

King's Christian Collegiate Model United Nations

Preventing the Next Depression



William Malone
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Dear King's MUN 2024 delegates,

We are truly honoured, as this year's Co-Secretary Generals of King'sMUN, to welcome you to our 10th annual conference. The Secretariat has been working hard throughout this school year to deliver you an incredible, in-person conference with a variety of creative committees, experienced chairs, and an overall successful day of debate.

Model United Nations, a reenactment of the function of the United Nations, is designed for students to come together to debate, discuss, and develop creative resolutions to some of the world's most pressing issues that plague our world today. In most committees, students take on the positions of various countries, characters, or political figures to create solutions for both real and fictional issues and crises. We also offer unique committees that explore historical, future, and fictional issues.

In our personal experience with MUN we have developed many valuable skills that we will take with us throughout our lives, such as confidence in public speaking, leadership, and creative problem-solving. Furthermore, MUN promotes lifelong connections, as we are constantly meeting delegates who share similar passions to us in committee sessions. We truly believe that your participation in MUN will guide you throughout your high school journey and beyond.

At King'sMUN, we provide a variety of committees to ensure that we have something of interest for everyone. From very current pressing issues (ie. UNSC and the African Union) and issues in sports (ie. International Cricket Council and WSF) to fictional, yet real, controversies (ie. Barbieland) and issues set in the past (ie. The Manhattan Project). We strive to ensure that there is appeal for a variety of delegates. Whether you have no experience or have been to a multitude of conferences, there is a place at King'sMUN for you!

Once again, we are thrilled to welcome all delegates, new or returning, back to King'sMUN. We hope that you engage in fruitful debate and have an amazing time at King'sMUN 2024.

Sincerely,

Serena Kalsi and Georgia Apostolopoulos

Co-Secretary Generals

King'sMUN 2024

History of the U.N

Following the conclusion of WWII in 1945, 50 countries sent representatives that would gather at a conference that lasted the duration of 2 months. During this time the representatives would proceed to draft and sign the U.N. Charter. This Charter signed off on a new international organization known as the U.N., with a purpose would be to prevent future global crises and encourage economic stability as countries begin to rebuild. Now, the U.N. continues building and upon the original goals that were established in 1945, but they are also evolving, creating more ambitious goals. The U.N. has established sustainable development goals that they hope to achieve by the year 2030.

Background

In 1929, one of the greatest economic collapses in history occurred as the collapse of the American economy would bring many nations down with it. The stock market crash, bank failures, global economic imbalances and more all heavily contributed to the Great depression. Over time the world has recovered and countries began to rebuild. Now, almost 100 years later, many ecologists believe we are heading into another depression that will occur sometime in the 2030's if action is not taken. The goal of the 2029 committee will be to analyze what led to the previous depression of 1929 and pass directives that will contribute to preventing the impending depression.

Topic #1: Deflation and Inflation

Prior to the great depression, there was no set minimum wage in America. Wages were completely determined by the employer and employees would have to accept their wage or look elsewhere. This would create great income inequality within the economy as the employer can pay so little to their employees while they make plenty of money. When the depression began, employers lowered wages dramatically because they were pulling in much less money than before. Because of this, the wide majority of the population could not afford basic goods such as food. As a result, the prices of products dropped along with the wages, this is deflation. Deflation is “a decrease in the general price level of goods and services”. (Investopedia) This leads to company profits dropping, and laying off employees because they cannot pay them suitable wages. As a result, the demand for goods stays the same while the supply is extremely low. This leads to unemployment, starvation and the economy takes a massive hit. The U.S. began to combat deflation in 1938 when Franklin D.

Roosevelt implemented a ¢4 minimum wage, which is roughly equivalent to \$5 today. (Kiger, Patrick, History.com) The purpose of the minimum wage was to help stabilize the economy post-great depression and provide reassurance and protection to the workers in the labour force.

Over time, inflation has been gradually increasing. Inflation within an economy is natural as it grows, more people will have buying power and prices will rise as demand grows. However recently, inflation rates are rising at an unsustainable rate.

Historical inflation rates in comparison

Year	Canada	Ø EU	Ø USA	Ø World
2022	6.80 %	8.83 %	8.00 %	7.97 %
2021	3.40 %	2.55 %	4.70 %	3.47 %
2020	0.72 %	0.48 %	1.23 %	1.92 %
2019	1.95 %	1.63 %	1.81 %	2.21 %
2018	2.27 %	1.74 %	2.44 %	2.44 %
2017	1.60 %	1.43 %	2.13 %	2.22 %
2016	1.43 %	0.18 %	1.26 %	1.60 %
2015	1.13 %	-0.06 %	0.12 %	1.44 %
2014	1.91 %	0.20 %	1.62 %	2.35 %
2013	0.94 %	1.22 %	1.46 %	2.62 %
2012	1.52 %	2.66 %	2.07 %	3.73 %
2011	2.91 %	3.29 %	3.16 %	4.82 %
2010	1.78 %	1.53 %	1.64 %	3.35 %
2009	0.30 %	0.84 %	-0.36 %	2.94 %

www.worlddata.info

When inflation rates rise too fast, the customer loses its purchasing power. Purchasing power refers to the amount one can purchase with a given amount of money. As a result people will buy less product, lowering demand. Companies will not be able to produce as much, resulting in less supply to be sold, ultimately slowing the growth of the economy. If this continues, unemployment rates will rise, companies will not be able to pay their employees as their profits are decreasing as a result of people not buying products, resulting in the economy falling into a recession and possibly a depression. Evidently this will have similar effects that deflation had on the economy during the great depression.

Delegates should be focused on preventing the economy from entering a recession and explore ways to do so. Examine how studying the effects that deflation had on society can assist in discussing the present issue of inflation. Delegates may attempt to navigate ways to stabilize inflation rates by exploring policies, interest rates, along with other potential methods. Delegates should also

explore ways to determine how the government may protect the population's purchasing power when the economy falls into a recession.

Further Questions

#1: Should the government lower, raise, or maintain the current minimum wage while trying to combat the rising inflation?

#2: As Roosevelt used inflation to counter deflation by implementing minimum wage, would it be possible to do the opposite now and use deflation to counter the growing inflation rates? Who would this affect the most?

#3: How much government intervention should be allowed while trying to stabilize and maintain an economy?

#4: How much of the recent inflation can be blamed on the pandemic?

Topic #2: International Affairs

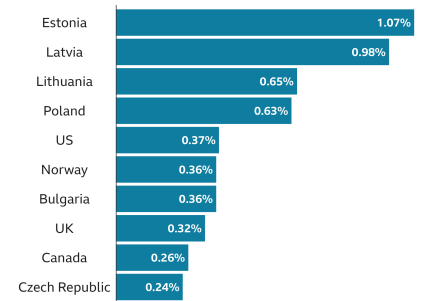
When WWI concluded, many European countries were having a difficult time rebuilding their economy. In 1910, Europe commanded 60% of global exports, making them the most important continent for economic sustainability. (Tooze, Adam - Pbs.org) When the war ended, a large majority of the countries that were producing these exports could not sustain their production and the global economy slowed. On top of this, countries were demanding money from Germany in compensation from the war, leading to a great depression inside of Germany with inflation rates skyrocketing to unprecedented levels. In 1922, 160 German marks was equivalent to 1 U.S dollar, shortly after in 1923 the currency would further depreciate to 4,200,000,000,000 marks to 1 U.S. dollar. (Backhouse, Fid - britannica.com) Although some countries were able to take advantage of this economic collapse in Europe, many countries faced brutal repercussions with rapidly rising unemployment rates, inflation, and economic uncertainty as many countries fell into their individual depression. The effect war has on society is much larger than what meets the eye and it should be avoided at all costs as the benefits are rarely worth the risk and cost.



Nowadays, international tension is rising and there are currently ongoing wars. For example the Russia and Ukraine war, this war is not only affecting the people in the near vicinity of it, but also is having a large effect on global economics. For example, the U.S. relied on Russian exports for many of their needs prior to the invasion of Ukraine, including 30% of platinum group elements, 13% of titanium, and 11% of nickel inside of the U.S. stemming from exports from Russia. (<https://www2.deloitte.com>) Now with the ongoing war, many sanctions have been set up to limit Russia's trade ability, resulting in a shortage of supply and prices rising as demand grows, ultimately contributing to inflation. From analyzing Germany post WWI, it is evident that the repercussions of the war ended up being detrimental to the citizens of the country, although that is a much larger scale, this war will surely have a long standing effect on the Russia economy. Meaning that the U.S. will continue to have a shortage of supply in select goods unless they were to find another supplier.

International affairs can also affect countries who have good relations with countries involved. In the Russia and Ukraine war, in an attempt to protect the people of Ukraine, countries are pouring in a relatively large percentage of their GDP to support as Ukraines economy has plummeted since the invasion. Although it is crucial to support the citizens of Ukraine, the chart demonstrates how unethical war is and we have seen in history how economies can crash in countries that currently live in peace by assisting other countries in war. From studying the American great depression, it is evident how fragile a country's economic system can be. When America tried to assist other countries before focusing on their own issues, it ended up coming back at

Largest donors of aid to Ukraine as a percentage of donor country GDP



Figures are for total bilateral aid commitments as a percentage of GDP. GDP data for 2021 is from the World Bank.

Source: Kiel Institute for the World Economy, 21 February 2023



Figure 1: Ukrainian GDP growth, 1992 to 2023



them in the form of an economic depression. However, if countries do not support, many countries would have never been able to recover. In Ukraines case, their rebuilding economy was destroyed as many citizens were forced to flee or fight. In the first year of the conflict, Ukraine lost 30-35% of its GDP, pushing nearly a quarter of their population into poverty. Evidently, Ukraines exports have decreased significantly which will hinder global trade.

As tension continues to rise, the threat of countries losing their available imports will lessen while countries who are willing to ship exports have less customers. Economic recession is inevitable

if global tensions are not tamed. The effects of one war containing 2 countries has already taken a significant effect on the North American economy, contributing to inflation and hindering global trade. Delegates should discuss ways to mitigate the effects that other countries' conflicts can have on their own economy, as well as ways to prevent further conflict by easing tensions between countries across the globe.

Further Questions

1#: What strategies could come up to fill in for a country who loses a majority of their imports due to other countries being at war?

2#: Is it possible to hold countries accountable in war without significantly affecting the civilians in the country and their role in global economics?

3#: Should countries prioritize independence rather than boosting their international relations in case of conflict within other nations?

SDGs that relate:

Target 16.1: Significantly reduce all forms of violence and related death rates everywhere

- Global economics typically will only improve as global conflict and war settle. This SDG plans to work towards that and achieving this goal would result in global trade running much smoother.

Target 8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 percent gross domestic product growth per annum in the least developed countries

- If achieved, this goal entails that each country's economic growth will consist of different goals according to their unique situation. It also emphasizes growth in less developed countries as more developed countries will result in more global exports.



Target 17.16: Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources.

- If countries are in agreement to work towards these goals, the restriction of the arbitrary exercise of power by subordinating it to well-defined and established laws.

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