chains Initiative: This program focuses on research and education to develop sustainable supply chain models that integrate ethical technological advancements.
- Stanford University's Global Supply Chain Management Forum: This forum brings together academics, industry leaders, and policymakers to discuss and develop best practices for sustainable and ethical supply chains.

## 7. Government Policies and Regulations

- EU's Green Deal: The European Union's Green Deal includes policies aimed at making supply chains more sustainable, including the Circular Economy Action Plan and the Sustainable Products Initiative.
- U.S. Customs and Border Protection (CBP): The CBP has implemented measures to prevent the import of goods produced using forced labor, thereby promoting ethical practices in international trade.

These efforts collectively represent a multi-faceted approach to integrating ethical technological advancements and promoting sustainable supply chains in the pursuit of fair trade practices. While progress has been made, challenges remain, and continued collaboration among all stakeholders is essential to achieve meaningful and lasting change.

## POSSIBLE SOLUTIONS

### 1. Solution 1: Blockchain-Based Transparency and Traceability System

Idea: Create a worldwide, blockchain-based system that tracks products from raw material to the end consumer. The system would record data on workers' practices, environmental sustainability, and fair prices at every step.

Technology: Blockchain technology provides an immutable and transparent record, ensuring data integrity and protection against alteration. Smart contracts can automate payments and enforce fair trade agreements. IoT devices can provide real-time feedback on environmental and product quality.

Ethical & Sustainability Focus: The customers are able to trace information about the product origin and ethical practices employed for the production. This empowers the customers to purchase wisely, which encourages companies to be sustainable and maintain fair practices. The platform can be used also to verify compliance with fair trade practices and environmental policies.

Fair Trade Focus: The direct linkage between consumers and producers, as enabled by the blockchain, can minimize the dependence on intermediaries and guarantee a greater proportion of the profit to the producers. Payment via smart contracts on a automatic basis can guarantee timely and transparent payment.

### 2. Solution 2: Worldwide Certification and Labeling Program with Artificial Intelligence-Powered Auditing

Idea: Create an internationally accepted certification and labeling scheme for products meeting certain ethical, sustainability, and fair trade standards. It would be backed by an AI-supported auditing system.

Technology: AI can sift through large amounts of data from diverse sources (satellite

images, sensor data, supply chain documents) to ensure adherence to certification standards. Machine learning can detect patterns and anomalies that could suggest illegal or fraudulent activities. Secure digital labels can convey product information to consumers.

Ethical & Sustainability Focus: The certification program would establish well-defined criteria for protecting the environment, safeguarding workers' rights, and reasonable pricing. AI-driven audits would provide assurance of adherence to these criteria, eliminating the possibility of "greenwashing" or other deceitful acts.

Fair Trade Focus: The certification process can incorporate certain fair trade practices, like minimum prices, decent wages, and investments in community development. The labeling system would enable consumers to recognize and select products in favor of fair trade in a simple way.

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