Background Paper

Committee: The Economic and Social Council

Topic: Discuss The Economic Challenges Of An Aging Population And Strategies To Provide Adequate Social Services.

Chairs: Jimena Herrera Saucedo and Gael Moran Galindo

The economic challenges of an aging population have become a drastic global concern. The International Monetary Fund stated, "As populations in richer nations get older, GDP growth slows, support costs rise, and government budgets feel pressure". Considering that life expectancies rise and birth rates decline, societies are experiencing a demographic shift, leading to more elderly citizens than the working-age population. Illnesses that used to kill individuals in enormous numbers are currently considerably more diminished; consequently, the decreased mortality might be an element that adds to the expansion in the extent of the matured gathering. This shift significantly strains social services, healthcare systems, and pension programs. Addressing this issue is crucial due to its far-reaching impact on economies, social structures, and the overall well-being of humanity's future.

The aging population poses various challenges that affect countries economically; impacting labor and government spending. Not to mention, the existing social security systems were not designed to sustain such a demographic shift, intensifying the strain on public finances. This demographic transition has struck all around the globe. Among locales, Northern Africa Western Asia, and sub-Saharan Africa are supposed to encounter the quickest development in the quantity of more seasoned individuals for the following thirty years. Today, Europe and Northern America have the most noteworthy portion of aging people. Referring to information provided by the International Labor Organization, around the world, the middle age of the workforce which envelops individuals of working age who are either utilized or who are jobless yet able to work has increased from 37.6 years in 2010 to 38.9 years in 2019. Many high-level economies as of now have a declining working-age populace in Europe, it will fall more than 20% somewhere in the range of 2015 and 2055, with a significant decrease in Gross domestic product (GDP) development. This leads to the doubt about how this crisis soon manifests in everyone's daily life.

It must be discussed between the countries what population aging means for economies and intergenerational equity, as it is an inevitable issue that is already impacting families, markets, and governments. These governments are exploring strategies like raising the retirement age, encouraging older adults to remain in the workforce, promoting technological innovation in healthcare, and adjusting pension and social security systems to ensure their sustainability. Analyzing the charts of the demographic transition shows how this issue must be addressed immediately to find long-term solutions. Reexamining how to give health care will help the present older people and the individuals who care for them as well as future accomplices of aging citizens. Nations ought to seek a more fair, individual-focused approach including states, organizations, common society, networks, and families, and tending to needs in paid, formal types of care as well as neglected, casual ones. Fostering intergenerational solidarity and community support systems can mitigate the social and economic consequences of an aging population.

As the world struggles with this demographic shift, finding sustainable solutions demands global cooperation and innovative approaches. Interests in wellbeing can prompt financial additions for nations at all phases old enough segment change; those nations with moderately youthful populaces specifically may receive huge rewards by acting ahead of schedule to advance solid and dynamic maturing. It's imperative to prioritize this issue on national and international agendas to ensure the well-being and dignity of aging populations while maintaining economic stability and social harmony. In conclusion, tackling the economic challenges of an aging population demands proactive measures and international cooperation. By focusing on integral social services and sustainable policies, societies can navigate this demographic shift while ensuring a better quality of life for all age groups.

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Background Paper

Committee: The Economic and Social Council

Topic: Explore The Regulation And Impact Of Cryptocurrencies And Central Bank Digital Currencies On The Global Economy

Chais: Jimena Herrera Saucedo and Gael Moran Galindo

The digitalization of money is a turning point in monetary history. New kinds of money have emerged as a result of technological advancements including virtual (crypto) currencies like bitcoin; stable coins like libra/diem; and central bank digital currencies (CBDC) like the Bahamian sand dollar. In the last ten years, the public's attention to cryptocurrencies and blockchain technology has led to institutions experimenting with how they could transform the financial services sector. Governments use the blockchain technology of cryptocurrencies to build digital fiat currencies that are being tested in many countries within a centralized system. This is known as a Central Bank Digital Currency (CBDC).

Using CBDCs, a digital fiat currency is improved by the application of tokenization and blockchain technology. The main difference between CBDCs and cryptocurrencies is that CBDCs are supervised and issued by the central bank and their value is equal to actual fiat money. While cryptocurrencies are uncontrolled and decentralized. There are also stablecoins, which are currency-linked, in contrast to CBDCs, and are not backed by the central bank but rather by private companies.

In 2009, the first Bitcoin cryptocurrency was introduced as a means of making anonymous transactions. With the rise in cryptocurrency assets between 2016 and 2017, there were initial, significant initiatives to legalize Bitcoin and other "coins". While several corporations tried to launch the new technology, very few of them were successful. Regulator's perspective rapidly began to shift in June 2019, following Facebook's announcement of plans to launch Libra, a cryptocurrency that would give access to financial instruments such as loans, transfers, etc. to its 2 billion Facebook users.

Currently, 93 percent of central banks are researching CBDCs, more than 100 countries are exploring CBDCs, 60 percent are experimenting with the technology and 14 percent are implementing pilot programs. Benefits are more likely to emerge gradually, as a result of national policy, the private sector's response, and technological advancements. Nigeria, Jamaica, and the Bahamas have already introduced CBDCs. Leading the way are central bankers from Brazil, China, Europe, India, and the United Kingdom.

Cryptocurrencies are considered both controversial and positive. Because cryptocurrencies don't serve the conventional purpose of money and are thought to be purely speculative schemes, they have proven problematic. Based on this perspective, cryptocurrencies are not units of account because very few goods and services are denominated in them, they are not a store of value because their values have fluctuated greatly over time. On the other hand, they are also viewed as positive as it is an easier money transaction without intermediaries such as banks and other financial institutions. They are also protected from inflations since it has control over the number of coins that will be limited.

CBDC provides several benefits, as a secure digital currency, it offers greater transaction efficiency, improved financial inclusion, enhanced control over monetary policy, lower costs for the central bank, increased user security and privacy, cross-border transactions, a decrease in illegal activity, and integration with other cutting edge technologies. Moreover, there are several disadvantages to CBDCs, including the potential for financial disintermination, the risk of bank runs and system instability, the vulnerability to cyberattacks, the potential for user privacy to be compromised, the challenge of performing cross-border transactions, the absence of physical cash as a backup, issues with money laundering and counterterrorism financing, and the possibility of central bank over can provide several like financial disintermediation, a risk of bank runs and system instability, vulnerability to cyberattacks, possibility of breaching user privacy, difficulty in implementing cross-border transactions, lack of physical cash as a backup, laundering and counter-terrorism financing problems, and finally a potential for central bank overreach. Delegates, we believe that you can find a solution for this worldwide issue of great importance.

“Development is about transforming the lives of people, not just transforming economies.”

-Joseph E. Stiglitz

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