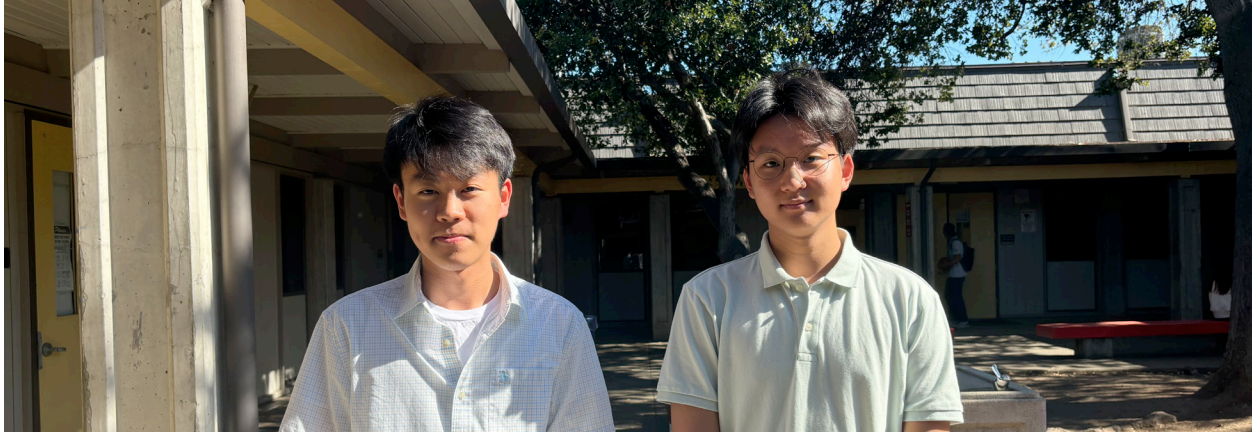


GMUNC XI

United Nations Development Programme

Jiho Seo · Head Chair
Chanew Kim · Co-Chair





About Chairs

Left: Jiho Seo · Head Chair

Jiho is a senior at Gunn High School, and since beginning Model UN in his freshman year, he has taught at several outreach programs for younger students and chaired at GMUNC. This year marks his second time chairing a committee at GMUNC. In addition to MUN, Jiho is interested in aviation and music. He enjoys plane-spotting and plays the clarinet in his youth orchestra.

Right: Chanew Kim · Co-Chair

Chanew, a sophomore at Gunn High School, began his Model UN journey in sixth grade during the COVID-19 pandemic, quickly becoming an active member of his middle school club. Now, he contributes to Gunn's outreach program, connecting with middle school students to inspire their involvement in MUN. Outside of MUN, Chanew enjoys playing the violin in his free time.

About Committee

The United Nations Development Programme (UNDP) promotes sustainable development by cooperating with nations around the world to eliminate poverty and inequity, build resilience, and improve the quality of life. The UNDP additionally supports nations with the creation of policies and leadership that align with the Sustainable Development Goals (SDGs).

Important Dates

Oct 12, 2024 - Research award deadline
Oct 18, 2024 - Final position paper deadline
Oct 19, 2024 - Day of conference

Committee Email

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Foreword


Welcome to the Gunn Model United Nations Conference XI and United Nations Development Programme Committee. Having previously been a delegate and chair at GMUNC, I am honored to be a part of this conference again and excited for another memorable year.

This committee explores the rising prevalence of wealth disparities at its core. While development and poverty have been at the forefront of numerous humanitarian initiatives on an international scale, the focus of this committee is from the grassroots. Applying the breadth of experience and knowledge from global efforts, it is your turn to brainstorm, collaborate, and develop strategies that address the economic inequity *from within* both developed and developing nations and likewise the decline of the middle class. Create the blueprint of a future where the shift toward economic equity is universal and part of a cohesive global partnership.

Position papers are due on October 12 to be considered for a research award, with the final deadline on October 18. Please send position papers and committee-specific inquiries to the committee email: gmuncxi.undp@gmail.com. Additionally, all delegates are required to complete contact and medical forms to participate in the conference. Please confirm with your delegation that the required documents have been submitted.

I wish you the best with writing your position papers and look forward to seeing everyone on October 19, 2024 for GMUNC XI.

Jiho Seo
Head Chair

An aerial photograph of Mumbai, India, illustrating the stark contrast between high-rise buildings and a dense slum. The image is divided into two main sections by a diagonal line. The upper-left section shows modern, multi-story buildings with flat roofs, interspersed with green trees and paved roads. The lower-right section shows a dense, sprawling slum with a vast majority of buildings having bright blue corrugated metal roofs. A narrow, dark canal or stream runs along the bottom edge of the slum area. The overall scene highlights the urban divide and the challenges of housing in a rapidly growing city.

An aerial view of the divide between high-rise buildings and slums in Mumbai, India.

Introduction

The gradual decline of the middle class and the widening wealth disparities are significant issues affecting both developed and developing countries today. The middle class, often seen as the backbone of economic stability and democratic governance, is shrinking, which raises concerns about the impacts on social cohesion and sustainable development. This trend is connected to various global economic changes, including shifts in labor markets, fiscal policies, and socio-political dynamics.

Wealth disparities have been worsened by several key factors, such as technological advancements, globalization, and changes in economic policies. Technological progress, while driving innovation and economic growth, has also led to job losses and the creation of new economic divides. Automation and digitalization have particularly impacted middle-income jobs, leading to job polarization and increased income inequality. Globalization, with its focus on free trade and open markets, has brought about economic opportunities and growth in many regions. However, it has also increased competition and led to the outsourcing of jobs to lower-wage countries, further eroding middle-class employment in higher-wage economies. This shift has resulted in economic disruption for many workers, contributing to a sense of insecurity and disenchantment.

Economic policies over the past few decades have also played a significant role in shaping the current landscape. The rise of neoliberal policies—emphasizing deregulation, privatization, and reduced government intervention—aimed to boost economic efficiency and growth. These policies, however, have often led to increased income inequality and a concentration of wealth among the top segments of society. Tax policies favoring capital gains and high-income earners have further widened the wealth gap.

The implications of these trends are far-reaching, affecting not only economic stability but also social cohesion and political dynamics. The decline of the middle class undermines the foundations of democratic governance, as economic disparities can lead to social unrest and political polarization. Addressing these challenges requires a comprehensive approach, involving economic, social, and political measures, to foster a more inclusive and equitable economic system.

A father playing with his children outside their house in a suburban neighborhood in 1952.



Historical Context

The decline of the middle class can be traced back to several key moments in economic history, each contributing to the current landscape of wealth disparities and economic stratification. The post-World War II era witnessed a period of substantial economic growth and prosperity, particularly in Western nations. This period, often referred to as the "Golden Age of Capitalism," was characterized by rising wages, increased industrial production, and the expansion of social safety nets, which collectively fostered the growth of a healthy middle class. The establishment of welfare states and policies that supported workers' rights and benefits were instrumental in reducing income inequality and promoting social mobility.

However, the economic landscape began to shift in the latter half of the 20th century. The 1970s marked the onset of significant economic transformations, including the oil crisis, stagflation, and the beginning of deindustrialization in many Western economies. These changes ushered in an era of economic uncertainty and adjustment, leading to shifts in labor markets and employment patterns. The decline of manufacturing jobs, which had been a cornerstone of middle-class employment, particularly in the United States and Europe, resulted in a loss of stable, well-paying jobs for many workers. The transition towards a service-based economy created a dichotomy where high-skilled, high-paying jobs and low-skilled, low-paying jobs proliferated but

middle-income positions diminished, leading to increased economic polarization.

Concurrently, the advent of globalization and technological advancements further reshaped the economic terrain. While these developments spurred economic growth and innovation, they also contributed to increased competition and job displacement in certain sectors. The outsourcing of jobs to lower-cost regions and the automation of various industries reduced the availability of middle-income jobs, exacerbating economic disparities. As global supply chains extended, production costs decreased, but this often came at the expense of domestic labor markets in higher-wage countries. The rapid pace of technological change favored highly skilled workers, widening the gap between those with advanced skills and those without, thus contributing to the erosion of the middle class.

In the 1980s, the rise of neoliberal economic policies—characterized by deregulation, privatization, and a reduction in government intervention—also played a critical role in shaping the economic environment. These policies aimed to stimulate economic efficiency and growth but often resulted in increased income inequality and a concentration of wealth among the top echelons of society. Tax policies favoring capital gains and high-income earners further contributed to the widening wealth gap. The reduction in corporate tax rates and


deregulation of financial markets facilitated the accumulation of wealth at the top, while wage growth for the middle and lower classes stagnated. The weakening of labor unions and collective bargaining rights further diminished the negotiating power of workers, leading to a decline in wage growth and job security.

In recent decades, the financialization of the economy has further intensified wealth disparities. The increased influence of financial markets and institutions has led to the growth of speculative investments and a focus on short-term profits, often at the expense of long-term economic stability and equitable growth. This shift has disproportionately benefited those with significant financial assets, thereby amplifying existing inequalities. The emphasis on shareholder value and profitability has often resulted in cost-cutting measures, such as layoffs and wage suppression, adversely affecting middle-class workers. The 2008 financial crisis exemplified the vulnerabilities of an over-leveraged financial system and its impact on middle-class wealth, particularly through job losses and declining property values.

The COVID-19 pandemic serves as a contemporary example of how economic shocks can exacerbate existing disparities. The pandemic led to significant economic disruptions, disproportionately affecting

lower and middle-income households. Many middle-class families faced job losses, reduced income, and increased financial instability. The economic impact of the pandemic highlighted the vulnerability of the middle class and intensified calls for better policy measures to address these systemic issues. Government responses varied—with some countries implementing extensive relief measures while others struggled to provide adequate support—further emphasizing the disparities in social safety nets and economic resilience across different regions.

The cumulative impact of these historical developments is a progressively polarized economic structure, with a shrinking middle class and an expanding divide between the wealthy and the economically disadvantaged. Addressing these challenges requires encompassing economic, social, and political dimensions to foster a more inclusive and equitable economic system. Policies aimed at strengthening labor markets, promoting fair taxation, and investing in education and skills development are essential to reversing the trend of middle-class decline. Furthermore, international cooperation and policy coordination are crucial in addressing the global nature of these economic challenges and ensuring that the benefits of economic growth are broadly shared.



Simon Pither (Gabon) on the right signing the Final Act of the 1965 UN Pledging Conference alongside Danilo Lekic (Yugoslavia) on the left.

Past UN Action

In the beginning of the United Nations, development was supported by specialized agencies providing technical assistance and training to developing nations. Through the continued cooperation of U.N. agencies, the Expanded Programme for Technical Assistance (EPTA) was created in 1949 and later the United Nations Special Fund (UNSF) in 1959 to support development projects and share knowledge.

As the U.N. gained new members, discussions saw additional perspectives on development, leading to development reaching the forefront of U.N. in 1960. The newly admitted members primarily represented countries that had recently gained independence. With hunger being the most critical development concern at the time, the Food and Agricultural Organization (FAO) led efforts supported by impacted members from Africa, Asia, the Pacific, and the Caribbean to solve hunger through economic development. In 1961, the General Assembly of the U.N. founded jointly with the FAO the World Food Programme (WFP), which provided \$100 million in voluntary funds. Additionally, the United Nations Capital Development Fund was created to provide additional capital for developing nations.

These initiatives in the 1960s marked the First United Nations Development Decade, which spanned to 1970 and expanded the U.N.'s scope beyond hunger to include illiteracy and

disease. Moreover, member countries set individual targets with a baseline for annual growth of at least 5% of aggregate national income. Developing nations also organized the Conference on the Problems of Economic Development in 1962 to specify their individual needs and share their perspectives to other member countries. The conference led to the creation of the Cairo Declaration of Developing Countries, which the General Assembly recommended be considered for future economic and social development discussions.

In 1964, the United Nations Conference on Trade and Development (UNCTAD) was established to promote opportunities for the export of commodities. A year later, 46 states at the United Nations Pledging Conference announced financial support totalling \$130 million for the EPTA and UNSF. At the end of 1965, the EPTA and UNSF were merged to form the United Nations Developmental Programme (UNDP). This new organization set to address poverty and strive for human development through sustainable action. The UNDP remains the largest developmental program and has launched numerous programs worldwide to support its efforts. Its first global project called "Global One" was launched in 1970 with the goal of developing high-protein maize. The project resulted in the creation of new varieties of maize and trained hundreds of people across different countries.

Despite this milestone, the General Assembly recognized the need for further progress in the 1970s and launched the Second United Nations Development Decade. Discussions expanded to include racism, women, and environmental concerns. Additionally, the General Assembly adopted the International Development Strategy calling for developed nations to provide resources to developing nations through official development assistance of at least 0.7% of a country's GDP. The strategy was quickly met with challenges with the oil crisis in the first half of the 1970s, and developing nations saw a lack of willingness from developed nations to take action. The response from the General Assembly was the creation of the Declaration of the Establishment of a New International Economic Order and the Programme of Action for reforming the international monetary system.

As the 1970s ended, a New Development Strategy was adopted in 1980 marking the Third United Nations Development Decade. This decade saw less growth in U.N. membership compared to previous decades and instead represented a time of reflection and reworking past efforts. As part of the strategy, new goals were set including a growth rate of 7.5% for developing countries' GDPs. Reviewing the impact of the efforts in 1984, however, the General Assembly again found a lack of progress made toward the new economic order or the new strategy.

The Fourth United Nations Development started in 1990, and the Declaration of International Economic Cooperation was adopted to address increasing disparities between developing and developed nations. That year, the UNDP also launched the first Human Development Report, showing a holistic view on development. The report also marked the creation of the Human Development Index by incorporating life expectancy at birth, adult literacy rates, and purchasing power.

This decade saw its own set of challenges in achieving economic growth as a result of armed conflicts in Africa, the Americas, and Eastern Europe. Additionally, the drastic economic changes in Eastern Europe during this period meant transitioning economies also needed support in addition to developing nations. By the latter half of the 1990s, however, developing nations had found success in internationalizing their economies, and the U.N. began to look beyond economic growth to other factors like government transparency, decentralization, and social security.

At the turn of the millennia in 2000, the U.N. created the Millennium Development Goals through the culmination of past ideas and efforts as part of eight goals to be met by 2015. Among these goals were eradicating extreme poverty and hunger and establishing a global partnership for development. The former included targets to halve the


proportion of people with an income of less than \$1 per day, achieve full employment including women and young people, and halve the proportion of people affected by hunger. The latter goal focused on developing a new trading and financial system to be rules-based and non-discriminatory, in addition to addressing the specific needs of developing, landlocked, and small island nations. Additionally, it placed an emphasis on creating a comprehensive approach to the debt of developing countries, increasing access to affordable medication, and additional cooperation with the private sector to increase access to information and communications technology.

By the end of the decade, considerable advancement toward the MDGs was achieved. The number of people in extreme poverty was reduced by 700 million, and the proportion of people living on less than \$1.25 a day was reduced to 22% in 2010 from 47% in 1990. Additionally, development assistance reached \$126 billion in 2012, and 83% of exports from developing countries were exempt from duties in developed countries. Adding to the success, the trade of developing countries and transition economies exceeded the world average in 2012.

When the MDGs reached their end in 2015, the General Assembly adopted the 2030 Agenda for Sustainable Development for the

next generation of developmental progress. The agenda centers around seventeen Sustainable Development Goals (SDGs) as part of a cohesive action plan to incorporate developed and developing countries in a partnership. Similar to past efforts, the agenda recognizes development as a multi-faceted issue including healthcare, education, and climate change. To discuss the progress of the SDGs, the High-level Political Forum on Sustainable Development (HLPF) was established alongside the goals. Additionally, the Division of Sustainable Development Goals (DSDG) was created to provide support for the goals through capacity-building and ensuring that countries remain engaged with their commitment to the goals.

With technology being an integral part of the twenty-first century, the U.N. also partners with creative agencies to increase its outreach capabilities. The ActNow campaign includes an interactive app to enable individuals to calculate their environmental footprint through a game-like experience. Additionally, collaborations with movies like Angry Birds, Smufs, and Trolls broadens the reach of the SDGs. As well as technology, the U.N. partners with sports through Football for Goals, which provides a platform for the football community to advocate for the SDGs. Moreover, the U.N. fosters interviews, discussions, and digital content through the SDG Media Zone to connect people through public figures and influencers.

A woman wearing a light blue surgical mask and a dark, patterned long-sleeved shirt is riding a bicycle through a busy outdoor marketplace. The bicycle has a large black umbrella mounted on the back, and several baskets are attached to the front. The background is filled with other people, some wearing masks, and various market stalls under a canopy of umbrellas. The scene is captured in a candid, documentary style.

A woman on a bicycle passing through a marketplace in Manila, Philippines in 2021.

Current Situation

Within the context of long-term growth, past development efforts were challenged by the COVID-19 pandemic in 2020. Despite the rapid growth of the middle class from 2011 to 2019, the pandemic reversed this trajectory and erased a year of growth. The number of middle-class individuals in 2020 was 54 million less than projected growth, while the number of poor individuals was greater by 131 million.

This decline was most felt in South Asia, East Asia, and the Pacific, where the pandemic halted all previous growth. While the global poverty rate had been steadily declining in the twenty-first century, it is likely to have increased to 10.4% in 2021 compared to the projected level of 8.7%. In addition to aggravating poverty, the economic impact of the pandemic reached upper-middle and high income individuals, falling by 62 million and 36 million people, respectively.

In the labor market, the pandemic exacerbated economic inequality for marginalized groups including women, seniors, individuals with disabilities, and migrant workers. Intensified by the Russian invasion of Ukraine, more than 200 million people globally were unemployed in 2023. In Latin America, inflation was at 7.3% in 2022 whereas economic growth was 3.7% and poverty as high as 32.1%. Of workers in Asia, 1.4 billion are employed informally, including almost half in the low-productive agricultural sector. These populations lack the

preparation to respond to climate change or digitalization and face dangerous work environments while on the brink of poverty. In Europe, the workforce of people over the age of 55 has grown within the last two decades. Older individuals, however, face employment barriers and are not valued as well as their younger counterparts. As for Africa, the pandemic reversed more than two decades of progress on reducing poverty with more than 50 million people having newly entered poverty. Like Asia, labor in Africa is affected by informality, and from 2019 to 2023, unemployment increased from 7% to 7.8%.

On a global scale, economic inequality today exists in various forms from wealth and income to carbon emissions. In 2022, the poorest half of the global population owned only €2,900 in purchasing power, whereas the top 10% owned 190 times as much. In terms of income, the richest 10% of individuals account for 52% of all income while the poorest half only contributes to 8.5%. In addition to income and wealth, economic inequality presents itself in the form of carbon emissions. The top 10% disproportionately accounts for 48% of global carbon emissions. With the pandemic reversing significant progress toward development and improving poverty, inequality currently stands stronger than ever throughout the world's economies.

Goals for Committee

- Identify incentives for international cooperation while addressing the diverse needs of individual nations.
- Develop strategies to support entrepreneurship in nations with historically limited resources and opportunities.
- Incorporate environmental and technological sustainability into economic development.
- Strengthen social safety nets and support systems for vulnerable populations during economic downturns and crises.

Questions to Consider

- How can developing nations achieve economic growth without inheriting wealth inequity and job insecurity?
- What aspects of developing nations can developed nations learn from?
- How can governments balance the need for technological innovation and globalization with the protection of the middle class?
- What role should fiscal and tax policies play in addressing income inequality and wealth disparities?

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