



ECOFIN

EXECUTIVE SUMMARY

TOPIC A:

THE VENEZUELAN ECONOMIC CRISIS

Over almost the past decade, Venezuela has been entrenched in an economic crisis that has been defined by immense poverty afflicting a large portion of its citizens. Over half of Venezuelans live in immense poverty, several million refugees have left the country, and the government continues to deprive its citizens of fundamental human rights. Our first topic, “The Venezuelan Economic Crisis”, aims to cover the plethora of factors that contribute to this crisis, analyzing how both domestic and international problems wound an already ailing country.

Citizens in many developed countries such as the United States have the privilege of taking for granted access to what are perceived as basic necessities for welfare. Grocery stores are stocked with food, water, and other items that are used in daily life. Meanwhile, millions of Venezuelan citizens do not have any abundance of supplies in their lives. In fact, the crisis is so dire that many basic items are in severe shortage throughout the country. For many years, hyperinflation was so extreme that it would be cheaper to use cash instead of toilet paper in the bathroom. Overall, many normal items were, and continue to be, inaccessible to many.

This topic was chosen to draw attention towards one of the worst humanitarian and economic crises anywhere in the world. The Venezuelan economy has been in a freefall for almost a decade, and while there has been slight recovery in recent years, the country is performing significantly below its potential. Yet, the crisis has been relatively neglected by the UN, and little has been done to help the country recover. Aside from sanctions that only exacerbated the problems that Venezuela has been experiencing, the international community has been of little help. If no tangible action is taken to mitigate the effects of the crisis, millions of Venezuelan civilians will continue to suffer for the foreseeable future.

While interacting with the topic, there are a few important things to consider. Given that countries such as the United States have geopolitical interests that oppose the current Maduro regime, many popular American media sources may be disproportionately inclined to point out certain aspects/causes of the crisis. While it is almost certain that governmental mismanagement played a role in the crisis, it is also likely that external factors such as American sanctions have exacerbated the humanitarian crisis within the country. In addition, the Venezuelan crisis does not represent a flashpoint that arose at a singular point in time. Seeds of instability have been planted for many decades. Thus, it is extremely important to understand the economic history of Venezuela, especially as it relates to the oil industry. As you read the synopsis, consider the following question: how is it possible to not just put a band-aid on Venezuela's current problems, but structurally reform the country to improve its prospects in the long term?



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ecofinbmun72@bmun.org

TOPIC B:

DEGLOBALIZATION AND TRENDS TOWARDS ECONOMIC ISOLATIONISM

The modern global economy has necessitated that countries cooperate with each other to develop/strengthen interconnectedness and collaboration. Yet, recent trends convey the opposite, as countries focus less on their interactions with other countries and more on their internal issues. Economic experts have looked towards the COVID-19 Pandemic, the Russia-Ukraine War, and the American-Chinese trade war as triggers behind economic reclusiveness and a decreasing emphasis on globalization that dominated the late 20th century. In our second topic, “Deglobalization and Trends Towards Economic Isolationism”, we will analyze current trends regarding global economic activity and decide on the best path forward for the economic system under which the world operates.

In modern times, countries have grown increasingly connected to one another. For decades, the global economy has been defined by trade across borders. However, the pace of globalization has been slowing over the most recent decade. In addition, numerous economic events worldwide could signify a shift in attitudes toward globalization. The United Kingdom left the European Union, COVID-19 shocked global supply chains, and many other significant events occurred.

I chose this topic to shed light on the many perspectives on such complex issues. Within the United States and many other developed nations, the impacts of globalization are very clear through the variety of consumer products and services that are easily accessible. Importantly, many of these popular consumer products are not produced domestically. For example, while a product like a t-shirt may appear basic, its production process likely involves multiple countries and thousands of people worldwide.

There are a few important things to consider when conducting research on this topic in particular. First, it is important to understand how the impacts of globalization have been extremely unequal. Globalization has created immense wealth but has also caused poverty and misfortune. Understanding this will help to find ways to make the economic system more equitable, whether under globalization or not. Second, it is up to your country's individual policy to determine whether or not the globalized economic system is beneficial. While this synopsis acknowledges that the global economy has been reliant on globalization for decades, it does not necessarily determine whether globalization is good or bad. Globalization has impacted countries in different ways, and those impacts will shape the different perspectives of varying countries. It will also be essential to understand how the globalized economic system has affected countries outside of yours. Understanding the experiences of other countries and your own will help you develop a more well-rounded understanding of this issue, ultimately helping you collaborate with other delegates during the conference.

This topic was chosen because of the fact that it impacts every single country in the world. I hope all delegates can find their unique perspective on this topic and use that perspective to foster meaningful debate for the whole committee.



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