

BESTMUN'22

FCC: POST PANDEMIC ECONOMIC CRISIS

STUDY GUIDE

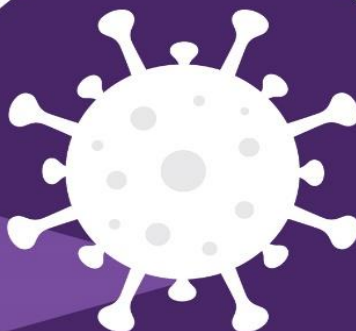
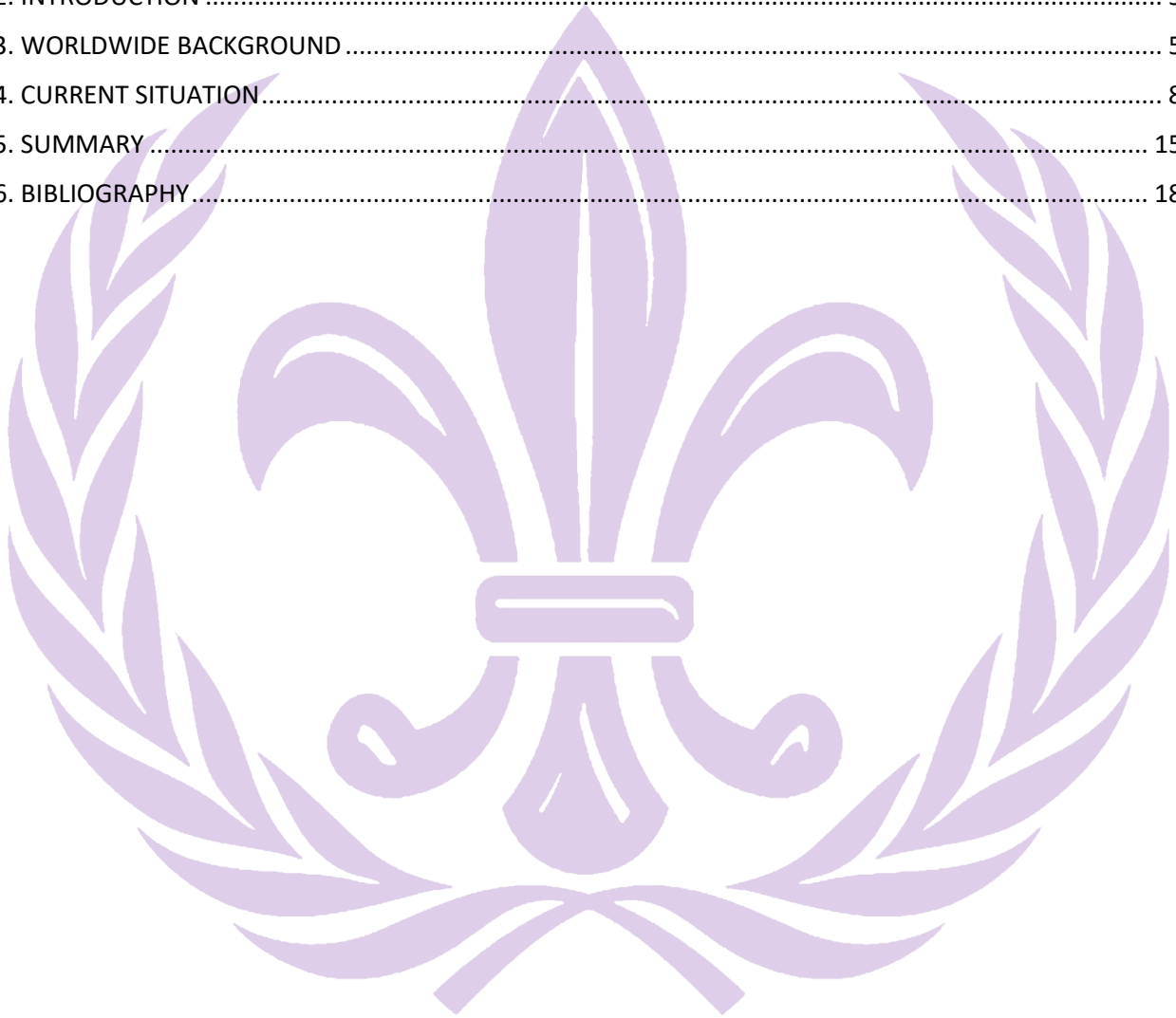


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1. LETTERS

a. Letter from the Secretary-General

Esteemed Delegates,

My name is Sarp Sever and I am the Secretary-General of BESTMUN'22. This is one of the three crisis committees we will be hosting in our conference however, this one in particular, is very special since we are slowly recovering from a heavy toll on humankind and through this committee, we want to explore how politics, economics shifted or could shift in the coming years.

In this committee, you must be ready to experience any kind of difficulty and find solutions for them via international relations and diplomacy. We hope this committee will improve your understanding of how the pandemic has affected the globe. This guide was prepared by our most valuable Under-Secretary-General Uğur Emin Baynal to facilitate your research and help you before the formal sessions.

All the secretariat has worked hard and will work hard during the conference to provide you with an unforgettable experience. I must thank my Deputy Asya Arslan and my under-secretary-general Uğur Emin Baynal for their efforts to elevate this committee to its best version.

Best Regards,

Sarp Sever

b. Letter from the Under-Secretary-General

Highly Distinguished Delegates,

My name is Uğur Emin Baynal, and I'm a first-grader at Izmir University of Economics Electrical-Electronics Engineering. I will be serving as your Under-Secretary-General of the Futuristic Crisis Committee: The Post Pandemic Economic Crisis for the duration of Beştepe College Model United Nations 2022. On behalf of the Secretariat, it is an honour to welcome you all to one of the most prestigious conferences in the MUN society.

I would like to express my utmost gratitude to Secretary-General Sarp Sever and, my dear friend Deputy Secretary-General Asya Arslan for their devotion to the making of this conference, their precise attention to every detail and for making sure that the Academia runs as smoothly as possible.

In this committee, you will determine the course of the economic crisis that transpired after 2050. This study guide will include important background information on the virus called HVR-1 and the occasions that happened after the pandemic as an alternate future.

Should you have any questions, please do not hesitate to contact me via my e-mail ugurbaynal2003@gmail.com. I wish you all the best of luck.

Your Sincerely,

Uğur Emin Baynal

2. INTRODUCTION

On the 22nd of March 2050, an outbreak of a new virus from Canada alarmed the scientist in fear of an epidemic that was the successor of the one that came 30 years prior. Experts named the virus HVR-1 and Infernum Inanis for public use. Once the virus spread outside of Canadian borders, countries took extreme measures to prevent the mistakes their ancestors made. Nevertheless, within two months HVR-1 had spread to every continent and officially initiated a global pandemic despite early precautions.

Thereafter, quarantines were put in motion leading to a major fall in production, which disabled the people in doing their jobs which some lost. Governments are struggling to sustain their citizens

Despite safety measures, vaccination and technological advancements, a quarter of the world population is expected to perish within the next 5 years and the survivors will most likely face bankruptcy. Provisions are inadequate and production is insufficient due to deficit workforce.

3. WORLDWIDE BACKGROUND

Infernum Inanis (HVR-1) had unprecedented and distinctive properties that had severe repercussions. HVR-1 has an abnormally fast spread rate that accelerates rapidly with a startling 34% death rate.

The virus transmits through air, physical contact and consumption (food and water). Once an individual is infected, the virus stays in an incubation state for three weeks while maintaining its spreading abilities by 79% compared to its active condition, resulting in making it hard to detect and contain the virus.

The main symptoms of the virus show themselves up to three days after the incubation state, which are progressing visual impairment and hallucinations in its Phase 1. If a patient is treated in five

weeks, visual damage can be regressed down to 24%, and if not, HVR-1 leaves permanent harm to neurons and the retina of the eye resulting in blindness in Phase 2. In a scenario where the patient is not treated -or all attempts fail-, the virus starts to attack the brain and leads to fatal consequences in its Phase 3.

After confirming that HVR-1 had infected almost the entire world, the World Health Organisation (WHO) declared a pandemic — the highest level of a health emergency— on 2nd June 2050. In two days, the WHO established investigation and research centres around the world specified in HVR-1 in order to observe, test, study vaccination on the virus by collecting examples.

Affected countries restricted public gatherings and had to shut down schools, large gatherings/meetings, sports, and community activities just like in the previous virus outbreak. And also, many countries have discontinued flight operations and closed borders.

Between 7th and 14th June, companies transitioned to online periods one by one. In order to hold down the spread of the virus, factories limited their working hours causing a huge defect in the supply and material chain.

People themselves also sidestepped unnecessary travel, leading to many flight revocations causing major losses for the airline companies. There was an overall decrease in oil demand, which led to the largest fall in oil prices in the global market since the Gulf war and COVID-19. The quick fall in oil prices along with the overall reduction in global industrial production caused a major fall in the global stock markets with markets falling more than 37% over a short span of time and the risk of a global 2008-like recession was looming large.

The island countries such as Japan and the United Kingdom started isolation policies in order to decelerate the spread of HVR-1. Currently, due to being isolated, the island countries have negative growing GDP.

The longer the virus spread, the more economic performance was impacted, and raised concerns about financial sustainability, especially for highly indebted countries. Researchers did not yet have a clear understanding of the virus's behaviour, transmission rate, and extent of spread. Legible and coordinated retorts had been needed by the global policymakers to restrain the economic fallout.

On 16th August 2050, some companies began to face bankruptcy and had to take extreme measures due to the financial effects of HVR-1. This situation caused a significant rise in unemployment rates. Thus, countries such as the United Kingdom, the United States of America, Canada, France, and Germany initiated Universal Basic Income (UBI). Meanwhile, almost 50% of the population over 65 years old was dead because of the virus.

In almost a year, until July 2051, almost every research conducted was directed to find a cure and farming in order to fulfil the demand for food and solve the food crisis. In late July, a new experimental treatment was on the table. Additionally, it had been discovered that some stimulants and hallucinogens such as cocaine, heroin and cannabis were effective to slow down the progress of HVR-1. Considering the recent discovery, scientists from WHO started to do research using drugs and ultimately crafted a new drug against HVR-1. When it was tested, this new drug was able to slow down the disease even more once the patient was infected. Further research showed that this treatment had the potential of saving lives by extending the time between phases.

On the other hand, during lockdowns, substance usage (especially tobacco and alcohol) of various age groups increased distinctively due to the economic effects of HVR-1.

Counterfeit drugs and supplements began to be sold on the black market under the name of "cure of HVR-1". Due to the rising fear, these drugs got the attention of people. Although most drugs did not have any benefits against the virus, some of them were quite similar to the ongoing vaccines and cures.

Universal Basic Income:

- Universal Basic Income (UBI) is a system where the government provides enough capital for the citizen to stay above the poverty line.
- The money cannot be taxed and the citizen can spend it according to their choice. In this scenario, UBI is a way of transferring the wealth of a society while still keeping the free market intact
- According to a study, a UBI of \$1,000 per month in the US could actually grow the GDP by 12% over eight years
- A study calculated that every extra dollar going to wage earners would add about \$1.21 to the national economy. While every extra dollar going to high-income Americans would add only 39 cents
- A well managed UBI will help the government in terms of economic freedom while also keeping the population intact.

4. CURRENT SITUATION

i. Australia

Due to its geographical advantage, the state of Australia adapted quickly. The government separated the country into two different populations. The healthy population (ones who never got infected in the first year and those who recovered) were relocated to the east of the 140 degree meridian. Revolts began on the western side and the media portrayed this separation as the Second Wall (referencing the Wall of Berlin in the Cold War) due to the nature of said “border”. The border consisted of two lines separated by one kilometre where the soldiers had the command shoot-to-kill for any trespassers from the west to the east.

ii. Belgium

In Belgium, citizens started to protest the government in the 7th month of the pandemic due to the high unemployment rate and increasing inflation. These protests escalated quickly into countrywide riots causing hundreds of increasing numbers of deaths only because of the ongoing riots. Moreover, mutinies contributed to the spread of HRV-1.

iii. Bosnia

During the pandemic, the government of Bosnia and Herzegovina has had many problems regarding their economy. Since the median age of residents was very high, their population decreased uncontrollably.

iv. Brazil

Brazil suffered great losses from the pandemic and has not recovered since. They managed to stay economically active by selling land from the Amazon to private companies that needed a bypass to the oil crisis. Brazil now faces the risk of deforestation.

v. China

During HVR-1, the Chinese economy was mostly affected because of the huge losses in population. China lost almost 30% of the whole population. Thus, the workforce decreased while the labour was gaining value; however, since the Chinese economy was mostly dependent on low-cost labour, China could not fulfil the work demand coming from other countries. Meanwhile, lower factory activity helped air quality to increase in China.

vi. **Cyprus**

Due to the natural gas crisis in Turkey, Northern Cyprus Turks were left with no choice but to surrender to the Cypriots of the south when they started invading the country. One of the reasons for the invocation of the UN meeting in the present day is this invasion.

vii. **Egypt**

Egypt is preparing for a war with bordering countries as the situation escalated quickly after the already crippling economy crumbled with the decrease in population and increase in poverty. The government is adamant on regaining its glory by conquering wealthier countries using what is left of their army.

viii. **Finland**

Finland was one of the countries that best resisted the pandemic due to the hard conditions for the virus. The government took precautions and quickly took action to control the spread, however, they were affected by the pandemic almost as much as other countries. This happened due to the relocation of some citizens to the warmer parts of the country since, due to global warming

ix. **France**

In the midst of the chaos, France was unable to manage the several protests around the country and not only lost lives in the events due to the virus, but also lost some of the population due to the suppression of the police forces.

x. **Germany**

Germany made unprecedented technological improvements and managed to not only prevent losses but also the state made a profit from the medical products it produced with minimal physical labour.

xi. **Holy See**

Pope, disturbed by the newly formed techno-spiritualism in Japan, initiated anti-technospiritualist propaganda to demolish any threat that takes power away from the Catholic Church weaponizing the vulnerable and believers that sought religion during quarantine. Consequently blaming the pandemic to GreenTech, comparing it with the plague, declaring that God is punishing the sinners for their deviance. We must atone to reach the salvation we seek.

xii. **India**

In India, due to the living standards of its citizens, HVR-1 mutated as a variant named HVR-2. This variant is less infectious; however, its death rate is way higher than the previous variant HVR-1. The WHO aid enabled easier containment —at a higher risk— for the Indian government.

In only a year after the first incident in India, they lost 21% of the entire population to HVR-2. During this process, they closed all borders causing immigration to stop.

xiii. **Israel**

Israel has contributed all their resources to become an isolated state after the pandemic began. From the experiences the country gained from the COVID-19 procedures, they quickly adapted to the situation and became a self-sustaining state. However, they are entering a heavy economic crisis and must brace for the high demand and low supply of edible meat (poultry, cattle etc.) in their country. The government is supposedly preparing for a military campaign on the closer countries in Northern Africa.

xiv. **Japan**

In late 2022, a new community was born in the heart of Japan, Tokyo. They called themselves 緑技術 (Midori Gijutsu) —also known as the GreenTech. While the world was struggling with a

pandemic and suffering from economic side effects, this newborn community formed an ideology called technospiritualism around the idea of combining technological advancements and old beliefs. They claimed that the only way to survive this apocalyptic economic crisis was to deny every capitalistic concept and focus on the sustainability of nature instead of consuming its resources.

The creed of GreenTech included three main tenets:

1. No harm shall be done to nature since any harmful act shall bring the same on people.
2. Technology shall be used only to help and improve nature in harmony.
3. Extremes shall be avoided in order to prevent unnecessary usage of natural resources.

Japan paved the way for this newly formed ideology. With the initiatives of GreenTech, people started to accept the Creed under Shintoism.

xv. **Mexico**

Research conducted in Mexico discovered certain recreational drugs to have slowing effects on the progression of the disease. Thus the demand grew higher resulting in drug trafficking cases in Mexico skyrocketing by 268% compared to the pre-pandemic era. Due to the uncontrollable drug trafficking and benefits of drugs against HVR-1, the Mexican government is debating on legalising the drug market as a counteraction to its negative growing GDP.

xvi. **Nigeria**

When HVR-1 struck, Nigeria mostly suffered from inflation, food supply and power purchasing. Nigeria lost more than three-quarters of its workforce thus could not cultivate the existing farmlands. Due to poverty and insufficient food, the government faced a critical hunger crisis.

Currently, the Nigerian government is unable to request aid from neighbouring countries since they are no different from Nigeria in terms of the hunger crisis.

xvii. **North Korea**

North Korea had no issue containing the disease and sustaining its citizens, as it had been isolated from the rest of the world for over a century. That was until South Korea declared war and North Korea had to redistribute its funds to supply its military, leading to a gap in the national treasury.

xviii. **Russia**

Russia had to take some extreme measures to fight against the economic impacts of HVR-1. The Russian economy had started to stabilise. In September 2055, Russia annexed Ukraine taking advantage of their bankruptcy during the pandemic.

As a response to the new threat of Canada and the United States' union, Russia established more factories. Therefore, in order to fulfil the rising energy demand from newly established factories, Russia directed their energy reserves back into its borders. This caused a short-term negative GDP growth.

xix. **Serbia**

Although the Serbian government was affected negatively by HVR-1 in the first year of the pandemic. The Food crisis in all the continents did not affect Serbia. They did not only deflect the crisis but were stabilised economically, something they owe to the strong fishing industry. Currently, Serbia leads the food trades.

xx. **South Korea**

Plagued by overconsumption, South Korea was too late in taking preventative action resulting in the fastest depletion of government funds recorded in history. Outraged, the public media asked to

be taken under the wing of the North Korean government, which was declined by the president himself. South Korea had no choice but to forcibly take the resources of its neighbours by declaring war.

xxi. Spain

Spain, for two and a half years after the pandemic, fought off Catalan politicians and activists. The government has suffered, and still is suffering, from the financial consequences of the pandemic and its politics. Statistics show that the high usage of recreational drugs actually helped the Spanish people a lot in terms of undetected cases since some of the population did not show the symptoms.

xxii. Turkey

The pandemic exacerbated the public in Turkey proceeding with the rapid decline in the purchasing power of its citizens. After the Russian government's new policy to direct their natural gas reserves within the Russian borders, the Turkish government is facing an energy crisis in which sufficient power cannot be supplied to satisfy the vast amount demanded.

xxiii. United Kingdom

BREXIT affected the country positively. Their economic freedom proved to be useful at the hardest of times. They managed to tread lightly on the first year of the pandemic, however, the government had to take extreme precautions. They launched a campaign in order to provide families planning to have children with financial support to increase the population. They started the funding of UBI along with the United States of America, Canada, France, and Germany thus decreasing unemployment rates.

xxiv. United Americas

The United States and Canada could not handle the effects of the pandemic due to reduced consumer activity and high unemployment rates. Additionally, The United States had to establish



more factories after China could not fulfil the demand of production. In the long term, this growing number in factories resulted in worsening air quality in the American continent.

Later in the HVR-1 pandemic, the United States and Canada signed a financial treaty to reconstruct their economy. This treaty escalated, caused them to merge under one roof and became The United Americas.

Despite being merged, The United States and Canada were free about their inside regulations — other than economic constructions— as two different provinces. They agreed on being under a Council for external affairs and economic regulations. In order to fund the UBIs, the UA decided to form a tax spectrum based on the property holding of an individual or a company.

xxv. **United Arab Emirates**

The United Arab Emirates was detrimentally affected by the plummet in oil prices causing negative growing GDP in the UAE. Wealth within the country sustained the country for 5 years. Now, all sources have been exhausted. UAE has very little time before it declares bankruptcy unless it signs a miracle deal to further maintain itself.

5. SUMMARY

Most of the countries affected from:

- Supply chain problems,
- Low GDP,
- Due to low GDP, less —sometimes insufficient— healthcare foundation,

Timeline

22nd March 2050 — The first incident of HVR-1 was detected in Canada.

2nd June 2050 — Worldwide existence of HVR-1 confirmed by the WHO.

HVR-1 disease is classified as a pandemic by the WHO.

4th June 2050 — The WHO established research centres specified for HVR-1.

4th-15th June 2050 — Corporations started transitions to online periods.

Factories limited their working hours all over the globe.

21st June 2050 — Israel declared isolation in order to become a self-sustaining state.

16th August 2050 — Worldwide unemployment rates have significantly risen.

UK, USA, Canada, France, and Germany initiated UBIs.

It is reported that %50 of the over 65 years old population deceased.

January 2051 — Protests and riots began in Belgium.

18th March 2051 — Brazil started to sell lands from the Amazon to private companies.

22nd May 2051 — Discovery of certain recreational drugs' slowing effect on HVR-1

July 2051 — A new experimental treatment to slow down the process of the virus developed.

5th December 2051 — Russia directed their natural gas reserves to inside of their borders.

16th December 2051 — First protests in France

April 2052 — China announced that they cannot fulfil the demand of production.

30th May 2052 — Separation of Australia from the 140-degree meridian.

19th October 2052 — First case of HVR-2 variant in India.

20th October 2052 — India closed all borders and restricted immigration.

17th February 2053 — Egypt has started on the army preparation for war.

24th April 2053 — GreenTech went public forming a new ideology named technospiritualism.

30th April 2053 — Pope initiated anti-technospiritualist propaganda.

18th December 2053 — The first group of citizens relocated by Finland.

26th May 2054 — South Korea declared war on North Korea.

28th January 2055 — Emergence of the United States and Canada and formation of the UA.

16th June 2055 — Collapse of Ukraine

Russia annexed Ukraine

25th August 2055 — Cypriots of the south invaded the land of Northern Cyprus Turks.

30th September 2055 — Present day. United Nations called upon a meeting to assess the crisis the world is in.

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