

DELEGATES,

It is my absolute pleasure to welcome you all to the 2019 Mid South Model United Nations Conference and the Economic and Financial committee. My name is Meg Corley, the chair of this committee. I'm from Chattanooga and a first year here at Rhodes studying International Studies (probably). I am a La Croix fanatic, musical theater addict, and I have watched Gilmore Girls start to finish 22 times.

I have attended eight MUN conferences, and while this is not my first time chairing debate, it will be my first time chairing MUN debate. I am so excited that you all have chosen to be a part of this committee. I know that often ECOFIN get a bad reputation, or rather a boring reputation. But, I assure you that I have done everything possible to insure that this committee participates in productive, interesting and at times (hopefully) heated debate. In choosing these topics, I have attempted to leave a great deal of the specifics open to your interpretation as delegates. You must focus on the facets of these issues that are most important to your nation because these complex problems will likely not be solved by one nation or one resolution. I challenge you to face these complex global problems with enthusiasm, diplomacy and a desire to take steps towards improvement on a global scale. If I can give one piece of advice in preparation for the conference it would be to remember the purpose of the United Nations: diplomacy and collaboration in order to facilitate improvements to our world.

Please feel absolutely free to contact me with any questions you may have about the topics, the paper writing process, or the conference in general!

MEG CORLEY

cormf-22@rhodes.edu

MITIGATING THE IMPACTS OF NATURAL DISASTERS ON ECONOMIC DEVELOPMENT

ABSTRACT:

As global weather patterns change, the tendency for natural disasters to be more destructive has increased. During the 2017 Atlantic hurricane season, there were seventeen named storms, ten hurricanes, and six major hurricanes. These figures are greatly increased from the historic average for a storm season. Large scale natural disasters take a huge toll on national infrastructure and the ability for citizens to work. According to a study by the United Nations Food and Agriculture Organization (FAO), \$1.5 trillion dollars worth of damage was caused world wide, from 2003 to 2013. Each disaster comes with further damage to the infrastructure, human capital, and general life of the affected nation. It is the task of this committee to find ways to economically prepare and recover more effectively from natural disasters.

GUIDE:

Researchers have found that in the past thirty years the strength, frequency, and severity of natural disasters is increasing. This increase has also been linked to an increase in the economic losses from natural disasters. The economic losses during natural disasters are largely caused by damage to tangible capital, such as buildings, equipment, and infrastructure as a whole. But natural disasters also take a toll on the people that live in that area. Figure one, below, shows the specific impacts that natural disasters had on people and the monetary cost of damage caused each year.

The tangible damage to infrastructure cripples production capacity of nations changing the functionality of the manufacturing dependent economies. Additionally studies have shown that 22% of the damage caused by natural disasters is in the agricultural sector, further crippling the global economy.

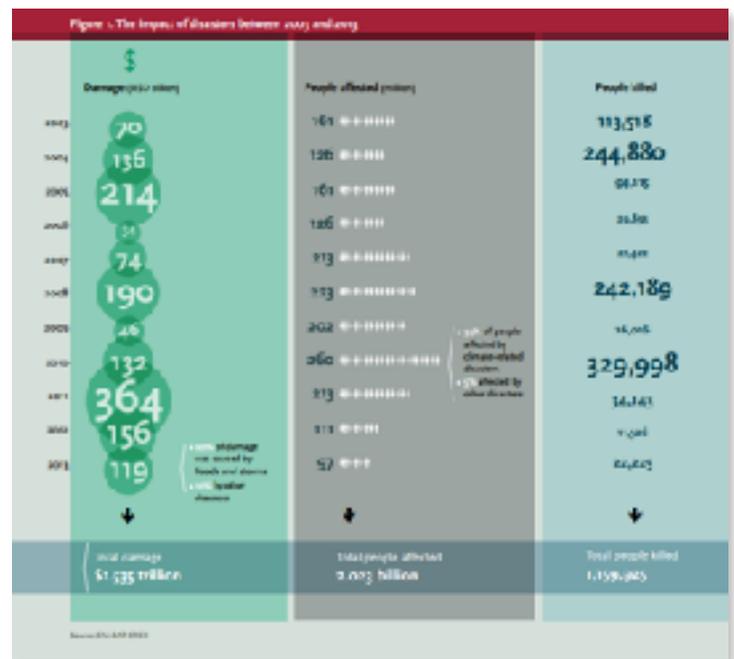


Figure 1. The impacts of disasters between 2003 and 2013 from the FOA

In 2005, the Hyogo Framework for Action was put into place outlining five priority action measures to build disaster resilience. These priorities can be summed up into the general principles of risk reduction and preparedness. This framework was in place from 2005 until 2015. The end of this framework led to the introduction of the Sendai Framework for Disaster Risk Reduction. The Sendai Framework outlines four additional priorities for disaster risk reduction: (i) Understanding disaster risk; (ii) Strengthening disaster risk governance to manage disaster risk; (iii) Investing in disaster reduction for resilience and; (iv) Enhancing disaster preparedness for effective response, and to "Build Back Better" in recovery, rehabilitation and reconstruction. These frameworks differ largely in the way that they approach private sector responsibility. These frameworks serve as foundations for policy development surrounding disaster recovery. Despite progress in recent years, these frameworks lack sufficient focus on specific economic recovery.

Developing countries are disproportionately impacted by natural disaster because of their tendency to have a weaker economy and more fragile infrastructure. This often undermines the development made prior to the disasters causing development to move even slower than ideal.

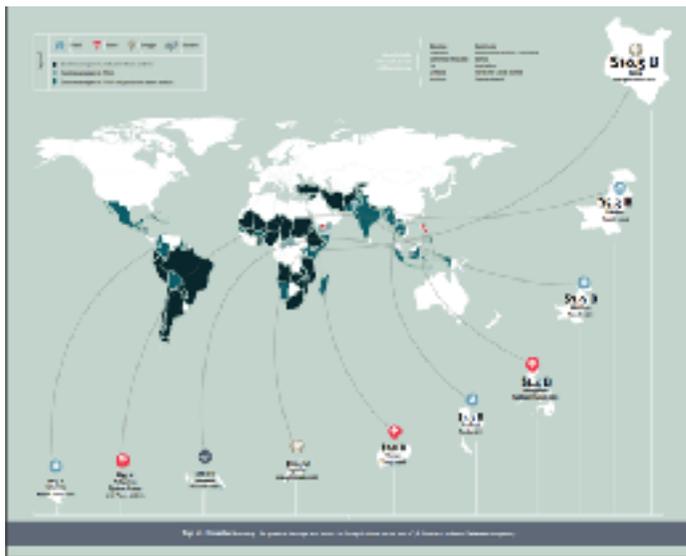


Figure 2. Location of the most agriculturally damaging disasters between 2003 and 2013

In Japan, after the 2011 Earthquakes and tsunami, 5.5% of citizens reported changes in employment such as temporary suspension, shorter working hours, and lower earnings. Natural disasters adversely change employment opportunities. The same natural disasters in Japan also decreased supply chain outputs because of the cost and time associated with the repairs needed to property and infrastructure.

The way that nations economically recover from natural disasters must fit the specific needs

of that nation. The Economics and Financial Committee is tasked with protection the global economy from the effects of natural disasters.

QUESTIONS TO CONSIDER

1. What is your nation's individual susceptibility to natural disasters?
2. How has your national economy been impacted by natural disasters?
3. How has your government handled economic recovery from natural disasters in the past?
4. How can this committee work to preserve economic capital during natural disasters?

WORKS CITED

- "Hyogo Framework for Action (HFA)." UNISDR News, United Nations Office for Disaster Risk Reduction , www.unisdr.org/we/coordinate/hfa.
- Kondo, Ayako. "Economic Effects of Natural Disasters: New Evidence from Japan." Vox CEPR's Policy Portal, The Center for Economic and Policy Research, 21 Nov. 2017, voxeu.org/article/economic-effects-natural-disasters-new-evidence-japan.
- Luxton, Emma. "How Much Do Natural Disasters Cost the World?" World Economic Forum, World Economic Forum, 16 Dec. 2015, www.weforum.org/agenda/2015/12/how-much-do-natural-disasters-cost-the-world/.
- "Sendai Framework for Disaster Risk Reduction 2015-2030." UNISDR News, United Nations Office for Disaster Risk Reduction , www.unisdr.org/we/inform/publications/43291.

EVALUATING THE ECONOMIC IMPACTS OF AGING POPULATIONS

ABSTRACT:

More than ever the nations with the historically largest economies are facing a new economic phenomenon, an aging population. It is projected that within the next few decades the number of people in the US over the age of 65 is expected to more than double. China is already facing a significantly aging population due to the former one child policy. Population aging is defined by the United Nations as the increasing share of older persons in the population. This demographic trend is poised to become one of the most significant social transformations of the twenty-first century, with major implications in most, if not all sectors of society, including the demand for goods and services, labour and financial markets, housing, transportation and social protection, as well as family structures and intergenerational ties. Evaluation and preparation for the social and economic shifts caused by population aging is vital in ensuring that development continues throughout the world.

GUIDE:

Between 2015 and 2030, the number of people in the world aged 60 years or over is projected to grow by 56 per cent, from 901 million to 1.4 billion, and by 2050, the global population of older persons is projected to more than double its size in 2015, reaching nearly 2.1 billion. In the next 15 years, growth of the population over 60 is projected to increase by 71% in the Caribbean and Latin America. While, generally, the poverty rate of those over 60 mirrors the poverty rate of other demographic age groups, in many countries where pension systems are not in place or fail to provide

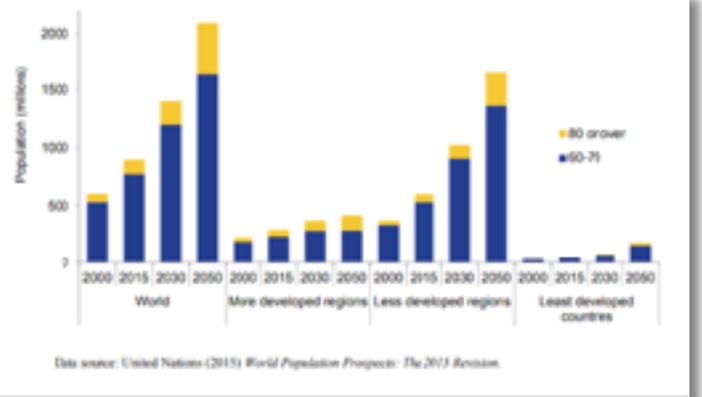


Figure 3. Population aged 60-79 years and aged 80 years or over by development group, 2000, 2015, 2030 and 2050

adequate income, older persons are more likely to live in poverty than people at younger ages. We are faced with a window of opportunity before the full effects of aging populations are felt to develop strategies and implement legislation recommendations to prevent the probable decline in the global economic growth rate.

In 1964, there were ten workers for every old person. But it is projected that in 2050 there will be only four workers per elderly person. Even when elderly populations maintain involvement in the workforce, it is often in an informal capacity. For example, a recent study in Sri Lanka shows that a vast majority of elderly persons who are involved in the workforce involved in an informal manner. Additionally this study shows that the workforce is projected to start shrinking in less than two decades. This shrinkage of the workforce will be especially detrimental to economic development especially because Sri Lanka is already less developed than other nations. Old workers, as a group, provide less hours of labor to the economy, thus it is vital that the labor market has protections in place to make up for the increase in aged populations. Aging populations have the ability to reduce GDP of any nation by 0.40 percentage points below the potential.

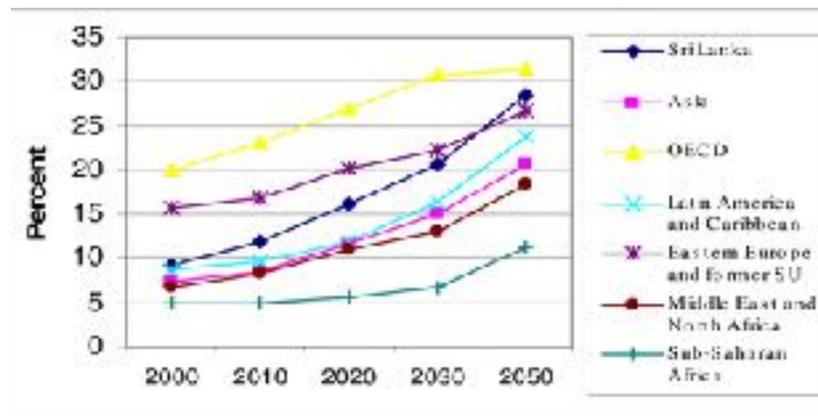


Figure 4. Demographic aging, Sri Lanka and world regional averages (percentage of population over 60 years old, 2000–2050)

While the graying of a population is irreversible, there are efforts that can be made to maintain the younger populations in nations such as increasing birth rates, preventing brain drain, and focusing on net immigration rates. Because of increased life expectancy and decreased fertility rates, aging populations are becoming more common. The global fertility rate is projected to drop from 3.4% to 1.7% in the next 30

years. Efforts must be made to ensure that the population under 60 years old must be prioritized on a global scale.

Studies show that governments which are facing population aging have a challenging task to provide social security and public services for the aged while maintaining economic growth. Aged populations challenge the economic stability of nations by requiring increased spending on social benefit programs, pensions, and healthcare. With higher rates of government spending, without equal input from the workforce, comes either higher rates of taxation or higher rates of government debt.

QUESTIONS TO CONSIDER

1. What economic impacts of aging populations can be limited?
2. What, if any, efforts has your government started to increase the net population growth of the youth of your nation?
3. How can the UN help to prevent economic stagnation as caused by aging populations?

WORKS CITED

- DeAngelis, Jeff. "Older And Wiser? How An Aging Population May Impact The Economy." *Forbes Magazine*, Northwest Mutual Voice, 30 Mar. 2016, www.forbes.com/sites/northwesternmutual/2014/12/29/older-and-wiser-how-an-aging-population-may-impact-the-economy/#c903e2a31e49.
- Dhaliwal, Kiran. "Harmful Effects of the Ageing Population on the Economy." *News Centre*, University of Kent, 13 Dec. 2016, www.kent.ac.uk/news/society/11994/harmful-effects-of-the-ageing-population-on-the-economy.
- Nikolova, Milena. "Two Solutions to the Challenges of Population Aging." *Brookings*, Brookings, 29 July 2016, www.brookings.edu/blog/up-front/2016/05/02/two-solutions-to-the-challenges-of-population-aging/.
- Vodopivec, Milan, and Nisha Arunatilake. "The Impact of Population Aging on the Labor Market: The Case of Sri Lanka." *DISCUSSION PAPER SERIES*, Forschungsinstitut Zur Zukunft Der Arbeit Institute for the Study of Labor, Apr. 2008, [ftp.iza.org/dp3456.pdf](ftp://iza.org/dp3456.pdf).
- World Population Ageing 2015*. United Nations, Department of Economic and Social Affairs, Population Division , www.un.org/en/development/desa/population/publications/pdf/ageing/WPA2015_Report.pdf.

THE ERADICATION OF POVERTY

ABSTRACT:

"Poverty is a multidimensional phenomenon. It is the deprivation of one's ability to live as a free and dignified human being with the full potential to achieve one's desired goals in life." -UN
Dept of Economic and Social Affairs,

The eradication of poverty is listed as the first sustainable development goal by the UN with the specific parameters to be achieved by 2030. It is clear that no single resolution or policy recommendation will solve this goal, further economic steps need to be taken in order to help to reach this goal. The UN has adopted a number of poverty classifications, many with large overlaps between other classifications. Some of these classifications are known as Absolute poverty, income poverty, and Overall poverty. Absolute poverty is defined as "a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information". It is characterized not only by income but also by access to services. Income poverty is when a family's income fails to meet a federally established threshold that differs across countries. While Overall poverty is a much more broad and inclusive term. Overall poverty includes poverty relative to quality of life, health, access to food and many other factors. Additionally, even though the UN has these definitions of poverty there is still little international agreement on the factors that should be considered in the measurement of poverty.

GUIDE:

Nearly one half of the world's population, approximately 3 billion people, live on less than 2.50 US dollars each day. Furthermore 1.3 billion people live in extreme poverty, with less than 1 US dollar each day. The UN defines extreme poverty as living on less than one US dollar each day. The eradication of poverty is vital in the continuation of productive development however, it has been stated that with current policy priorities, it is not possible.

While there are disputes over the way that poverty is measured internationally, a general international poverty line has been established by the UN. Additionally, in 2010 a multidimensional poverty

index was developed to help create a more unified way to measure poverty globally. The discrepancies in factors used to measure poverty are caused by varying political priorities of nations. Further consideration as to what impacts and defines poverty is necessary to make better informed economic recommendations.

The millennium development goals list seven main aims along with the goal of Eradicating poverty by 2030. These aims are as follows: improving access to sustainable livelihoods, entrepreneurial opportunities and productive resources; providing universal access to basic social services; progressively developing social protection systems to support those who cannot support themselves; empowering people living in poverty and their organizations; addressing the disproportionate impact of poverty on women; working with interested donors and recipients to allocate increased shares of Office for Disarmament Affairs to poverty eradication; and intensifying international cooperation for poverty eradication. These aims all note a shift in policy priorities on a global scale. The Department for International Development states that an emphasis on growth should be at the heart of economic policy recommendations for the eradication of poverty. Harvard University economist Dani Rodrik asserted that "Historically nothing has worked better than economic growth in enabling societies to improve the life chances of their members, including those at the very bottom." One example of this growth-focused approach is in China. From 1985 to 2001, China went through a period of rapid economic development. And, in that time, approximately 450 million people were lifted out of poverty.

The United Nations has concluded that the many of the financial elements of the eradication of poverty would just require a relatively small percentage of each nation's GDP to be relocated. However, the same study also concluded that very few nations have the extra revenue to do this. It then falls to Non-governmental Organizations to fill this gap. The United Nations hopes to foster long term relationships with NGOs to help in this effort. NGOs and civil society have the power to make major shifts to policies, and to meet this vital goal, they must be utilized. However, there are many challenges in the utilization and expansion of NGOs to end poverty. One notable issue is financing them. The following is an excerpt from a 2010 study on the way that the global economic crisis impact efforts to eradicate poverty: "The revenue decline because of the crisis came at the same time as demand for services increased, requiring more, not

less, funding. [Civil Society Organizations] reported that the amount and scope of requests for support by the constituencies and partners of civil society organizations grew because of climate change and the food crises. More than half of the responding CSOs reported that demand for services has already risen substantially. They project for the next two years further increases in requests for emergency relief and for support to provide basic social services." Advancements in how these organizations function are vital to their role in eradicating poverty.

The goal to eradicate poverty before 2030 is a challenge, but it is a challenge the world must meet. The perpetuation of poverty is a violation of millions of people's basic human rights. This committee must work to develop policy recommendations which will set the world on the path to meet this vital goal.

QUESTIONS TO CONSIDER

1. Which aims of the first development goal most closely match the priorities of your nation?
2. What factors are used to measure poverty in your nation?
3. What specific steps or policies has your nation made towards ending poverty?
4. What, if anything, has your nation done to support NGOs in the effort to end poverty?

WORKS CITED

- "Development for All: The Fight to End Global Poverty ." *United Nations*, UN DESA Department of Economic and Social Affairs, 2 Feb. 2017, www.un.org/development/desa/en/news/social/csocd55-fight-end-poverty.html.
- Ferguson, Catherine. *Enhancing the Role of NGOs and Civil Society in Poverty Alleviation: Challenges and Opportunities*. The Division for Social and Political Development of the Department of Economic and Social Affairs, 2011, www.un.org/esa/socdev/egms/docs/2011/RoleNGOs.pdf.
- "Growth: Building Jobs and Prosperity in Developing Countries." *Organisation for Economic Co-Operation and Development*, Department for International Development, www.oecd.org/derec/unitedkingdom/40700982.pdf.
- Mack, Joanna. "Absolute and Overall Poverty." *Households in Poverty: Five Case Studies | Poverty and Social Exclusion*, Poverty and Social Exclusion , 27 Oct. 2016, www.poverty.ac.uk/definitions-poverty/absolute-and-overall-poverty.
- "Poverty Eradication." *Sustainable Development Knowledge Platform*, United Nations, Department of Economic and Social Affairs, sustainabledevelopment.un.org/topics/povertyeradication.
- "Poverty." *Learning to Live Together*, United Nations Educational, Scientific and Cultural Organization, www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/glossary/poverty/.