WTO

TOPIC A: FINANCIAL RECOVERY FROM THE UKRAINE-RUSSIA WAR

TOPIC B: FUNDING BANKRUPT COUNTRIES

English: English

WORLD TRADE ORGANIZATION

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Time for opening speech: 90 seconds

INTRODUCTION TO THE COMMITTEE:

The World Trade Organization, also known as the WTO, is the only global international organization that deals with the rules of trade between nations. Established in 1995 by 23 founding members under the Agreement Establishing the World Trade Organization (WTO Agreement), this organization has the main purpose of opening a trade benefit for all. It aims to ease trade by providing a framework for the negotiation of trade agreements. It handles disputes between member countries and sets rules for international trade. Since July 29th, 2016, the World Trade Organization has 164 member countries that represent over 98% of global trade and global GDP (Gross Domestic Product). These member countries operate based on agreements named the “WTO agreements”. These agreements cover multiple aspects of international trade, including goods, services, intellectual property, and dispute settlement.

TOPIC A: FINANCIAL RECOVERY FROM THE UKRAINE-RUSSIA WAR

The geopolitical conflict between Russia and Ukraine has had a devastating impact on both states' economies in recent years. The financial impact has become a crucial aspect of the region's battle for stability and recovery. The geopolitical tensions, military clashes, and territorial disputes that constitute this conflict have caused exhaustive consequences on the economy of Russia and Ukraine, leading to a complex web of economic issues that require immediate attention and strategic solutions.

HISTORICAL CONTEXT

The conflict, which began in 2014 when Russia annexed Crimea, developed into an extensive war in Eastern Ukraine, placing a significant tension on both states' economic stability. Russia and Ukraine have historically had a high degree of economic interdependence, especially in the petroleum industry. A disruption in the supply of natural gas from Russia to Europe would have major repercussions for the economy, as Ukraine was a vital transit region. These crucial energy supply routes were disrupted by the conflict, which led to economic distress and a decrease in GDP development for both states. Also, it must be taken into account that the economic sanctions imposed by Western nations on Russia, worsened the situation by restricting access to global markets and promoting a setting of financial instability. Therefore, rigorous strategies for financial recovery were required because of the conflict's damage to infrastructure, especially critical manufacturing facilities, and transportation networks, due to the constant increase of the country's financial issues. Also, it is important to highlight that the sharp decline in both states' imports and exports illustrates the conflict's negative impact on trade. In this way, the annexation of Crimea, the continuous conflict in Eastern Ukraine, and the blocking of cross-border trade led to a significant decline in economic relations between the two countries. These facts emphasize the urgent need for a coordinated and ongoing financial recovery effort to restore the economies that have been severely damaged by the extended conflict between Russia and Ukraine.

CAUSES

The annexation of Crimea by Russia:

Russia's 2014 annexation of Crimea was one of the main causes for nowadays needing to face the difficulties of recovering financially from the conflict. Crimea was a strategically important economic region that had natural resources and energy infrastructure. Hence, deeply negative economic effects resulted for both countries from the annexation, which disrupted strong economic links, especially in the petroleum sector. The amount of Russian natural gas that was transported via Ukraine as a result of the acquisition fell drastically, from 93 billion cubic meters in 2013 to 59 billion cubic meters in 2015, according to data from the International Energy Agency. Also, taking the information from the IEA once again, it was proven how Ukraine's transit profits decreased from $2.6 billion in 2013 to $1.7 billion in 2015 as a direct result of this. Ukraine, which has long been a key route for Russian gas to reach markets in Europe, had to deal with a substantial drop in income in addition to a change in geopolitics. Russia's economy was put under extra pressure as a result of the political and economic sanctions imposed by Western countries in reaction to the annexation. Thus, the annexation of Crimea not only changed the geopolitical environment but also significantly influenced how the conflict affected the economy, requiring substantial financial recovery plans in both Russia and Ukraine.

Widespread displacement

Millions of people were forced to leave combat zones as a result of the war, creating a humanitarian crisis. The population migration put additional demand on social services and added debt to the economies of both countries. The social and economic fabric of Ukraine is made even more complex by the fact that, as of July 2023, the United Nations High Commissioner for Refugees (UNHCR) stated that over 6.2 million Ukrainians were internally displaced and over 6.2 million were refugees worldwide. The effects are most noticeable in the job market, where it is difficult for displaced people to find work and participate in the economy. There is a clear alteration to employment as a result of the displacement, which puts pressure on local economies and lowers household earnings in both conflict-affected areas and places hosting displaced people. Local markets and consumer purchasing habits are also impacted by the displacement in a broader way. Displaced people frequently have lower budgets and change their consumption habits, which has an additional negative effect on local businesses.

Refugee arrivals from Ukraine, Feb 24th-Mar 13th 2022. (Extracted from The Economist)

<u>Internal dynamics between both states</u>

The economic issues and financial recovery efforts following the Ukraine-Russia war have been strongly influenced by the internal dynamics of both states. According to World Bank statistics, Ukraine's GDP dropped by 6.6% in 2014 and 9.8% in 2015, which is indicative of an economic crisis made worse by issues with internal governance. Any plan aimed at ensuring a fair and sustainable financial recovery in Ukraine must address corruption and enhance governance. The economic effects of sanctions implemented by Western countries in response to the conflict have exacerbated Russia's economic issues and defined its internal dynamics. Russia's GDP growth fell from 0.6% in 2014 to a decline of -3.7% in 2015, according to the World Bank, which showed the influence of both internal and external causes. Key industries including oil and banking were the focus of the sanctions, which restricted access to global markets and disrupted business operations. Furthermore, the political setting within both states has affected efforts at economic recovery. Developing cooperative ways to manage the financial impact has become difficult due to the diplomatic collaboration on economic concerns being impeded by the political tensions between Russia and Ukraine. The negotiation of mutually beneficial economic agreements and the execution of successful recovery measures have been delayed by the absence of a favorable political climate.

REPERCUSSIONS

One of the primary methods that the repercussions manifested was through inflation, which led to a decline in the value of the national currencies. The conflict's economic instability combined with the sanctions' imposition resulted in a capital flight that lowered the value of both the Russian ruble and the Ukrainian hryvnia. As a result, the National Bank of Ukraine (NBU) declared in a statement in 2022 that it had changed the hryvnia's exchange rate from the 29.25 rate that it had set at the beginning of Russia's invasion to 36.5686. Additionally, as of September 2023, the Russian Central Bank reported that annual inflation in Russia had increased to 5.5%

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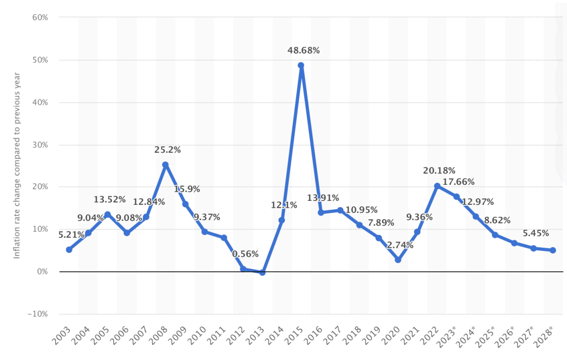
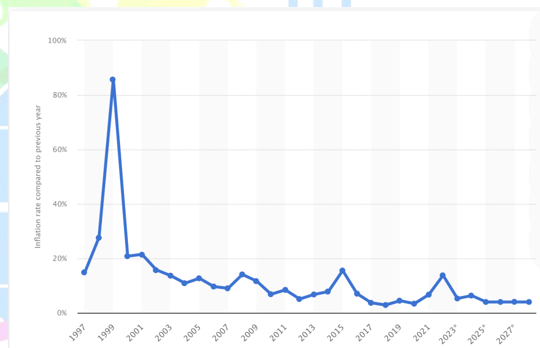


Ukraine inflation rate from 2003 to 2028. (Extracted from Statista)



Russia inflation rate from 1997 to 2027. (Extracted from Statista)

When purchasing the same amount of goods and services from outside requires a higher local currency (monetary resources), a falling currency adds to the cost of imports. This eventually leads to an increase in import inflation, which impacts the cost of products and commodities. On the other hand, rising prices were mainly caused by trade disruptions. Established trade lines were disrupted by the conflict, especially in the energy sector, which affected the price and accessibility of commodities. For example, the passage of natural gas via

Ukraine decreased as a result of Russia's annexation of Crimea and the conflicts that followed, impacting both countries' energy supplies and raising the cost of living. Furthermore, the imposition of sanctions by Western countries restricted access to global markets, hence increasing the difficulty for enterprises to obtain goods and services at pre-conflict costs. The cost of the conflict itself, including military expenditures and the need for reconstruction, strained government budgets. To finance these expenditures, governments resorted to borrowing or increased money supply, both of which can contribute to inflationary pressures. The rise in government spending without a corresponding increase in productivity can lead to excess demand in the economy, driving up prices. Moreover, the value of consumers was directly impacted by the conflict as well. Households' actual income value decreased as prices increased, making it harder for people to afford goods and services. This problem mostly impacts vulnerable groups, increasing financial difficulties for individuals already dealing with the social consequences from the conflict, such as job loss and displacement.

CURRENT SITUATION

INTERNATIONAL ACTIONS:

- Minsk Agreements.

The Minsk I (2014) and Minsk II (2015) agreements were diplomatic efforts to find a political solution to the conflict between Russia and Ukraine. In economic terms, the agreements emphasized the reintegration of these areas into the larger economic fabric of Ukraine by establishing procedures for the repair and reconstruction of conflict-affected areas. Important elements included infrastructure reconstruction, economic recovery, and steps that would facilitate the return of displaced people. The Minsk Agreements, however, were ultimately unsuccessful due to severe challenges with their execution. Development was impeded by ongoing ceasefire violations, resistance to granting local authority to conflict-affected areas, and political disputes between Russia and Ukraine. Economic matters also became controversial topics of conversation, such as the distribution of funds for reconstruction and the integration of local businesses.

European Union Association Agreement.

Signed in 2014, the Association Agreement between the European Union and Ukraine has significant economic implications for both sides. Expanding political and economic cooperation between Ukraine and the European Union (EU) is the goal of this extensive agreement. Economically, by gradually establishing a free trade zone between Ukraine and the EU, the deal supports trade liberalization. It promotes investment, opens up markets, and helps bring Ukrainian laws in accordance with EU principles. By giving Ukrainian companies more options inside the vast EU market, this not only promotes economic integration but also growth. In addition, the agreement contains clauses supporting Ukraine's economic reforms, cooperation in the energy and environmental areas, and regulatory unity.

CASE STUDIES

- Profit and Labour in Poland

Poland has profited and been limited economically from the Russia-Ukraine war as a bordering country and member of the European Union (EU). Positively, Poland has profited from the migration of Ukrainians, which has improved its labor market and population. The labor deficits in industries like construction and agriculture have been reduced by the availability of skilled workers from Ukraine. Nevertheless, there are disadvantages to the economic gains as well, such as an increased demand on social services and infrastructure due to population growth. Furthermore, because Poland has historically engaged in trade with both Russia and Ukraine, the conflict's effects on trade have created difficulties for Polish exports, notably in the agricultural sector. Additionally, Poland has had the need to reevaluate its energy security and is having to look for ways to diversify from Russian energy sources as a result of the geopolitical concerns.

United States of America

The Russia-Ukraine conflict has faced the US with a variety of economic dilemmas. Positively, American energy exports to Europe have increased as a result of the economic sanctions the United States and its allies imposed on Russia. The change in the energy scenery, especially in the natural gas industry, has made it possible for the United States to market its liquefied natural gas (LNG) exports as an alternative for Russian gas. This has improved European energy security in addition to solidifying the United States' position in the world energy market. However, there have also been restrictions brought about by the sanctions and geopolitical instability. A noticeable failure on interdependence has resulted from the economic sanctions' impact on specific U.S. industries with ties to Russia, which has created difficulties for companies involved in bilateral trade. Furthermore, the conflict's wider economic uncertainty may have an impact on international financial markets, which could have an impact on US business and investment.

ORIENTATION AND OBJECTIVE OF THE COMMITTEE

Delegates must discuss the influence their country has over the country and by having this, they will be able and have the responsibility to try and find a solution to this issue. Therefore, this topic is aimed to find different strategies to help the financial security of both Russia and Ukraine given the conflict they are facing. Nevertheless, it is key for the delegates to understand that this committee is focused solely on an economic perspective. Therefore, both during the debate and the development of the working papers, it is crucial and indispensable for them to be focused on the **economical trade implications**. It will not be accepted for the topic to be led on to a political or social perspective, although, there can be connections used with these aspects to support their claims.

ORIENTATION QUESTIONS

- How is the economic instability of Russia and Ukraine affecting your delegation?
- How can your delegation work through international organizations, such as the United Nations, to support economic recovery in Ukraine and Russia?
- What are the trade policies of your delegation?

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TOPIC B: FUNDING BANKRUPT COUNTRIES

HISTORICAL CONTEXT

Throughout history, multiple nations have faced different challenges economically when not having enough resources to achieve their countries' main financial requirements. "Financial requirements" refers to the monetary resources that a country or government needs to be able to operate correctly and keep growing economically.

These financial requirements have caused major debts within nations, which make the countries owing these debts declare bankruptcy. Some factors that have affected and made nations go under the financial problems of bankruptcy are the major financial crises that the world has experienced. These crises have not been only national, since multiple groups of countries and continents have experienced financial crises affecting their countries at different levels.

Nearly half of the countries of the European continent, 40% of the countries of Africa, and 30% of the countries of Asia have declared bankruptcy during the previous two centuries. Some nations have declared themselves bankrupt more times than others through the years. The country of Ecuador has been declared bankrupt the most times out of all sovereign nations, with a total of 10 times. Other nations like Brazil, Chile, Mexico, Uruguay, Costa Rica, Russia, and Spain have declared themselves bankrupt a total of 9 times during the same period. Bankruptcy in nations has shown up for multiple reasons that cause the affected nation to be in debt. Germany, a nation that declared itself bankrupt a total of 8 times in only 2 years, is another clear example of how multiple nations have shown preoccupying states of bankruptcy in the past years.

GLOSSARY:

<u>Trade deficit</u>**:** When a country's imports exceed its exports during a given time period.

<u>Debt restructuring:</u> A process that involves negotiating with creditors to help make a debt situation more manageable.

CAUSES

Multiple nations have had to face bankruptcy because of different factors, depending on when the economic downfall is occurring and the current situation(s) in which these countries may be involved. The situation may be affected by certain characteristics in their nation, such as the political state the country is in, the involvement the nation has in armed conflicts, etc. These factors have caused nations to rise to the absence of monetary resources, disallowing them to comply with their financial requirements.

<u>Incorrect use of resources (monetary)</u>

Each nation's government is different and varies in the ways that resources can be managed and used within their country. Based on the way that a nation's government uses and manages the use of resources, specifically monetary, can be one of the many reasons why a country may be suffering and going through bankruptcy. Some governments may tend to make use of their resources incorrectly or unnecessarily, avoiding the necessary things that the resources need to be used for. For example, in Venezuela, one of the reasons is the mismanagement of oil revenue. The Venezuelan government, instead of using the monetary resources for other things such as investing in infrastructure and diversification, used it on social programs, which later on led to inflation in the country. This is one of the many examples that are noticeable around the world since all governments have different ways of managing their monetary resources. It depends on who is part of this government since all governors have different ideologies and perspectives on what should be invested in.

Lack of exportation of products:

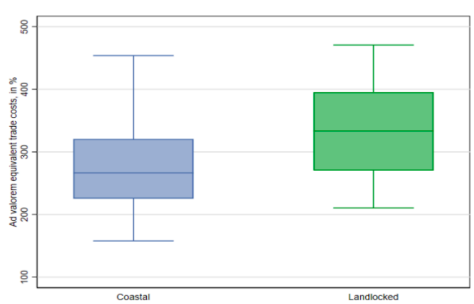
Depending on the natural resources that a country contains, the probability of having a prosperous economy is more likely to be higher when they're used to creating products that generate an impact at a global scale. When a nation makes more use of monetary resources to import products than the amount of resources they generate when exporting their products, the economic status can be affected. If the difference in numbers is significant, the country can get into a ***trade deficit***.

U.S. Goods and Services Trade from 2008 to 2020. (Retrieved from International Trade Administration).

Geographical location:

Natural disasters, transportation costs, and trade barriers are some of the main factors that can affect a country economically based on its geographical location. Countries that have to face natural disasters regularly in their territory, such as the United States, Indonesia, and Colombia, are frequently at risk of being affected or threatened by natural disasters. Natural disasters may cause the destruction of infrastructure in the country, being a consequence and reason for the governments to spend monetary funds in fixing and re-establishing the infrastructure. Transportation costs for different nation's imports and exports may also vary based on the geographical location. For instance, the nation of Bolivia, being a landlocked country, has a much more complicated way of receiving products that come from transportation that arrive by water territory, since Bolivia only counts with rivers to get access to the products they send.

Figure 1: Total trade costs of coastal and landlocked economies, 2017



Total trade costs of coastal and landlocked economies. (Retrieved from WTO Trade Cost Index).

Coastal countries tend to have different transportation costs when compared to landlocked countries. These costs are usually lower for coastal countries than for landlocked countries since landlocked countries need to cross at least one additional frontier to import or export.

COVID-19:

The COVID-19 pandemic, which began and was declared a global pandemic in March 2020, is also one of the most recent causes of why countries began to have their economies slowing down. The pandemic didn't make any country directly declare bankruptcy, but it did involve certain factors that are affecting countries up to this date. The lockdowns and restrictions to avoid the spreading of the virus in nations generated a huge impact on businesses, which led to closures, job losses, and decreased economic activity. This led to further problems, like lower tax revenue. The pandemic also caused countries with high, pre-existing debts, to face more challenges in managing debt repayments.

Governments all around the world started to spend more monetary resources on healthcare products. The pandemic was increasing in very big numbers all around the world, making countries see the obligation to expand healthcare capacity, purchase medical supplies, and provide social safety nets for affected individuals.

Countries that depend on tourism as one of the main sources of monetary resources were also affected. With the lockdown, people around the world couldn't travel anywhere. Tourist countries weren't earning much monetary resources due to the lockdown, affecting a big part of their economies. Countries like Greece, Spain, and Thailand are clear examples of countries that were affected financially due to the loss of tourist activities.

Sovereign debt default:

One of the main causes of a country's bankruptcy is when the nation is going through a sovereign debt default. A "sovereign default" is when a country's government fails to pay its debt. This slows the country's economic growth and blocks investments from overseas. The main cause for a sovereign default to occur is when a government has an overwhelming debt, meaning that debts start to grow out of control, which for example, can be caused by the costs of armed conflicts.

Military spending, infrastructure damage, and healthcare costs are some of the many examples that demonstrate the amount of expenses a country must go through while participating in an armed conflict. Military expenses include the spending on necessary resources and materials that the military forces will need to be able to serve their nation, while at the same time, fulfilling their needs.

Infrastructure damage is one of the main consequences of armed conflicts within the nations that are involved. The aggressive actions that the conflict might be going through may affect civilian's lives and homes, by severely affecting them or destroying them completely. The expenses used to repair these affected places can vary depending on the damage that was done and the number of places that are going through these kinds of damages.

Healthcare costs for people in battle and citizens who get directly affected because of the armed conflict also apply. All countries around the world have different healthcare costs, which can apply in different ways when having to help people damaged because of the conflict their country might be going through. The government, having to deal with all of these expenses at the same time, is more likely to lose control of the monetary resources they're making use of, causing them to get involved in big-numbered debts.

REPERCUSSIONS

As a consequence of all the possible things that could be going on within a nation, multiple different countries have declared themselves bankrupt in the past years. This can impact both the domestic and international landscapes. The bankruptcy of countries can affect multiple areas, which can last for multiple years or even decades.

Economic:

Economically, a country going bankrupt can affect multiple aspects. Within the nation, going bankrupt can imply an increase in poverty and inequality within the country. This is because the government, without having enough resources to maintain the nation in a developed, financial state, can fall behind in accomplishing the needs that the people need. Accessing essential services, such as healthcare and education, may be much more compromised. By this, multiple groups of people might have the risk of losing their basic needs because of the lack of monetary resources the government has. Along with this, other consequences such as ***debt restructuring***, inflation and currency devaluation, reduced investment, and economic growth can also be generated. By debt restructuring, it's meant that the nation may need to renegotiate its debt with creditors. This often leads to spending cuts, tax increases, and wage freezes. Inflation and currency devaluation can lead to making imports much more expensive and hamper exports due to the devaluation of a currency. Reduced investment and economic growth can lead to much slower economic growth and limited job creation for people in the nation.

Social:

Socially, social unrest and political instability, and a decreased quality of life within the nation can be seen when a country enters a financial crisis. Social unrest and political instability can be caused due to the economic pain and frustrations the country may be going through. These frustrations can cause citizens to begin protests, making the governments feel pressured to implement drastic measures to address the crisis. This can eventually lead to political disorganization and disturbance. A decreased quality of life is a major repercussion due to countries going bankrupt since citizens lose many privileges they used to have and have to face much more financial stress and challenges to live a relatively good life. The reduced government spending on essential services like healthcare, education, and infrastructure can generate negative impacts on society and their overall quality of life.

International:

Internationally, bankrupt countries can face reduced international cooperation and trade. Many nations around the world may not be able to help a bankrupt country solve its financial problems, while other countries might just be hesitant to help. Likewise, countries may seem hesitant to engage in trade with countries that are going bankrupt, making international trade for the bankrupt nation become a complicated activity to achieve. On the other hand, other international repercussions that can be generated include global financial instability. The crisis of one country can have multiple effects on the global financial system, which can impact other nations by exposing them to the affected country's debt or trade.

<u>Long-term repercussions:</u>

The bankruptcy of a nation can last for different periods of time, depending on the state that the country is in financially and the reasons behind the financial crisis. However, it is crucial to state that some long-term implications can also be caused because of a country's bankruptcy. These vary based on the situation the country affected is in. For instance, one of the long-term repercussions that can be generated is slower economic development within the country. It can also generate a loss of trust between governments and institutions, and generational impacts. Long-term consequences can cause future generations from these countries to affect their education, employment opportunities, and overall well-being.

CURRENT SITUATION

Nowadays, it feels like many countries are hanging on a financial thread. Multiple nations are facing or are at risk of facing bankruptcy. This is due to many factors that the world has been presenting recently, which affect countries in different ways and at different levels. Events that have affected countries economically, like armed conflicts, COVID-19, and natural disasters. These types of causes have been affecting the world at a global scale and nations individually. Certain economies have been showing recent downfalls, which should be avoided to prevent a global economic crisis from occurring. Many things are being done to solve bankruptcies, even if no treaty implies directly the funding of bankrupt countries. Nonetheless, nations and organizations have established agreements and objectives that apply to the resolution of this problem.

<u>Agreements</u>:

The International Monetary Fund's (IMF) Articles of Agreement, which make part of the legal basis for the IMF, provide loans and financial assistance to member countries that are facing balance of payment difficulties.

The WTO has the General Agreement on Tariffs and Trade (GATT), which promotes open and free trade. This reduces barriers and tariffs that can hinder economic growth and limit export earnings for developing countries.

The Multilateral Environmental Agreements (MEAs) are international agreements that promote international cooperation to address global challenges. These global challenges cover topics in the environmental challenges area. The agreements state that they provide financial support to developing countries for implementing environmental measures. These agreements can help reduce economic risks and improve long-term financial sustainability.

These agreements don't directly fund countries in the traditional sense of providing grants or aid. Instead, they aid in creating an environment for economic growth and stability.

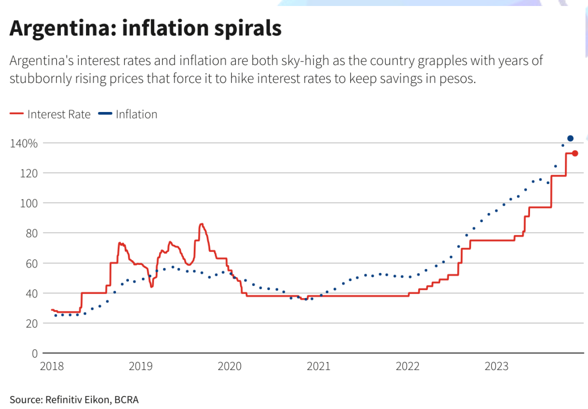
<u>Case Studies:</u>

Venezuela:

Venezuela, a country that was once one of the most powerful economies, fueled by vast oil reserves, has been in a severe financial crisis over the past years. Venezuela has experienced one of the most pronounced economic declines in living standards over the past 5 years. Between the years 2013 and 2018, the real per capita income had shrunk by almost 40%, a decline that compares to Syria and Iraq's economic decline during the countries' recent armed conflicts. This is due to the years of autocratic rule under Hugo Chávez and Nicolás Maduro, which showed a big mismanagement of oil revenues. The government's future attempts to compensate for lost revenue triggered inflation, which further hampered economic activity. It also led to a shortage of essential goods. Venezuela has accumulated a massive debt, in both foreign and domestic categories. The collapse of the Venezuelan economy led to multiple consequences for the country's citizens. Poverty has escalated immensely, healthcare and education systems have crumbled. Citizens also began to protest against the government and food shortages, and millions of citizens have gotten out of the country to attempt to achieve a better life.

Argentina:

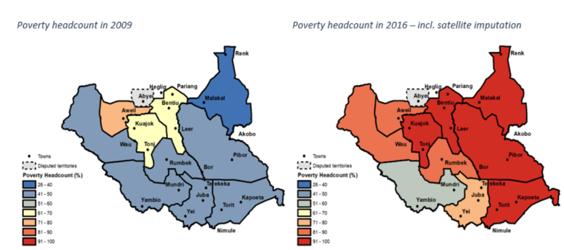
The country of Argentina is another one of the nations that are making part of the list of countries that are near to reaching a bankruptcy state. Argentina has a similar situation to Venezuela due to the historical economic instability it has had, debt issues, inflation, political and policy instabilities, structural economic issues, and other external factors. Historically, Argentina has faced multiple challenges with high inflation rates. As of September 2023, Argentina's inflation rate hit 138% and is still rising. The Argentinian peso currency has been chained by capital controls, due to a market crash in 2019. This led to dollars trading for over twice the price of the official 350 pesos per dollar level. Thus, Argentina has been facing challenges with its external debt for the past years as well. The International Monetary Fund (IMF) has already tried to intervene in this issue but has failed to achieve any positive results or effects.



Argentina: Inflation Spirals. (Retrieved from Reuters).

South Sudan:

One of the last countries to go independent, South Sudan has been facing a devastating economic crisis ever since it became independent back in the year of 2011. South Sudan is, currently, the country with the lowest economic income all around the world. This landlocked state of 11 million citizens, even if it has a large amount of oil resources, has been in a situation of corruption, warfare, and political and social divisions. The main part of the population is employed in traditional agriculture, which is affected by violence and extreme climate events. These prevent farmers from planting or harvesting their crops. The problems in the South Sudan economy were generated due to the ongoing tensions with Sudan over oil revenues and land borders. In South Sudan, it has caused a sharp decline in oil production and a decrease in agricultural production. Due to COVID-19, South Sudan is also facing a hunger crisis. The pandemic caused a drop in oil prices, contributing to the country's economic crisis and hunger problem.



Poverty headcount in South Sudan in 2009 vs. in 2016. (Retrieved from World Bank).

ORIENTATION AND OBJECTIVE OF THE COMMITTEE

To be able to understand the number of bankruptcies that nations might be going through, delegates will have to start by discussing what previous problems have led their countries to an economic level. The delegates will need to find all of those aspects that need to be avoided to abstain from going into bankruptcy status. Thus, delegates will have to discuss solutions to those countries who are dealing with bankruptcies currently. Delegates will need to discuss and find an efficient and effective way to be able to fund these countries. At the same time, delegates will need to consider the future and think about how to prevent nations from declaring themselves bankrupt. It is important to remember that delegates must be focused on the economic category, avoiding making direct references and making the debate based on other topics that are out of the economic category.

ORIENTATION QUESTIONS

1. What has the WTO or other international organizations previously done to avoid nations going bankrupt?
2. Has your delegation been declared bankrupt in the past decade? If so, explain when and why.
3. What has your delegation done to avoid bankruptcy within the nation?
4. What measures does your delegation take to manage monetary resources?
5. Has your delegation been affected by the bankruptcies of other nations? If so, explain why.

GLOSSARY:

***Trade deficit*:** When a country's imports exceed its exports during a given time period.

Debt restructuring: A process that involves negotiating with creditors to help make a debt situation more manageable.

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SUPPORT LINKS

- Support link 1
- Support link 2
- Support link 3
- Support link 4