

THE GUIDE TO **DELEGATE** PREPARATION

Economic and Social Council

International framework
for imposing austerity
measures on developed
debt ridden countries



RESOURCES

Rules of Procedure	https://docs.google.com/document/d/1AvaEKch53eEw_Fz_MFpuN7lg4IEikao-7eByUcVYFuo/edit
Guide to writing a position paper	https://docs.google.com/document/d/1if4LjSSXwpT8inyMAwK7a94TXjaKC3osZpEBE3PkY-w/edit
Guide to writing a resolution	https://docs.google.com/document/d/1MDJq4F5upMTwAlxtg6Jt3VdKbP2zxcN8RzgMOZl4BuM/edit
Criteria for winning awards	https://docs.google.com/document/d/1Gog_x3dNAwDtxWbB3_zPAKosDJPAFaKcnQ1_J_CeDYo/edit

Please visit our website www.fountainheadschoools.org/fsmun or write to us at fsmun@fountainheadschoools.org for further details

MEET THE DAIS

Chairperson

My name is Akanksha Singh and it is my distinct privilege to serve you as your Chairperson for the ECOSOC committee at FSMUN 2.0. I am a first year law student at Gujarat National Law University, currently pursuing my BA LLB degree. I have been a part of 10 MUNs and 17 debates and have taken part in two moots thus far. As a keen participant and socially conscious member of a crippling society, I cannot emphasize the importance of conferences like these. I enjoy reading quick pace fiction, watching TV shows and everything sci-fi. My absolute love for the intricacies of Indian Politics has only been strengthened by the exposure given to me during debates and MUNs. Whatever you take back from this MUN, be it a ton of knowledge or one new friend, I assure you that you will cherish this conference and my vice chair and I will try our level best to moderate committee well. Good luck with your preparations. May the force be with you!

Vice-Chairperson

My name is Aakash Lalchandani and I will be vice chairing ECOSOC in FSMUN 2.0. I am in Grade 12 from the Riverside School. I am passionate about Economics and Business Management as subjects, and love to delve deep into them. I wish to major in Economics and Finance, and aim to work as an investment banker. Apart from that I am a great fan of Manchester United and love watching and playing football and cricket. I enjoy watching movies and TV series: my favourites being House of Cards, Suits and Friends. I am very excited to be a part of this MUN, as MUNing is all about debating, presenting, making friends, having fun and getting to learn more. I wish you the all the very best for the preparation for FSMUN 2.0!

INTRODUCTION TO THE AGENDA

INTERNATIONAL FRAMEWORK FOR IMPOSING AUSTERITY MEASURES ON DEVELOPED DEBT RIDDEN NATION COUNTRIES

In light of recent developments in several financial markets, the stock market crash of China, the global commodity price correction, the volatility in the global economic outlook has been exposed. With the German finance minister along with several other federal financial authorities across the globe raising the danger sign, it is imperative to impose stringent austerity measures to minimize the damage that the bursting of the financial bubble could have.

In theory austerity measures are all about curbing government and public expenditure in order to avoid defaulting on federal, internal and external debt. The curtailing of the government expenditure helps control public sector debt and thereby ensures that imbalance between federal income and debt on fiscal fronts does not break the red line. Since developed nations account for almost two thirds of the world's GDP, their economic health is crucial for the wellbeing and stability of the rest of the world. In theory, economics suggests that increased government spending during inclement financial weather helps maintain a healthy aggregate demand which allows for employment to continue and that affordability amongst consumers is maintained. However, increased spending in tough times could only be funded through heavy borrowings from foreign lenders, leading to nation's' external debt going through the roof.

Since developed nations have large GDPs their debt is obviously going to be higher. An appropriate yardstick to measure the quality of debt would be find percentage of the debt against the real GDP to identify whether the nation will be able to repay the loan or default to its creditors. The current debt to GDP ratios suggest that the world did not learn anything from the great depression or the 2008 financial meltdown, and that we are headed towards another trillion dollar meltdown. The United States' debt as of 20th June 2015 is a 105% of its GDP not adjusted for inflation. For other countries debt as a percentage of GDP continues to remain alarmingly high: France 222%, Germany 145% and United Kingdom is the most appalling with 406%.

A financial crisis is in the pipeline; however, one thing to minimize the damage would be implement stringent austerity measures now. China's heavy federal oversight and intervention has helped maintain a healthy and affordable debt as a percentage of GDP of 37.5. ECOSOC must come to a consensus on the kind austerity measures several federal authorities must impose immediately in order to curb a costly recession.

QUESTIONS THAT A RESOLUTION MUST ANSWER

A RESOLUTIONS MUST ANSWER ALL THESE QUESTIONS TO BE DISCUSSED IN COMMITTEE.

THIS WILL MAKE SURE THAT RESOLUTIONS ARE COMPREHENSIVE, THE DEBATE IS

STRUCTURED AND PURPOSEFUL AND IT WILL FORCE THE DELEGATES TO CRITICALLY EXAMINE

ALL ASPECTS OF THE AGENDA

- To what extent is it the responsibility of the developed nations to maintain the stability of the global economic outlook?
- How relevant is reducing public expenditure in developed nations to the problem of the unhealthy debt to income ratio of the advanced economies?
- To what extent can the United Nations intervene in the financial policies of sovereign states in order to maintain a healthy debt to income ratio?
- What is the relationship between a steady real global GDP and a controlled fiscal surplus of developed nations?
- How can a safety limit for a debt burden on the balance of payments of a nation be defined as safety, borderline and alarming?
- How can a uniform fiscal integrity code be moderated by the United Nations and implemented strictly on developed nations?
- Does the setting of fiscal health limits on developed nations call upon the World Bank to reconsider the criteria for declaring a nation as a 'developed nation'?

SUGGESTIONS FOR FURTHER RESEARCH

Delegates, you are advised to delve deep into your research, and we place special emphasis upon looking back at the history of the agenda, the current status and the future problems that may occur, and solutions you are looking to, so the 'Greece crisis' or the 'Chinese stock market crash' is not repeated. We advise to use credible sites for research; first of all you should consider looking at UN recognized bodies like the World Bank and the International Monetary Fund. The use of Reuters and Al Jazeera is recommended. Here are some links that may help you immensely and may provide the context of the agenda:

1. <http://www.investopedia.com/ask/answers/062315/what-austerity-measures-can-country-implement-curtail-government-spending.asp>
2. https://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=rja&uact=8&ved=oCCwQFjACahUKEwi95v_zgZrIAhWNC44KHdQNB3s&url=http%3A%2F%2Fwww.intereconomics.eu%2Fdownloads%2Fgetfile.php%3Fid%3D842&usg=AFQjCNGKfPOcMqVZpIklLWDHZfiCR6PUA&sig2=jyuMbHVwH_AjToQtMaPXeA&bvm=bv.103388427,d.c2E
3. <http://www.un.org/press/en/2011/gashc4005.doc.htm>
4. http://www.ohchr.org/Documents/Issues/Development/RightsCrisis/E-2013-82_en.pdf