



Global Poverty Reduction

Economic and
Financial Affairs Council (ECOFIN)

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Letter from your Chair

Delegates,

Welcome to ClarkMUN XI, and this Economic and Financial Affairs Committee on Global Poverty Reduction. My name is Nassim Ali Ahmad, and I will be your chair for this Conference. I grew up in Bedford, MA, and started doing MUN at college. At Clark, I am a Junior studying Economics with a minor in Political Science and a concentration in Health, Science, and Society. Outside of Model UN, I am the treasurer of Clark's Muslim Student Association and the President of the Middle Eastern and North African Student Association (MENASA).

First of all, yes: Global Poverty Reduction is a massive topic. However, I have long thought that this was a necessary topic: For years, global poverty has seemingly been at the top of the international political agenda, yet very little seems to change. Decades have passed, human rights conferences have come and gone, but little seems to change for the billions of people living below the global poverty line. Even those who have managed to claw their way up through decades of strife are facing struggles, not unlike those inhibiting current generations.

The broadness of the topic was intended to encompass as many subfields as possible to encourage creative solutions. Whether solutions be environmental, social, financial, or anything else, they are fair game as long as they pertain to long-term economic development and the alleviation of global poverty. Overall, delegates will explore all options and write working papers and draft resolutions aimed at creating sustainable and inclusive development to rising economies.

The provided background guide will present previous measures targeting global poverty and help delegates see the issue in a modern and historical context, so I encourage you to use it as a resource. If you have any questions about the committee, background guide, or the conference in general, feel free to send me an email.

Sincerely,

Nassim Ali Ahmad

Chair, ECOFIN

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Introduction and Role of This Committee

The United Nations Economic and Financial Committee (ECOFIN) is one of the six main committees of the United Nations General Assembly, dealing with global finance and economic matters. The ECOFIN operates under a 'mandate' detailing its areas of concentration; this committee focuses on the areas of Macroeconomic policies, Financing for development, Eradication of poverty, Sustainable development, Agriculture development and Food security/nutrition.¹ Currently in its 74th Session (as of October, 2020), the ECOFIN meets once per year for a two-month session lasting from early October until late November. The committee acts on draft proposals submitted by participating nations in order to shape the agenda and course of debate (41 such proposals were submitted during the previous session of 2019).² Although the ECOFIN allows all 193 members of the United Nations to attend, for the purpose of this committee delegates will represent a distribution of nations from all continents and with a variety of social and economic conditions.

Statement of the Issue

In 1990, 1.9 billion people lived below the global extreme poverty line of \$1.90 per day, good for 36% of the world's population. According to recent estimates, as of 2015 that number has fallen to 734 million people, or 10% of the world's population.³ However, while extreme poverty rates as a whole have fallen steadily, some have remained high in certain areas: Over 40% of sub-Saharan Africans have remained below the global poverty line each time data is collected. The Democratic Republic of the Congo is the poorest nation in the world with a GDP per capita of \$561 in 2018, with 80% of its population living in extreme poverty.⁴

¹ https://www.eda.admin.ch/dam/mission-new-york/en/documents/UN_GA_Final.pdf

² <https://www.un.org/en/ga/second/>

³ <https://www.worldbank.org/en/topic/poverty/overview#1>

⁴ <https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Democratic-Republic-of-the-Congo-Selected-Issues-43336>

United Nations Sustainable Development Goal 1 introduced a target for combating global poverty: By 2030, global poverty should be as low as 3%.⁵ But while the global community has made great strides, the planet as a whole is not on pace to hit this goal by the 2030 deadline. Poverty reduction rates are decelerating worldwide, and some areas are entrenched in poverty with little social or economic prospects for recovery.

What is more is that while extreme poverty affects some regions more than others, it is more or less indiscriminant: The United States, believed to be the richest nation in the world, has a poverty rate of 11.8%, above the global poverty rate of 10%.⁶ Extreme poverty affects every nation in the world, regardless of politics, culture, religion and ethnicity. This committee must make adjustments, adjust the pacing of any considered plan, and work to ease poverty through social and economic means.

Poverty at the International Poverty Line of \$1.90/day (in 2011 PPP)⁷

<i>Region</i>	<i>Headcount ratio (%)</i>		<i>No. poor (millions)</i>	
	<i>2013</i>	<i>2015</i>	<i>2013</i>	<i>2015</i>
East Asia and Pacific	3.6	2.3	73.1	47.2
Europe and Central Asia	1.6	1.5	7.7	7.1
Latin America and the Caribbean	4.6	4.1	28.0	25.9
Middle East and North Africa	2.6	5.0	9.5	18.6

⁵ <https://sustainabledevelopment.un.org/sdg1>

⁶ <https://www.census.gov/library/publications/2019/demo/p60-266.html>

⁷ <https://www.worldbank.org/en/news/press-release/2018/09/19/decline-of-global-extreme-poverty-continues-but-has-slowed-world-bank>

South Asia	16.2	12.4	274.5	216.4
Sub-Saharan Africa	42.5	41.1	405.1	413.3
World Total	11.2	10.0	804.2	735.9

Historical Background

Following the recognition of the global poverty crisis in the late 1980's and early 1990's, the global community finally realized that this wasn't an issue that could be delayed any longer. Beginning in 1997, the United Nations instituted a timeframe called the **First United Nations Decade for the Eradication of Poverty**.⁸ Lasting from 1997 to 2006, the First Decade attempted to start a conversation on global poverty through United Nations summits and conferences, including the UN Millennium Declaration (a commitment to combat certain causes of poverty by 2015), the Monterrey Consensus of the International Conference on Financing for Development (the creation of a general global financial framework for combating poverty), and the 2005 World Summit Outcome (a reaffirmation of faith in the international community to continue the fight against poverty).⁹

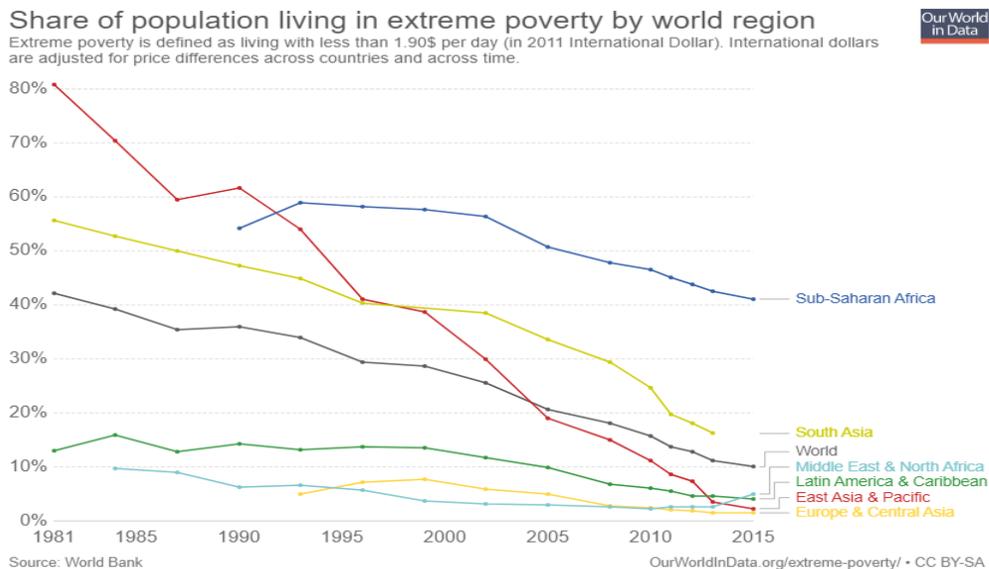
Despite new commitments to poverty eradication, the progress made in reducing poverty through the First UN Decade was uneven. Although some regions experienced poverty reductions, poverty remained on the rise in many countries, especially among women and children. The lack of meaningful change spurred the global community to make a second attempt with the **Second United Nations Decade for the**

⁸ <https://www.un.org/development/desa/socialperspectiveondevelopment/united-nations-decade-for-the-eradication-of-poverty/second-united-nations-decade-for-the-eradication-of-poverty.html>

⁹ https://www.who.int/topics/millennium_development_goals/about/en/
<https://www.un.org/en/events/pastevents/pdfs/MonterreyConsensus.pdf>
https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_60_1.pdf

Eradication of Poverty.¹⁰ Lasting from 2008 to 2017 and carrying the theme of ‘full employment and decent work for all’, the Second Decade strove to improve coordination among participating nations and reinforce positive trends while reversing negative ones. The proclamation stressed the importance of financial mobilization at all levels and acknowledged the role of private investment and entrepreneurship in rising economies. As such, the MDGs (Millenium Development Goals) established by the 2005 Millenium Declaration remained at the forefront of the fight against global poverty.

The Second Decade spurred the sort of change the First Decade lacked. As shown by the graph below, global poverty decreased by some amount across every region of the world.¹¹ However, problems persisted: Poverty in Sub-Saharan Africa remained notoriously stubborn, while the Middle East and North Africa saw a slight uptick during the tail end of the Second Decade. What is more is that the Millenium Development Goals agreed upon in 2005 expired in 2015 without ample resolution, removing an important avenue for international cooperation. The United Nations filled the vacuum by declaring the **Third Decade for the Eradication of Poverty**, lasting from 2018 to 2027.¹² Like past Decades, the Third Decade sought to build upon previous experience by addressing the stubborn pockets of poverty existing in aforementioned areas. This is roughly where the international community stands today, as the Third Decade is still ongoing and must channel the fortitude of past Decades to make advancements in the face of the global poverty crisis.



¹⁰ <https://www.un.org/development/desa/socialperspectiveondevelopment/united-nations-decade-for-the-eradication-of-poverty/second-united-nations-decade-for-the-eradication-of-poverty.html>

¹¹ <https://ourworldindata.org/extreme-poverty>

¹² <https://www.un.org/development/desa/socialperspectiveondevelopment/united-nations-decade-for-the-eradication-of-poverty/third.html>

Following the expiration of the First Decade's Millennium Development Goals in 2015, the United Nations instituted a new set of benchmarks called the Sustainable Development Goals, or SDGs (although these technically fall under the jurisdiction of the UNDP, they are fair play for the purpose of this committee).¹³ The SDGs present a series of seventeen interconnecting goals aimed at both reducing poverty and targeting associate challenges that exacerbate it, including climate change, gender inequality, and peace and inclusion.¹⁴ These factors and programs fall under the umbrella of **The 2030 Agenda for Sustainable Development**, which aims to build upon previous goals and eliminate world poverty by 2030.¹⁵

Current Situation

Following the ascension of global poverty to the forefront of the global community's attention, global poverty figures have dropped from the 1.867 billion people of 1990 to the 783 million of 2015. In order to eradicate global poverty by 2030 in accordance with the UN Sustainable Development Goals initiative, the global community must reduce the number of people living in poverty by about 110 million per year, when current rates and population growth are taken into account. This is obviously a tall order, and will require unprecedented cooperation between states and individuals of every religion, culture, and walk of life. It also necessitates the ability to think outside of the box and solve problems in a novel, yet unifying way.

¹³ <https://www.undp.org/content/undp/en/home/sustainable-development-goals/background/>

¹⁴ <https://www.undp.org/content/undp/en/home/sustainable-development-goals/background/>

¹⁵ <https://sdgs.un.org/2030agenda>

Goals for Discussion

1. How does the social and economic inclusion of racial, ethnic, and gender minorities play into the alleviation of poverty in the first and third world?
2. How have past resolutions targeting world poverty failed, and what measures can be taken to improve conditions? Does the global community's response to poverty require wholesale change or smaller alterations to existing policies?
3. Is it possible to stimulate Global North/Global South economic cooperation without triggering negative ramifications such as neocolonialism and unipolar globalist tendencies?



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