



SRMUN ATLANTA 2023
November 16 - 18, 2023
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Esteemed Delegates,

Welcome to SRMUN Atlanta 2023 and the Group of 20 (G20). My name is Edgar Romero, and I have the pleasure of serving as your Director for the G20. This will be my third time as a SRMUN staff member, after having served as Director of United Nations Relief and Works Agency for Palestine and the Near East (UNRWA) at SRMUN Charlotte 2023 and Director of the Commission on Crime Prevention and Criminal Justice (CCPCJ) at SRMUN Virtual 2022. Our committee's Assistant Director will be Claudia Bonney Amamoo. This will be Claudia's second time as a staff member, having previously served as the AD for the General Assembly Plenary at SRMUN Atlanta 2022. Claudia holds a bachelor's degree in Political Science and Spanish and is currently pursuing her law degree.

The G20 was established to address the need for sustainability of and stability for the international economic system. The G20's objectives are to serve as a deliberative summit that focuses on coordination and cooperation between Member States to reach international sustainable growth, to promote financial regulations that limit risk, and to build a new international economic structure. The informal and deliberative nature of the G20 forum allows it to focus on establishing and promoting international standards that increase transparency and strengthen international financial systems. Some of these standards include having balanced and fair geographical representation and including other non-governmental organizations and UN agencies in the discussions.

Focusing on the mission of the G20, we have developed the following topics for the delegates to discuss come conference:

- I. Addressing the Effects of the Global Debt Crisis on Developing Member States
- II. Addressing Skill Gaps in the Global Economy

This background guide will serve as the foundation for your research, yet it should not be the extent of the research. Preparation is given to each topic to help guide delegates in their initial research, and to serve as a starting place for more in-depth studies. It is expected that delegates go beyond this background guide in preparation for their position paper and to better prepare themselves for contribution within the committee in November. Further, each delegation is required to submit a position paper for consideration. Position papers should be no longer than two pages in length (single spaced) and demonstrate your Member State's position, policies, and recommendations on each of the two topics. For more detailed information about formatting and how to write position papers, delegates can visit srmun.org. **All position papers MUST be submitted no later than Friday, October 27th, by 11:59pm EST via the SRMUN website to be eligible for Outstanding Position Paper Awards.**

Both Claudia and I are excited for the opportunity to serve as your dais for G20. I wish you all the best of luck in your conference preparation and look forward to meeting and working with each of you. Should questions arise as you begin to prepare for this conference, contacting those on your dais is always encouraged.

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History of the Group of Twenty

The Group of Twenty (G20) was established in September 1999 to address the need for sustainability and stability in the international economic system.¹ Formally known as the “Summit on Financial Markets and the World Economy,” the G20 was created by the Group of Seven (G7) due to the need for advanced dialogue that would uphold the purpose and values of the Bretton Woods Institutional System.² The Bretton Woods documents aimed to address the problems in the current international financial system following the negative economic effects of World War II and post-war reconstruction.³ When the group’s creation was announced, the stated purpose was to “broaden the dialogue on key economic and financial policy issues among systemically significant economies and promote cooperation to achieve stable and sustainable world economic growth that benefits all.”⁴

The G20 comprises 19 Member States and the European Union (EU).⁵ The seats in the group reflect two-thirds of the world’s population and 85 percent of the global gross domestic product (GDP).⁶ Each year, the Presidency of the G20 invites guest Member States to participate.⁷ Spain is invited as a permanent guest.⁸ Additionally, International organizations such as the International Monetary Fund (IMF) provide expert support to the G20 and are actively involved in drafting reports and proposals on the primary agenda items.⁹ Unlike many United Nations (UN) decision-making bodies, the deliberative and informal structure of G20 allows it to concentrate on recommending international standards that strengthen financial systems and increase transparency.¹⁰ Each G20 Member State maintains equal power and agrees by consensus to recommendations.¹¹ The G20 consists of the Finance Track and the Sherpa Track.¹² The Finance Track is led by Finance Ministers and Central Bank Governors of G20’s Member States. Sherpas of G20 Member States, personal emissaries of the Leaders, lead the Sherpa Track.¹³ They oversee negotiations, discuss agenda items for G20 Summits and coordinate the substantive work of the G20.¹⁴ Within the Finance Track and the Sherpa Track, there are thematically oriented working groups in which representatives from the relevant ministries of the Member States, invited Member States, and various international organizations work together.¹⁵

Annually, the G20 Summit is hosted under the leadership of a rotating Presidency.¹⁶ The Presidency is structured in a way to distribute regional balance over time.¹⁷ Instead of a permanent secretariat, the G20 president curates the G20 agenda in consultation with other G20 Member States in response to developments in the global economy.¹⁸ The Presidency is supported by the Troika – previous, current, and incoming Presidencies.¹⁹ The Troika aims to ensure continuity within policy and agenda goals.²⁰ The 17th G20 Heads of State and Government Summit occurred on November 15-16, 2022, in Bali, Indonesia. The theme for the summit under the Indonesian Presidency was “Recover Together, Recover Stronger.”²¹ India will host the 18th G20 Heads of State and Government Summit on

¹ John Kirton, “G20 Information Centre: What Is the G20?” The University of Toronto G20 Research Group, 1999, <http://www.g20.utoronto.ca/g20whatisit.html>, (accessed February 1, 2023).

² John Kirton, “G20 Information Centre: Explaining G20 Summit Success.” The University of Toronto G20 Research Group, 2013, <http://www.g20.utoronto.ca/g20whatisit.html>, (accessed February 1, 2023).

³ Sandra Ghizoni, “Creation of the Bretton Woods System,” Federal Reserve Bank of Atlanta, 2013, <https://www.federalreservehistory.org/essays/bretton-woods-created>, (accessed February 1, 2023).

⁴ John Kirton, “G20 Information Centre: What Is the G20?”

⁵ Group of Twenty, “About G20,” *Group of Twenty*, <https://www.g20.org/en/about-g20/>, (accessed February 1, 2023).

⁶ Group of Twenty, “About G20.”

⁷ “Invitees and International Organizations,” G20 Foundation, <https://www.g20foundation.org/g20/invitees-and-international-organizations>, (accessed February 1, 2023).

⁸ “Invitees and International Organizations,” G20 Foundation.

⁹ “Invitees and International Organizations,” G20 Foundation.

¹⁰ John Kirton, “G20 Information Centre: What Is the G20?”

¹¹ Rebecca Nelson, “The G-20 and International Economic Cooperation: Background and Implications for Congress.”

¹² Group of Twenty, “About G20.”

¹³ Group of Twenty, “About G20.”

¹⁴ Group of Twenty, “About G20.”

¹⁵ Group of Twenty, “About G20.”

¹⁶ Group of Twenty, “About G20.”

¹⁷ “G20 Members,” G20 Turkey, 2023, <http://g20.org.tr/about-g20/g20-members/>, (accessed February 1, 2023).

¹⁸ “G20 Members,” G20 Turkey.

¹⁹ Group of Twenty. “About G20.”

²⁰ Group of Twenty. “About G20.”

²¹ International Institute for Sustainable Development, “G20 Leaders’ Summit 2022,” IISD, November 15, 2022, <https://sdg.iisd.org/events/g20-leaders-summit-2022/>, (accessed February 1, 2023).

September 9-10, 2023.²² The theme for the summit under the Indian Presidency is “One Earth, One Family, One Future,” drawn from the Sanskrit text of the Maha Upanishad.²³ The Troika will comprise Indonesia, India, and Brazil, the host of the 19th G20 Heads of State and Government Summit.²⁴

Many notable resolutions have been achieved during G20 Heads of State and Government Summits. The London Summit of 2009 committed to expanding financial resources within the IMF by an additional \$850 billion dollars.²⁵ This was to be divided between “hard” improvements like facilities and “soft” improvements like loans and grants.²⁶ The Seoul Summit of 2010 focused on declarations that officialized the positive attitudes and culture surrounding government leadership in the economic direction of Member States as opposed to a market-led economy.²⁷ During the 2014 G20 Brisbane summit, G20 members adopted the Brisbane Action Plan on Growth and Jobs and made progress on anti-corruption measures.²⁸ In 2021, important outcomes of the 16th G20 Heads of State and Government Summits under the Italian Presidency included formal acceptance of the Matera Declaration on food safety and the goal of planting a trillion trees globally by 2030.²⁹ During the 17th G20 Heads of State and Government Summits in Indonesia, the leaders of G20 signed the G20 Bali Leaders’ Declaration, which affirmed a commitment to support developing countries, particularly the least developed countries (LDCs) and small island developing States (SIDS), in responding to global challenges and achieving the SDGs.³⁰

The 18th G20 Heads of State and Government Summit commenced in India on December 1, 2022.³¹ India’s G20 Presidency is set to be inclusive, ambitious, and action-oriented.³² The first Sherpa meeting under India’s G20 Presidency was held in Udaipur, India, on December 3-4, 2022.³³ The meeting in Udaipur set the stage for important conversations on some of the most pressing issues, including technological transformation, green development, spotlighting women-led development, and accelerating the implementation of the SDGs.³⁴ Additionally, the G20 Finance Track met in Bengaluru, India, from December 13–15, 2022.³⁵ India’s G20 finance deputy and central bank deputy co-chaired the meetings, which focused on the global economy, infrastructure, sustainable finance, international taxation, global health, the financial sector, and financial inclusion.³⁶ One of the focuses of the Indian G20 Presidency in 2023 is to voice the needs and perspectives of the Global South in the G20.³⁷ Given that an emerging market Member State will hold the G20 Presidency from 2024 to 2025 (Brazil in 2024 and South Africa in 2025), there is a chance to address the objectives of many Member States that are not G20 members but are greatly impacted by the decisions made by the G20 forum.³⁸

²² Group of Twenty, “About G20,” Group of Twenty, 2023, <https://www.g20.org/en/about-g20/>, (accessed February 1, 2023).

²³ Group of Twenty, “G20 India 2023,” Group of Twenty, 2023, <https://www.g20.org/en/g20-india-2023/logo-theme/>, (accessed February 1, 2023).

²⁴ Group of Twenty, “About G20.”

²⁵ “Declaration on Delivering Resources Through the International Financial Institutions,” Ministry of Foreign Affairs Japan, 2009, https://www.mofa.go.jp/policy/economy/g20_summit/2009-1/annex1.html, (accessed February 1, 2023).

²⁶ “Declaration on Delivering Resources Through the International Financial Institutions,” Ministry of Foreign Affairs Japan.

²⁷ “Seoul Development Consensus for Shared Growth,” Ministry of Foreign Affairs Japan, 2010, https://www.mofa.go.jp/policy/economy/g20_summit/2010-2/annex1.pdf, (accessed February 1, 2023).

²⁸ Council of the EU and the European Council, “G20 summit, Brisbane, 15-16 November 2014,” <https://www.consilium.europa.eu/en/meetings/international-summit/2014/11/15-16/>, (accessed April 7, 2023).

²⁹ Group of Twenty, “About G20.”

³⁰ International Institute for Sustainable Development, “G20 Leaders Aim to Recover Together, Stronger Amid Multidimensional Crises,” IISD, 2022, <https://sdg.iisd.org/news/g20-leaders-aim-to-recover-together-stronger-amid-multidimensional-crises/>, (accessed February 1, 2023).

³¹ Group of Twenty, “G20 Secretariate Newsletter: The Golden Year for India,” Group of Twenty, 2023, pg. 14, https://www.g20.org/content/dam/gtwenty/gtwenty_new/document/G20_Newsletter%20English_Issue.pdf, (accessed February 1, 2023).

³² Group of Twenty, “G20 Secretariate Newsletter: The Golden Year for India,” pg. 4.

³³ Group of Twenty, “G20 Secretariate Newsletter: The Golden Year for India,” pg. 9.

³⁴ Group of Twenty, “G20 Secretariate Newsletter: The Golden Year for India,” pg. 9.

³⁵ Group of Twenty, “G20 Secretariate Newsletter: The Golden Year for India,” pg. 11.

³⁶ Group of Twenty, “G20 Secretariate Newsletter: The Golden Year for India,” pg. 12.

³⁷ Group of Twenty, “G20 Secretariate Newsletter: The Golden Year for India,” pg. 12.

³⁸ Group of Twenty, “G20 Secretariate Newsletter: The Golden Year for India,” pg. 12.

I. Addressing the Effects of the Global Debt Crisis on Developing Member States

Introduction

Increased borrowing by Member States has sparked a global debt crisis, threatening to amplify financial vulnerabilities within Member States, especially developing Member States.³⁹ Various crises such as the coronavirus (COVID-19) pandemic, geopolitical instability, and climate distress have pushed many developing Member States to take on more debt to address the needs of their populations.⁴⁰ According to the International Monetary Fund (IMF) and the World Bank, 60 percent of developing Member States face a high risk of debt default or distress.⁴¹ Increasing interest rates during the global debt crisis are hindering developing Member States' ability to invest in growing their economies and achieving Sustainable Development Goals (SDGs), making it even harder to repay their debts.⁴² Developing Member States are allocating more than a fifth of their revenues to debt servicing, spending more on repaying debt than investing in health, education, or climate mitigation.⁴³ Most developing Member States' increasingly complex debt portfolios and significant weaknesses in legal and institutional frameworks present a challenge to managing developing Member States' debt and preventing default.⁴⁴ Since the 1970s, the global economy has experienced four waves of the debt crisis, which consist of borrowing capital, money, and assets by governments, businesses, and households at dangerously high levels.⁴⁵ The fourth wave of the debt crisis, which began in 2010, is noted as the largest and fastest-growing debt crisis.⁴⁶ According to the *Institute of International Finance*, a global association of the financial industry, the global debt reached a record USD 303 trillion in 2021.⁴⁷ In contrast to the previous three waves, which were largely regional, the current fourth wave of the debt crisis has global implications.⁴⁸ Developing Member States will likely experience macroeconomic and financial vulnerabilities as the global debt builds up.⁴⁹ It is pivotal that the G20 employs multilateral solutions to address the unsustainable debt burdens developing Member States face to ensure the global financial market remains stable.⁵⁰

History

³⁹ Gaspar, Vitor and Pazarbasioglu, Ceyla. "Dangerous Global Debt Burden Requires Decisive Cooperation." *International Monetary Fund*, 2022. <https://www.imf.org/en/Blogs/Articles/2022/04/11/blog041122-dangerous-global-debt-burden-requires-decisive-cooperation>, (accessed June 27, 2023).

⁴⁰ United Nations Conference on Trade and Development. "World leaders call for stronger multilateral solutions to debt crisis." *United Nations Conference on Trade and Development*, 2022. <https://unctad.org/news/world-leaders-call-stronger-multilateral-solutions-debt-crisis>, (accessed Feb 1, 2023).

⁴¹ Berensmann, Kathrin et al. "Resolving Debt Crises In Developing Countries: How Can The G20 Contribute To Operationalising The Common Framework?" *The Global Solutions Initiative*, 2022. https://www.global-solutions-initiative.org/policy_brief/resolving-debt-crises-in-developing-countries-how-can-the-g20-contribute-to-operationalising-the-common-framework/, (accessed Feb 1, 2023).

⁴² United Nations Conference on Trade and Development. "World leaders call for stronger multilateral solutions to debt crisis."

⁴³ United Nations Conference on Trade and Development. "World leaders call for stronger multilateral solutions to debt crisis."

⁴⁴ United Nations Conference on Trade and Development. "The Debt Management and Financial Analysis System (DMFAS) Programme Annual Report: Executive Summary." *United Nations Conference on Trade and Development*, 2022. https://unctad.org/system/files/official-document/gdsdmfas2023d1_en.pdf, (accessed June 27, 2023).

⁴⁵ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*. Washington, DC: World Bank Group, 2021, pg. 17. <https://thedocs.worldbank.org/en/doc/9eeb21e4426d6c3113f9bed45853e160-0350012021/related/Global-waves-of-debt-Chapter-1.pdf>

⁴⁶ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 30.

⁴⁷ Masterson, Victoria. "What does 'global debt' mean and how high is it now?" *World Economic Forum*, 2022. <https://www.weforum.org/agenda/2022/05/what-is-global-debt-why-high/>, (accessed June 27, 2023).

⁴⁸ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 31

⁴⁹ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 33.

⁵⁰ Angeloni, Ignazio and Pisani-Ferry, Jean. "Wanted: A stronger and better G20 for the global economy." *Bruegel Policy Contribution*, No. 2011/15, 6, 2011. <https://www.econstor.eu/bitstream/10419/72107/1/67108321X.pdf>, (accessed March 11, 2023).

The first wave of debt emerged in the second half of 1982 due to several interrelated global developments in the 1970s and early 1980.⁵¹ In 1973, the Organization of the Petroleum Exporting Countries (OPEC) oil embargo resulted in increased lending to developing Member States due to the need to recycle the earnings of oil-producing Member States.⁵² Fluctuating oil prices, caused by events such as the OPEC oil embargo, affect oil-producing Member States' decisions, including how much to borrow and lend, their rate of growth, and the likelihood they will pay their debts.⁵³ During the embargo, oil exporting Member States had large current account surpluses, which they placed in commercial banks in the major financial centers, while Major oil-importing developing Member States experienced account deficits.⁵⁴ Between 1973 and 1980, the total current account surplus of oil-exporting Member States increased from USD 7 billion to USD 112 billion, and the oil-importing Member States' account deficit skyrocketed from USD 12 billion to USD 80 billion, affecting numerous developing Member States with limited or no access to international capital markets.⁵⁵ As a result, multilateral organizations, such as the International Monetary Fund (IMF), created special oil facilities to recycle surpluses for oil-importing nations through the commercial banks to the oil-importing developing Member States.⁵⁶ Financing by commercial banks rose sharply, and bank lending became the most important source of capital flows, greatly surpassing direct foreign investment.⁵⁷

Faced with little loan demand nationally, many commercial banks turned eagerly to the market for sovereign loans to developing Member States to invest their expanding liquid assets.⁵⁸ From 1977 to 1980, net loans by international banks soared from USD 68 billion to USD 160 billion, of which USD 49 billion went to oil exporting Member States.⁵⁹ However, most Member States could not service those debts because of a lack of necessary financing policies.⁶⁰ Between 1979 and 1982, a second oil price increase resulted in a severe global recession and high-interest rates.⁶¹ The increase in interest rates and decreases in the prices of other primary commodities caused many Member States to experience a substantial deterioration in terms of trade and a sharp increase in the cost of servicing foreign debt.⁶² For instance, in non-oil exporting developing Member States in Latin America, the interest rate on foreign debt increased from minus 10 percent during 1973-78 to plus 8 percent during 1979-82.⁶³ Most developing Member States in need of debt relief assistance faced challenges regaining access to the financial market.⁶⁴ Although external financing and macroeconomic policies were utilized to subdue the first wave of the debt crisis, debt distress among developing Member States remained a challenge to the international financial system.⁶⁵

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- ⁵¹ Watson, C.M. and Regling, K.P. "Current Legal Issues Affecting Central Banks: History of the Debt Crisis." Vol, 1, 1992, pg. 67. *International Monetary Fund*. https://www.elibrary.imf.org/doc/IMF071/01504-9781557751423/01504-9781557751423/Other_formats/Source_PDF/01504-9781455230518.pdf, (accessed June 27, 2023).
- ⁵² Krueger, Anne. "Origins of the developing countries' debt crisis 1970 to 1982." *Journal of Development Economics*, 27(1), 1987, pg.168. <https://www.sciencedirect.com/science/article/pii/0304387887900137>, (accessed June 27, 2023).
- ⁵³ Arias, Maria and Restrepo-Echavarria, Paulina. "Sovereign Default and Economic Performance in Oil-Producing Economies." *Federal Reserve Bank of St. Louis*, 2016. <https://files.stlouisfed.org/files/htdocs/publications/economic-synopses/2016-09-23/sovereign-default-and-economic-performance-in-oil-producing-economies.pdf>, (accessed June 27, 2023).
- ⁵⁴ Boughton, James. "The IMF and the Silent Revolution: Global finance and development in the 1980s." *International Monetary Fund*, 2000. <https://www.imf.org/external/pubs/ft/silent/index.htm>, (accessed June 27, 2023).
- ⁵⁵ Boughton, James. "The IMF and the Silent Revolution: Global finance and development in the 1980s."
- ⁵⁶ Krueger, Anne. "Origins of the developing countries' debt crisis 1970 to 1982," pg. 168.
- ⁵⁷ Sebastian Edwards. "Capital flows, foreign direct investment, and debt-equity swaps in developing countries." *National Bureau of Economic Research*, 1990, pg.1, <https://www.nber.org/papers/w3497>, (accessed March 12, 2023).
- ⁵⁸ Boughton, James. "The IMF and the Silent Revolution: Global finance and development in the 1980s."
- ⁵⁹ Boughton, James. "The IMF and the Silent Revolution: Global finance and development in the 1980s."
- ⁶⁰ Boughton, James. "The IMF and the Silent Revolution: Global finance and development in the 1980s."
- ⁶¹ Krueger, Anne. "Origins of the developing countries' debt crisis 1970 to 1982," pg. 169.
- ⁶² Watson, C.M. and Regling, K.P. "Current Legal Issues Affecting Central Banks: History of the Debt Crisis."
- ⁶³ Watson, C.M. and Regling, K.P. "Current Legal Issues Affecting Central Banks: History of the Debt Crisis."
- ⁶⁴ Watson, C.M. and Regling, K.P. "Current Legal Issues Affecting Central Banks: History of the Debt Crisis."
- ⁶⁵ Watson, C.M. and Regling, K.P. "Current Legal Issues Affecting Central Banks: History of the Debt Crisis."

A second wave of debt crisis began in the early 1990s and ran until the early 2000s.⁶⁶ A surge in capital flows to developing Member States resulted in the accumulation of substantial amounts of short-term external debt.⁶⁷ Financial and capital market liberalization enabled banks and corporations in the East Asia and Pacific region and governments in Europe and Central Asia to borrow heavily, particularly in foreign currencies.⁶⁸ Additionally, policy changes affecting financial markets in the 1990s and declining global interest rates encouraged capital flows to develop Member States.⁶⁹ In 1997, a sudden stop and reversal of capital flows triggered the East Asian financial crisis, concentrated in the private sector, which ushered in the global downturn 1998.⁷⁰ This crisis also spilled over to other Member States, including Argentina, Russia, and Turkey.⁷¹ The IMF and World Bank launched the HIPC Initiative and the Multilateral Debt Relief Initiative to ensure that low-income Member States would not face unmanageable debt burdens.⁷² Member States completing the HIPC Initiative process received 100 percent relief on eligible debts from the IMF, the World Bank, and the African Development Fund.⁷³

In the early 2000s, a sharp increase in borrowing to developing Member states resulted in international debt markets, primarily from banks headquartered in the United States and European Union, which triggered the third wave of debt.⁷⁴ The private sector, particularly households, primarily accounted for the buildup in debt.⁷⁵ The third wave ended when the global financial crisis disrupted bank financing in 2008-09, which sharply reduced cross-border lending to developing Member States.⁷⁶ The reduction in cross-border lending tipped several developing Member States' economies into a deep recession, a sustained period when economic output falls and unemployment rises.⁷⁷ However, developing Member States were able to withstand the global financial crisis because most of the implementation of fiscal and monetary policy reforms which acted as buffers.⁷⁸ Developing Member States also improved their debt management, which had helped reduce currency, interest rate, and maturity risks.⁷⁹ The third wave of debt crisis illustrated the need to strengthen the global aspects of financial regulation due to the synchronization of the financial market.⁸⁰

Current Situation

A fourth debt wave commenced in 2010.⁸¹ Unlike the previous waves of debt, the debt levels in Member States have reached record levels.⁸² Since 2010, debt in developing Member States has risen by 54 percentage points of gross domestic product (GDP) to a historical peak of about 170 percent of GDP in 2018.⁸³ Low global interest rates and

⁶⁶ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*. Washington, DC: World Bank Group, 2021, pg. 85. <https://thedocs.worldbank.org/en/doc/9eeb21e4426d6c3113f9bed45853e160-0350012021/related/Global-waves-of-debt-Chapter-1.pdf>

⁶⁷ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 101.

⁶⁸ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 85.

⁶⁹ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 101.

⁷⁰ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 102.

⁷¹ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 102.

⁷² International Monetary Fund. "Debt Relief Under the Heavily indebted poor countries (HIPC) Initiative." *International Monetary Fund*, 2023 <https://www.imf.org/en/About/Factsheets/Sheets/2023/Debt-relief-under-the-heavily-indebted-poor-countries-initiative-HIPC>, (accessed March 12, 2023).

⁷³ International Monetary Fund. "Debt Relief Under the Heavily indebted poor countries (HIPC) Initiative."

⁷⁴ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 116-117.

⁷⁵ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 117.

⁷⁶ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 117.

⁷⁷ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 117.

⁷⁸ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 122-123.

⁷⁹ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 123.

⁸⁰ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 124.

⁸¹ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. XV.

⁸² Sagnik Bagchi, Sayantan Bandhu Majumder & Somdutta Banerjee, "Institutions Determine Debt–Growth Relationship: Evidence from Fourth Wave of Debt in EMDEs," *International Economic Journal*, 1. DOI: [10.1080/10168737.2023.2184845](https://doi.org/10.1080/10168737.2023.2184845)

⁸³ Kose, M. Ayhan et al. *Global Waves of Debt: Causes and Consequences*, pg. 152.

greater access to financing contributed to the high global debt burden of developing Member States.⁸⁴ Significant changes in the structure of debt markets during the fourth wave have amplified the difficulty of resolving debt.⁸⁵

In 2020, the pandemic prompted the largest debt increase relative to GDP in a single year since 1970.⁸⁶ Due to governments enacting unprecedented fiscal support measures, global government debt jumped to 100 percent of GDP.⁸⁷ Government debt increased in one-quarter of Member States.⁸⁸ The largest increases were in the advanced economies and the People's Republic of China (PRC), with other developing economies closely behind.⁸⁹ In 2020, The global government debt in developing economies increased by nine percentage points to 63 percent of GDP.⁹⁰ Economic vulnerabilities mounted in developing Member States and emerging markets amid slowing economic growth.⁹¹ The socio-economic effects of the global debt crisis on developing Member States may widen inequality between developed Member States and developing Member States.⁹²

Microeconomic policy outcomes will play a critical role in how the global community subdues the fourth wave of the debt crisis.⁹³ Member States are in dire need of financing, sound debt management, and debt transparency to contain fiscal risks and develop sustainable repayment frameworks.⁹⁴ Additionally, good governance and proactive financial sector regulation are needed to raise export proceeds and manage emerging risks.⁹⁵

Actions Taken by the United Nations

Various United Nations specialized agencies have implemented debt relief resolutions and programs in recognition that the existing system for addressing sovereign debt problems is inadequate to resolve growing incidences of debt crises promptly and efficiently.⁹⁶ For example, in 1996, the IMF and World Bank launched the Heavily Indebted Poor Countries (HIPC) Initiative.⁹⁷ The HIPC Initiative focused on achieving overall external debt sustainability

⁸⁴ United Nations Department of Economic and Social Affairs. "COVID-19 and Sovereign Debt." United Nations Department of Economic and Social Affairs. Policy Brief, No 72, 2020. https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/PB_72.pdf, (accessed June 27, 2023).

⁸⁵ Kose, M. Ayhan et al. "Debt Tsunami of the Pandemic." *The Brookings Institution*, 2021.

<https://www.brookings.edu/articles/debt-tsunami-of-the-pandemic/>, (accessed June 27, 2023).

⁸⁶ Kose, M. Ayhan et al. "Debt Tsunami of the Pandemic."

⁸⁷ Kose, M. Ayhan et al. "Debt Tsunami of the Pandemic."

⁸⁸ Kose, M. Ayhan et al. "Debt Tsunami of the Pandemic."

⁸⁹ World Bank Group and International Monetary Fund. "Making Debt Work for Development and Macroeconomic Stability." *International Monetary Fund*, 2022. [file:///Users/claudamaney/Downloads/PPEA2022019%20\(1\).pdf](file:///Users/claudamaney/Downloads/PPEA2022019%20(1).pdf), (accessed June 29, 2023).

⁹⁰ Kose, M. Ayhan et al. "A mountain of debt: navigating the legacy of the pandemic." *Journal of Globalization and Development*, no. 2, 2022, 4.

https://cama.crawford.anu.edu.au/sites/default/files/publication/cama_crawford_anu_edu_au/2021-10/90_2021_kose_ohnsorge_sugawara.pdf, (accessed June 29, 2023).

⁹¹ Kose, M. Ayhan et al. "Caught by a Cresting Debt Wave: Past Debt Crises Can Teach Developing Economies to Cope with COVID-19 Financing Shocks." *International Monetary Fund*, 2022.

<https://www.imf.org/en/Publications/fandd/issues/2020/06/COVID19-and-debt-in-developing-economies-kose#:~:text=Fourth%20wave,2014%E2%80%9315%20commodity%20price%20plunge>, (accessed June 29, 2023).

⁹² Kose, M. Ayhan et al. "The Aftermath of Debt Surges: No Easy Solution." *The World Bank Blogs*, 2021.

<https://blogs.worldbank.org/developmenttalk/aftermath-debt-surges-no-easy-solution>, (accessed June 29, 2023).

⁹³ Kose, M. Ayhan et al. "Caught by a Cresting Debt Wave: Past Debt Crises Can Teach Developing Economies to Cope with COVID-19 Financing Shocks."

⁹⁴ Kose, M. Ayhan et al. "Caught by a Cresting Debt Wave: Past Debt Crises Can Teach Developing Economies to Cope with COVID-19 Financing Shocks."

⁹⁵ Kose, M. Ayhan et al. "Caught by a Cresting Debt Wave: Past Debt Crises Can Teach Developing Economies to Cope with COVID-19 Financing Shocks."

⁹⁶ "United Nations General Assembly adopts basic principles on sovereign debt restructuring," *United Nations Conference on Trade and Development*, September 11, 2015, <https://unctad.org/news/united-nations-general-assembly-adopts-basic-principles-sovereign-debt-restructuring>, (accessed, March 11, 2023).

⁹⁷ Staffs of the World Bank and International Monetary Fund, "Heavily Indebted Poor Countries (HIPC) Initiative Perspectives on the Current Framework and Options for Change," April 2, 1999, <https://www.imf.org/external/np/hipc/options/index.htm>, (accessed March 28, 2022).

with comprehensive participation by all external creditors for the most heavily indebted Member States with good track records.⁹⁸

In 1999, during the 25th G-8 summit, several governments proposed changes to the initiative to provide "faster, deeper and broader debt relief for the poorest countries that demonstrate a commitment to reform and poverty alleviation."⁹⁹ In 2005, the proposal was adopted as the Multilateral Debt Relief Initiative to accelerate progress toward the United Nations' Sustainable Development Goals.¹⁰⁰ The Multilateral Debt Relief Initiative allowed countries completing the HIPC Initiative process to receive 100 percent relief on eligible debts by the IMF, the World Bank, and the African Development Fund.¹⁰¹

In 2015, the United Nations General Assembly adopted A/RES/69/319, the Basic Principles on Sovereign Debt Restructuring, during its Sixty-Ninth Session.¹⁰² The resolution laid out nine basic principles to guide the sovereign debt restructuring processes, including promoting transparency through the timely sharing of data and processes related to sovereign debt workouts and encouraging Member States to include collective action clauses in their sovereign debt to be issued.¹⁰³ It also invited all Member and observer States, competent international organizations, entities, and other relevant stakeholders to support and promote the nine basic principles.¹⁰⁴

Following the COVID-19 pandemic, the G20 established the Debt Service Suspension Initiative (DSSI) to tackle liquidity problems and create a Common Framework for Debt Treatment beyond the DSSI to address the debt crises.¹⁰⁵ The DSSI helped Member States concentrate their resources on fighting the pandemic and safeguarding the lives of their citizens.¹⁰⁶ Forty-eight Member States participated in the initiative before it expired in December 2021.¹⁰⁷ According to the latest estimates, the initiative suspended USD12.9 billion in debt-service payments owed by participating Member States to their creditors.¹⁰⁸ The World Bank and the IMF supported the implementation of the DSSI by monitoring spending, enhancing public debt transparency, and ensuring prudent borrowing. In addition, DSSI borrowers committed to using freed-up resources to increase social, health, or economic spending in response to the crisis.¹⁰⁹

Case Study: Mexico and the Brady Plan

During the 1950s through the 1970s, the United Mexican States (Mexico) experienced stable, steady international borrowing.¹¹⁰ Notably, the OPEC oil embargo and price explosion in the 1970s triggered a strong fiscal expansion in

⁹⁸ Staffs of the World Bank and International Monetary Fund, "Heavily Indebted Poor Countries (HIPC) Initiative - Perspectives on the Current Framework and Options for Change."

⁹⁹ Staffs of the World Bank and International Monetary Fund, "Heavily Indebted Poor Countries (HIPC) Initiative - Perspectives on the Current Framework and Options for Change."

¹⁰⁰ "Debt Relief Under the Heavily indebted poor countries (HIPC) Initiative," *International Monetary Fund*, <https://www.imf.org/en/About/Factsheets/Sheets/2023/Debt-relief-under-the-heavily-indebted-poor-countries-initiative-HIPC>, (accessed March 12, 2023).

¹⁰¹ "Multilateral Debt Relief Initiative —Questions and Answers," *International Monetary Fund*, July 28, 2017, <https://www.imf.org/external/np/exr/mdri/eng/index.htm>, (accessed March 12, 2023).

¹⁰² United Nations General Assembly, *the Basic Principles on Sovereign Debt Restructuring*, A/RES/69/319, (September 2015), <https://undocs.org/Home/Mobile?FinalSymbol=A%2FRES%2F69%2F319&Language=E&DeviceType=Desktop&LangRequested=False>.

¹⁰³ United Nations General Assembly, *the Basic Principles on Sovereign Debt Restructuring*, A/RES/69/319.

¹⁰⁴ United Nations General Assembly, *the Basic Principles on Sovereign Debt Restructuring*, A/RES/69/319.

¹⁰⁵ "Debt Service Suspension Initiative," *The World Bank*, March 10, 2022, <https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative>, (accessed March 12, 2023).

¹⁰⁶ "Debt Service Suspension Initiative."

¹⁰⁷ "Debt Service Suspension Initiative."

¹⁰⁸ "Debt Service Suspension Initiative."

¹⁰⁹ "Debt Service Suspension Initiative."

¹¹⁰ Oks, Daniel and Sweder van Wijnbergen, "Mexico after the debt crisis" Is growth sustainable?," *Journal of Development Economics*, Volume 47, Issue 1, June 1995, 155-178, 156, [https://doi.org/10.1016/0304-3878\(95\)00008-9](https://doi.org/10.1016/0304-3878(95)00008-9).

Mexico while banks tried to recycle OPEC's surpluses.¹¹¹ During the oil embargo, investors transferred vast capital to emerging markets, including Mexico.¹¹² The capital flows caused a significant external current account deficit and accelerated the growth of Mexico's bank assets and liabilities.¹¹³

Mexico started numerous programs, including fiscal consolidation, privatization, significant financial reforms, and renegotiation of Mexico's external debt.¹¹⁴ However, the increase in capital flows and rapid growth of the private sector widened Mexico's external current account deficit to such an extent that investors began to question its sustainability of exchange arrangements.¹¹⁵ Consequently, stock markets plummeted, adding to the drastic devaluation of Mexico's currencies.¹¹⁶ Mexico experienced massive capital flight, characterized by large outflows of assets and capital from a state due to political or economic instability or currency devaluation.¹¹⁷ In August 1982, Mexico suspended debt service on its commercial loans, setting off the global debt crisis.¹¹⁸

Mexico implemented a series of economic reforms to address the unprecedented scope of the financial crisis. Mexico negotiated an emergency financial package named the Brady Plan with the U.S. government, the IMF, the World Bank, and the Inter-American Development Bank to avoid suspending payments on the country's external obligations.¹¹⁹ The Brady Plan allowed Member States to exchange commercial bank loans for bonds backed by U.S. Treasuries.¹²⁰ Once the plan was implemented, Mexico's current account deficit declined from a US\$3.8 billion surplus in 1987 to an annual US\$24 billion deficit on average in 1992-93.¹²¹

Preventive measures were also taken on the domestic financial market to avoid a widespread collapse of financial institutions.¹²² The measures included a program to provide temporary capital to banks, a program to increase the incentives of distressed banks, and a provision of liquidity in foreign exchange by the central bank to commercial banks to prevent them from becoming delinquent on their foreign obligations.¹²³ The measures adopted were very costly; however, it recovered Mexico's GDP from a decline of 6.2 percent in 1995 to a growth of 5.2 percent in 1996 and 7 percent in 1997, the highest rate in 16 years. Mexico has continued to maintain strict monetary discipline backed by sound fiscal policy.¹²⁴

Conclusion

Developing Member States have been negatively impacted by waves of debt, causing developing Member States to spend more money on servicing external debt.¹²⁵ Moreover, developing Member States' debt is set to increase during the fourth wave of debt because of increased borrowing to subsidize the economic effects of the COVID-19

¹¹¹ Martinez, Guillermo. "What Lessons Does the Mexican Crisis Hold for Recovery in Asia?" *The International Monetary Fund Finance and Development*, Volume 35, No 2, June 1998, <https://www.imf.org/external/pubs/ft/fandd/1998/06/ortiz.htm#:~:text=It%20had%20also%20undertaken%20major,low%20growth%20and%20high%20inflation>.

¹¹² Martinez, Guillermo. "What Lessons Does the Mexican Crisis Hold for Recovery in Asia?"

¹¹³ Martinez, Guillermo. "What Lessons Does the Mexican Crisis Hold for Recovery in Asia?"

¹¹⁴ Martinez, Guillermo. "What Lessons Does the Mexican Crisis Hold for Recovery in Asia?"

¹¹⁵ Martinez, Guillermo. "What Lessons Does the Mexican Crisis Hold for Recovery in Asia?"

¹¹⁶ Martinez, Guillermo. "What Lessons Does the Mexican Crisis Hold for Recovery in Asia?"

¹¹⁷ Oks, Daniel and Sweder van Wijnbergen, "Mexico after the debt crisis: Is growth sustainable?," pg. 156.

¹¹⁸ Oks, Daniel and Sweder van Wijnbergen, "Mexico after the debt crisis: Is growth sustainable?," pg. 158.

¹¹⁹ Oks, Daniel and Sweder van Wijnbergen, "Mexico after the debt crisis: Is growth sustainable?," pg. 159.

¹²⁰ Weeks-Brown, Rhoda and Martin Mühleisen, "The IMF 30 Years After Brady," *International Monetary Fund*, April 11, 2019, <https://www.imf.org/en/Blogs/Articles/2019/04/11/blog-the-imf-30-years-after-brady>, (accessed March 12, 2023).

¹²¹ Oks, Daniel and Sweder van Wijnbergen, "Mexico after the debt crisis: Is growth sustainable?" pg. 165.

¹²² Martinez, Guillermo. "What Lessons Does the Mexican Crisis Hold for Recovery in Asia?"

¹²³ Martinez, Guillermo. "What Lessons Does the Mexican Crisis Hold for Recovery in Asia?"

¹²⁴ Martinez, Guillermo. "What Lessons Does the Mexican Crisis Hold for Recovery in Asia?"

¹²⁵ Kose, M. Ayhan et al., *Global Waves of Debt: Causes and Consequences*, pg. 86.

pandemic.¹²⁶ Current solutions to help developing Member States manage their debt, such as the G20 Debt Service Suspension Initiative (DSSI), face challenging difficulties in minimizing their developing Member States' debt.¹²⁷ As such, multilateral efforts are needed to restructure unsustainable debt to help minimize the Effects of the Global Debt Crisis on Developing Member States.¹²⁸

Committee Directive

Due to the threat the global debt crisis poses to achieving Sustainable Development Goals, the G20 must effectively subdue the global debt crisis and assist developing Member States with managing their debt distress. Delegates should assess how their Member State is impacted by the fourth wave of debt crisis and their Member State's role as main creditors and lenders to developing Member States. Delegates must consider how their Member State can best support the IMF or the World Bank to resolve the debt crisis. In doing so, delegates should ask: How can developed Member States help to maintain open and growing markets for developed Member States? What incentives can be proposed to encourage private and public creditor participation in the G20's Common Framework for Debt Treatment? How can the UN and the G20 increase the developing Member States' capacity to record, monitor and disclose their debt? Overall, delegates should seek to address existing debt relief frameworks and build upon legal frameworks established by UN bodies for debt relief.

¹²⁶ International Monetary Fund. *World Economic Outlook: Recovery during a Pandemic—Health Concerns, Supply Disruptions, Price Pressures*. Washington, DC, October 2021. <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>.

¹²⁷ “Debt Service Suspension Initiative,” *The World Bank*, March 10, 2022, <https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative>, (accessed March 12, 2023).

¹²⁸ International Monetary Fund. *World Economic Outlook: Recovery during a Pandemic—Health Concerns, Supply Disruptions, Price Pressures*.

II. Addressing Skill Gaps in the Global Economy

Introduction

Opening remarks of the March 2023 Group of 20 (G20) Foreign Ministers' Meeting emphasized the impact of multiple, simultaneous global crises on the global labor force.¹²⁹ Notably, the impact of the coronavirus (COVID-19) pandemic, fragile supply chains, ongoing global conflicts, debt crisis, and the disruption of climate events have all impacted the labor markets of Member States.¹³⁰ One detrimental and ongoing disruption to the labor market is the unmitigated skill gaps within the economies of G20 Member States, which threatens sustainable economic growth worldwide.¹³¹ Skill gaps are defined as a mismatching of skills employers need to function their operations and the skills potential employees for these operations possess.¹³² Addressing global skill gaps is one of the key priority areas for the G20.¹³³ Skill gaps in the international community must be identified including the possibility of a framework for skills and qualifications using agreed upon terminology.¹³⁴ Proactive, thoughtful, and collaborative solutions from the G20 Member States are needed to avoid further economic sway and another global recession.¹³⁵

History

A skill gap can be understood to be when the demand for specialized knowledge outpaces the current supply of knowledgeable labor.¹³⁶ This mismatch can be seen throughout history as technology has advanced faster than the global workforce skillset.¹³⁷ The Industrial Revolution of the 18th and 19th century saw large shifts in both the economies of and workforces of Member States who were becoming more industrialized.¹³⁸ Prior to the revolution, most of the United Kingdom's workforce, who were the trailblazers of the Industrial Revolution, lived and worked on farms in rural communities.¹³⁹ As factories grew in urban cities, the workforce shifted to manufacturing and leaving the rural areas.¹⁴⁰ While this caused economies to soar, this rapid growth led to companies unfair employee treatment with extremely long hours and unsafe working conditions and hiring child labor to fill these new jobs.¹⁴¹ This also negatively impacted workers that had previously been doing the jobs the machinery replaced, causing many to lose their jobs as they could not match the technology's efficiency.¹⁴² Similarly, the Third Industrial Revolution of the late 20th century had the same outcomes as of the first industrial Revolution.¹⁴³ As computers and telecommunications became more popular in the 1970s, more companies either began to fully automate their

¹²⁹ Group of Twenty, "Foreign Ministers' Meeting: Chair's Summary & Outcome Document," G20, March 1-2 2023, https://www.g20.org/content/dam/gtwenty/gtwenty_new/document/FMM_OUTCOME_DOC.pdf.

¹³⁰ FE Bureau, "Skill Gaps, Sustainable Financing of Social Security to Top G-20 Employment Agenda," *The Financial Express*, January 30, 2023, <https://www.financialexpress.com/economy/skill-gaps-sustainable-financing-of-social-security-to-top-g-20-employment-agenda/2964764/>, (accessed August 2, 2023).

¹³¹ FE Bureau, "Skill Gaps, Sustainable Financing of Social Security to Top G-20 Employment Agenda."

¹³² Elizabeth Mann Levesque, "Understanding the skills gap—and what employers can do about it," Brookings Institution, December 6, 2019, <https://www.brookings.edu/articles/understanding-the-skills-gap-and-what-employers-can-do-about-it/>, (accessed August 2, 2023).

¹³³ Group of Twenty, "1st G20 Employment Working Group concludes in Jodhpur," G20, February 4, 2023, www.g20.org/en/media-resources/press-releases/february-23/ewg/, (accessed June 10, 2023).

¹³⁴ FE Bureau, "Skill Gaps, Sustainable Financing of Social Security to Top G-20 Employment Agenda."

¹³⁵ Group of Twenty, "1st G20 Employment Working Group concludes in Jodhpur."

¹³⁶ Elizabeth Mann Levesque, "Understanding the skills gap—and what employers can do about it."

¹³⁷ James Chen, "Industrial Revolution Definition: History, Pros, and Cons," Investopedia, May 25, 2023, <https://www.investopedia.com/terms/i/industrial-revolution.asp>, (accessed August 6, 2023).

¹³⁸ James Chen, "Industrial Revolution Definition: History, Pros, and Cons."

¹³⁹ James Chen, "Industrial Revolution Definition: History, Pros, and Cons."

¹⁴⁰ James Chen, "Industrial Revolution Definition: History, Pros, and Cons."

¹⁴¹ James Chen, "Industrial Revolution Definition: History, Pros, and Cons."

¹⁴² James Chen, "Industrial Revolution Definition: History, Pros, and Cons."

¹⁴³ Justin Sherman, "Our Skills Gap - Part 1: Our History," LinkedIn, August 31, 2021, https://www.linkedin.com/pulse/our-skills-gap-part-1-history-justin-sherman?trk=articles_directory, (accessed August 6, 2023).

processes or offshore their labor to Member States with lower wages.¹⁴⁴ This led to rising profits for companies, but many unemployed and unable to find new or similar work.¹⁴⁵

Addressing skill gaps is a historic problem in economics for developed and developing economies, but has received increasing attention since the 2007 global economic crisis.¹⁴⁶ The 2007 global economic crisis started off as a mortgage default crisis in the United States but, due to the United States' economic reach and the interconnectivity of the global economic system, led banks and Member States to the largest economic recession since the Great Depression.¹⁴⁷ As an effect to the 2007 global recession, there were increased requirements for education and experience that employers were looking for that were not needed or required both pre- and post-recession.¹⁴⁸ This was seen in the United States, where as the global recession receded, demands for more educated and experienced employees declined.¹⁴⁹ However, employer demands did not return to pre-2007 levels.¹⁵⁰ In 2013, close to one-third of employers said they had increased their educational requirements and specified they were hiring college-educated workers in place for positions previously held by high school graduates.¹⁵¹ Outside of seeking individuals with higher educational credentials, studies note there was a sharp increase in employer desire for technical and specialized skills, notably experience with software.¹⁵²

Skill gaps have also affected various vulnerable populations. The issue of skill gaps has disproportionately affected women.¹⁵³ Despite the increase in women participation in the workforce between the end of the 20th century and start of the 21st century, the global job market continued to be highly segregated along gender.¹⁵⁴ Women have historically been underrepresented in technical labor markets.¹⁵⁵ As the rise in technical and specialized skills increased following the 2007 global economic crisis, globally, women were less likely to be able to access the technology needed to obtain these skills.¹⁵⁶ For example, in 2017, the position of men having access to the internet was 12 percent higher than women, globally.¹⁵⁷ Without access to basic technology, women are placed at a disadvantage in obtaining the technical and specialized skills the labor market is requiring.¹⁵⁸

Current Situation

Recognition of the connection between diversification of skills within a labor force, the impact of internal factors such as economic and health crises, and the sustainability of economic health by G20 Member States is critical to

¹⁴⁴ Justin Sherman, "Our Skills Gap - Part 1: Our History," LinkedIn, August 31, 2021, https://www.linkedin.com/pulse/our-skills-gap-part-1-history-justin-sherman?trk=articles_directory, (accessed August 6, 2023).

¹⁴⁵ Justin Sherman, "Our Skills Gap - Part 1: Our History."

¹⁴⁶ Alicia Sasser Modestino, "Is the Skills Gap Real? Changes in Employer Skill Requirements During the Great Recession," Econofact, March 8, 2019, <https://econofact.org/is-the-skills-gap-real-changes-in-employer-skill-requirements-during-the-great-recession#:~:text=During%20the%20Great%20Recession%2C%20the.more%20swiftly%20during%20the%20recover,y>, (accessed August 2, 2023).

¹⁴⁷ Manoj Singh, "The 2007–2008 Financial Crisis in Review," Investopedia, March 19, 2023, <https://www.investopedia.com/articles/economics/09/financial-crisis-review.asp>, (accessed August 6, 2023).

¹⁴⁸ Alicia Sasser Modestino, "Is the Skills Gap Real?..."

¹⁴⁹ Alicia Sasser Modestino, "Is the Skills Gap Real?..."

¹⁵⁰ Alicia Sasser Modestino, "Is the Skills Gap Real?..."

¹⁵¹ Alicia Sasser Modestino, "Is the Skills Gap Real?..."

¹⁵² Alicia Sasser Modestino, "Is the Skills Gap Real?..."

¹⁵³ Lauren Savill, "Investigating the gender skills gap," *Saffron Interactive*, July 3, 2020, <https://saffroninteractive.com/investigating-the-gender-skills-gap/>, (accessed August 25, 2023).

¹⁵⁴ Ariane Hegewisch and Heidi Hartmann, "Occupational Segregation and the Gender Wage Gap: A Job Half Done," *Institute for Women's Policy Research*, January 2014, <https://iwpr.org/wp-content/uploads/2020/08/C419.pdf>.

¹⁵⁵ Ariane Hegewisch and Heidi Hartmann, "Occupational Segregation and the Gender Wage Gap: A Job Half Done."

¹⁵⁶ Lauren Savill, "Investigating the gender skills gap."

¹⁵⁷ Lauren Savill, "Investigating the gender skills gap."

¹⁵⁸ Lauren Savill, "Investigating the gender skills gap."

finding a solution during times of downturn.¹⁵⁹ In its World Social Report 2020, the United Nations highlighted four megatrends perpetuating economic hardship created by a “deeply unequal global landscape.”¹⁶⁰ The report stated climate change, international migration caused by conflict, and scarcity deepened the economic divide within populations.¹⁶¹ This division hampered economic and social development and has the potential to create a significant lingering impact in G20 Member States where the bottom 40 percent of workers hold less than 25 percent of total income.¹⁶²

During the Jodhpur G20 meeting, the OECD focused on labor productivity during and “after” the COVID-19 pandemic, notably reviewing how industries are handling aggregate labor productivity.¹⁶³ The OECD has done extensive research on the impact of COVID-19 has on skill learning from employees and skill demands from employers.¹⁶⁴ In 2021, the OECD prepared a report on the outlook of lifelong learning. The OECD defined lifelong learning as starting in childhood and continuing all the way through old age.¹⁶⁵ Both formal learning such as through schools and technical training centers and non-formal such as workplace training and social interactions are classified as lifelong learning opportunities by the OECD.¹⁶⁶ The OECD noted that the COVID-19 pandemic impacted informal learning opportunities just as much as formal ones.¹⁶⁷ To this end, the OECD recommended a list of policy recommendations: placing “learners” at the center of learning, focusing on foundational skills that will last a lifetime, and coordinating diversified learning systems to cohesively build inclusive learning environments.¹⁶⁸

Efforts to understand the scope of the issue must work in parallel to implementing progressive impact.¹⁶⁹ One area necessary for discovery is to understand the needed skills.¹⁷⁰ Harvard Business Review (HBR) estimates, despite the working-age youth population increasing by 30 percent between 1999 and 2019, youth labor force participation has fallen globally by 12 percent.¹⁷¹ Automation prior to the COVID-19 pandemic was accelerating, hitting jobs historically held by the youth populations of Member States.¹⁷² As the COVID-19 pandemic started in 2020, the largest generation of youth in global history attempted to enter the workforce.¹⁷³ However, nearly 25 percent of global youth between the ages of 18 and 25 left the workforce during the COVID-19 pandemic, as the pandemic hit job sectors with a large youth labor force and automation of jobs advancing with the pandemic.¹⁷⁴

¹⁵⁹ Elizabeth Mann Levesque, “Understanding the skills gap—and what employers can do about it,” Brookings Institution, December 6, 2019, <https://www.brookings.edu/articles/understanding-the-skills-gap-and-what-employers-can-do-about-it/>, (accessed August 2, 2023).

¹⁶⁰ United Nations Department of Social and Economic Affairs, *World Social Report 2020: Inequality In A Rapidly Changing World*, ST/ESA/372, 2020, <https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2020/02/World-Social-Report2020-FullReport.pdf>.

¹⁶¹ United Nations Department of Social and Economic Affairs, *World Social Report 2020*.

¹⁶² United Nations, “Rising inequality affecting more than two-thirds of the globe, but it’s not inevitable: new UN report,” UN News, January 21, 2020,

<https://news.un.org/en/story/2020/01/1055681#:~:text=Inequality%20is%20growing%20for%20more.by%20the%20UN%20on%20Tuesday>, (accessed August 2, 2023).

¹⁶³ Organization for Economic Co-operation and Development, “OECD Skills Outlook 2021: Learning for Life,” OECD, June 15, 2021, <https://www.oecd.org/education/oecd-skills-outlook-e11c1c2d-en.htm>.

¹⁶⁴ Organization for Economic Co-operation and Development, “OECD Skills Outlook 2021: Learning for Life.”

¹⁶⁵ Organization for Economic Co-operation and Development, “OECD Skills Outlook 2021: Learning for Life.”

¹⁶⁶ Organization for Economic Co-operation and Development, “OECD Skills Outlook 2021: Learning for Life.”

¹⁶⁷ Organization for Economic Co-operation and Development, “OECD Skills Outlook 2021: Learning for Life.”

¹⁶⁸ Organization for Economic Co-operation and Development, “OECD Skills Outlook 2021: Learning for Life.”

¹⁶⁹ International Labor Organization and Organization for Economic Co-operation and Development, “Approaches To Anticipating Skills For The Future Of Work,” ILO and OECD, June 11-12, 2018, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_646143.pdf.

¹⁷⁰ ILO and OECD, “Approaches To Anticipating Skills For The Future Of Work.”

¹⁷¹ Kevin Frey, Mihnea Moldoveanu, and Bob Moritz, “4 Ways to Bridge the global Skills Gap,” *The Harvard Business Review*, March 18, 2022, <https://hbr.org/2022/03/4-ways-to-bridge-the-global-skills-gap>, (accessed August 2, 2023).

¹⁷² Kevin Frey, Mihnea Moldoveanu, and Bob Moritz, “4 Ways to Bridge the global Skills Gap.”

¹⁷³ Kevin Frey, Mihnea Moldoveanu, and Bob Moritz, “4 Ways to Bridge the global Skills Gap.”

¹⁷⁴ Kevin Frey, Mihnea Moldoveanu, and Bob Moritz, “4 Ways to Bridge the global Skills Gap.”

Actions Taken by the G20 and United Nations

Collaboration towards inclusive economic benefit is foundational to the G20 and its inception in response to the 2007 global economic crisis.¹⁷⁵ In 2011, the G20 created the G20 Taskforce on Employment, which eventually evolved into the current Employment Working Group (EWG) in 2014.¹⁷⁶ The EWG is tasked with undertaking debate and solutions revolving around labor, employment, and social issues as they intersect with strong, sustainable, and inclusive economic growth.¹⁷⁷ The EWG continues to meet regularly and contributes to the final report and statements during the G20 Leaders' Summits, along with the other G20 working groups.¹⁷⁸

In the COVID-19 pandemic and post-pandemic environment, the G20 has made efforts to address the rising skill gap issues.¹⁷⁹ In 2022, through efforts by the EWG, the G20's Declaration report promoted entrepreneurship and supporting small and medium enterprises as job creation instruments in Member State economies.¹⁸⁰ The G20 also placed focus on adapting labor protection to increase resilience for all workers, including through policies to ensure decent working conditions and gender equality, promote fair payment, adjusting minimum wages on a regular basis while taking into account social and economic criteria.¹⁸¹ The February 2023 G20 meeting set addressing global skills gaps as a priority for the G20 and EWG debate.¹⁸² The EWG specified identifying inclusive growth, sustainable development, and digital transformation as priorities, and is expected to be heavily featured in discussions throughout the yearly meetings.¹⁸³

The G20 works in tandem with other UN bodies, regional organizations, and nongovernmental organizations to address issues on the G20 agenda.¹⁸⁴ In 2018, the UN International Labor Organization (ILO) prepared a joint report with the Organization for Economic Co-operation and Development (OECD) titled *Approaches To Anticipating Skills For The Future Of Work*, expanding on the G20's struggle with skill shortages.¹⁸⁵ The report centered on the skill gaps among global college graduates, namely the large numbers of college graduates struggling to find meaningful employment.¹⁸⁶ The report claimed G20 Member States take differing approaches on identifying and addressing skill gaps, but government engagement with stakeholders – employees and employers – was critical for mitigating skill gaps in the future.¹⁸⁷ The report concluded there was a failure in using this information on skill gaps for effective policy making using the policy toolkits most G20 Member States had in place to assess skills and predict future needs.¹⁸⁸ As the COVID-19 pandemic began and spread, the ILO released its report, *Guidelines on*

¹⁷⁵ Group of Twenty, "About G20," G20, 2023, <https://www.g20.org/en/about-g20/#how-g20-works>, (accessed June 10, 2023).

¹⁷⁶ Group of Twenty, "G20 - Background Brief," G20, 2023, https://www.g20.org/content/dam/gtwenty/gtwenty_new/about_g20/G20_Background_Brief.pdf.

¹⁷⁷ Group of Twenty, "G20 - Background Brief."

¹⁷⁸ Group of Twenty, "Sherpa Track - Working Groups," G20, 2023, <https://www.g20.org/en/workstreams/sherpa-track/>, (accessed August 2, 2023).

¹⁷⁹ Group of Twenty, "G20 Support to COVID-19 Response and Recovery in Developing Countries: Including Africa, Least Developed Countries (LDCs) and Small Island Developing States (SIDS)," G20, 2020, <https://dwgg20.org/app/uploads/2021/09/G20-Support-COVID-19-Response-Recovery-Developing-Countries.pdf>.

¹⁸⁰ Group of Twenty, "G20 Bali Leader's Declaration," November 15-16, 2022, https://www.g20.org/content/dam/gtwenty/gtwenty_new/about_g20/previous-summit-documents/2022-bali/G20%20Bali%20Leaders%27%20Declaration.%2015-16%20November%202022.pdf, pg. 564.

¹⁸¹ Group of Twenty, "G20 Bali Leader's Declaration," pg. 564.

¹⁸² Group of Twenty, "1st G20 Employment Working Group concludes in Jodhpur," G20, February 4, 2023, www.g20.org/en/media-resources/press-releases/february-23/ewg/, (accessed June 10, 2023).

¹⁸³ Group of Twenty, "1st G20 Employment Working Group concludes in Jodhpur."

¹⁸⁴ Group of Twenty, "About G20 - Invited Organizations," G20, 2023, <https://www.g20.org/en/about-g20/#overview>, (accessed August 2, 2023).

¹⁸⁵ International Labor Organization and Organization for Economic Co-operation and Development, "Approaches To Anticipating Skills For The Future Of Work," ILO and OECD, June 11-12, 2018, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_646143.pdf.

¹⁸⁶ ILO and OECD, "Approaches To Anticipating Skills For The Future Of Work."

¹⁸⁷ ILO and OECD, "Approaches To Anticipating Skills For The Future Of Work."

¹⁸⁸ ILO and OECD, "Approaches To Anticipating Skills For The Future Of Work."

*Rapid Assessment of reskilling and upskilling needs in response to the COVID-19 crisis.*¹⁸⁹ The report prepared analytical surveys for governments and private entities to assess skill deficits inside of their workforces to take timely and practical actions to address the long-term impact COVID-19 had on skill development.¹⁹⁰ Such surveys could prove to be useful tools for the EWG in their drive to do a mapping exercise of the G20 economies.¹⁹¹

Along the ILO, the OECD has been a helpful resource for Member States in supporting address barriers and causes of skill gaps.¹⁹² The OECD has provided the G20 with extensive research on the impact of COVID-19 has on skill learning from employees and skill demands from employers, notably reviewing how industries are handling aggregate labor productivity during the COVID-19 pandemic.¹⁹³ In 2021, the OECD prepared a report on the outlook of lifelong learning, a barrier that is widening the skill gap.¹⁹⁴ The COVID-19 pandemic impacted informal learning opportunities just as much as formal ones, creating a deeper gap in skills among employable youth and adults. To this end, the OECD recommended a list of policy recommendations for addressing COVID-19-specific skill gap issues, such as learning focusing on foundational skills that will last a lifetime and coordinating diversified learning systems to cohesively build inclusive learning environments.¹⁹⁵

Case Study: Bridging Skill Gaps in North Macedonia

Landlocked in eastern Europe, the Republic of North Macedonia has been working to liberalize its economy since gaining independence in 1991.¹⁹⁶ As of 2022, North Macedonia has the third smallest GDP in Europe at just under EU €13 million.¹⁹⁷ Prior to the COVID-19 pandemic, industries in North Macedonia were experiencing labor shortages in three key industries to the Member States: textiles, construction, and renewable-energy.¹⁹⁸ As such, North Macedonia experienced an unemployment rate of 17.8 percent in late 2018 - higher than the European Union average of 6.2 percent.¹⁹⁹ Additionally, labor force participation rates were lower than most of the EU, at around 57 percent for men and 47 percent for women.²⁰⁰ As the workforce decreases, the number of new, technically-based jobs are attempting to increase.²⁰¹ Companies in the textile, construction, and energy industries in North Macedonia have become hesitant to innovate their technology in their respective industry due to the lack of technicians in the Member States needed to maintain such technology.²⁰² This mismatch between the need for new technical jobs and

¹⁸⁹ International Labor Organization, “Guidelines on Rapid Assessment of reskilling and upskilling needs in response to the COVID-19 crisis,” ILO, August 7, 2020, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_752822.pdf.

¹⁹⁰ International Labor Organization, “Guidelines on Rapid Assessment of reskilling and upskilling needs in response to the COVID-19 crisis.”

¹⁹¹ International Labor Organization, “Guidelines on Rapid Assessment of reskilling and upskilling needs in response to the COVID-19 crisis.”

¹⁹² Organization for Economic Co-operation and Development, “G20,” OECD, 2023, <https://www.oecd.org/g20/>, (accessed August 2, 2023).

¹⁹³ Organization for Economic Co-operation and Development, “OECD Skills Outlook 2021: Learning for Life,” OCED, June 15, 2021, <https://www.oecd.org/education/oecd-skills-outlook-e11c1c2d-en.htm>.

¹⁹⁴ Organization for Economic Co-operation and Development, “OECD Skills Outlook 2021: Learning for Life.”

¹⁹⁵ Organization for Economic Co-operation and Development, “OECD Skills Outlook 2021: Learning for Life.”

¹⁹⁶ “North Macedonia - Economic Indicators,” Economy.com, 2023, <https://www.economy.com/north-macedonia/indicators#:~:text=Since%20its%20independence%20in%201991,to%20the%20rest%20of%20Europe>, (accessed August 2, 2023).

¹⁹⁷ Statista, “Gross domestic product at current market prices of selected European countries in 2022,” Statista, 2022, <https://www.statista.com/statistics/685925/gdp-of-european-countries/>, (accessed August 2, 2023).

¹⁹⁸ United Nations Development Programme, “Bridging The Skills Gap To Create New And Better Jobs,” UNDP, February 2020, <https://www.undp.org/north-macedonia/projects/bridging-skills-gap-create-new-and-better-jobs>, (accessed August 2, 2023).

¹⁹⁹ United Nations Development Programme, “Bridging The Skills Gap To Create New And Better Jobs.”

²⁰⁰ United Nations Development Programme, “Bridging The Skills Gap To Create New And Better Jobs.”

²⁰¹ United Nations Development Programme, “Bridging The Skills Gap To Create New And Better Jobs.”

²⁰² United Nations Development Programme, “Bridging The Skills Gap To Create New And Better Jobs.”

decrease in specialized workers in the domestic labor market has led to a skill gap among the North Macedonian workforce.²⁰³

In February 2020, the UN Development Programme (UNDP) launched a project in partnership with the North Macedonian Ministry of Education and Science to collect data, analyze, assess, and correct the technical skill gap between the textile and construction industries and young workers.²⁰⁴ The project aimed to increase the labor market by designing and testing training models in postsecondary education and regional training centers.²⁰⁵ These models would align with adult learning programs and labor demands to help workers upgrade their skills to move to higher quality jobs.²⁰⁶ However, the 2020 COVID-19 pandemic hindered domestic efforts to implement the project, thus forcing the project's completion in December 2022.²⁰⁷ However, progress was made in addressing skill gaps in the textile and construction industry during the pandemic.²⁰⁸ The UNDP project produced four outcome documents on a post-secondary education model, skills assessments, stakeholder mapping, and policy support.²⁰⁹ The UNDP Program produced six st-secondary occupational standards and curricula, used to finalize 158 people through the training.²¹⁰ Like many Member States, the COVID-19 pandemic negatively impacted North Macedonia's economy, with the Member States' labor market participation rate remaining around 55 percent in 2021.²¹¹ As Western Europe continues to contend with energy shortages caused by the war in Ukraine, the World Bank has praised the Western Balkans, including North Macedonia, for its push to reform labor market barriers, including skill gaps in growing industries.²¹²

Conclusion

Recognition of the connection between diversification of skills within a labor force, the impact of internal factors such as economic and health crises, and the sustainability of economic health by G20 Member States is critical to finding a solution during times of downturn.²¹³ It is vital to understand the skills companies and Member States need to possess to succeed in the global economy, expand corporate training, develop national or global verification systems that indicate an individual possess needed skills, and to further develop regional or national forums to improve information for key stakeholders.²¹⁴ It is important to consider how to reinforce a global agenda to address the bolstering institutional education to addressing information problems through targeted and concerned large-scale investments in skill mapping.²¹⁵

Committee Directive

²⁰³ United Nations Development Programme, "Bridging The Skills Gap To Create New And Better Jobs."

²⁰⁴ United Nations Development Programme, "Bridging The Skills Gap To Create New And Better Jobs."

²⁰⁵ United Nations Development Programme, "Bridging The Skills Gap To Create New And Better Jobs."

²⁰⁶ United Nations Development Programme, "Bridging The Skills Gap To Create New And Better Jobs."

²⁰⁷ United Nations Development Programme, "Projects: Bridging The Skills Gap To Create New And Better Jobs," UNDP, 2023, <https://open.undp.org/projects/00127040>, (accessed August 2, 2023).

²⁰⁸ United Nations Development Programme, "Projects: Bridging The Skills Gap To Create New And Better Jobs,"

²⁰⁹ United Nations Development Programme, "Projects: Bridging The Skills Gap To Create New And Better Jobs,"

²¹⁰ United Nations Development Programme, "Projects: Bridging The Skills Gap To Create New And Better Jobs,"

²¹¹ World Bank, "Western Balkans Regular Economic Report: Testing Resilience," no. 23, Spring 2023, <https://documents1.worldbank.org/curated/en/099042023104012719/pdf/P179478085f70601a0aac3035c4560691ca.pdf>

²¹² World Bank, "North Macedonia Shows Resilience Despite Slowing Growth and Continued Price Rises," World Bank, April 25, 2023, <https://www.worldbank.org/en/news/press-release/2023/04/25/north-macedonia-shows-resilience-despite-slowng-growth-and-continued-price-rises>, (accessed August 2, 2023).

²¹³ Elizabeth Mann Levesque, "Understanding the skills gap—and what employers can do about it," Brookings Institution, December 6, 2019, <https://www.brookings.edu/articles/understanding-the-skills-gap-and-what-employers-can-do-about-it/>, (accessed August 2, 2023).

²¹⁴ Kevin Frey, Mihnea Moldoveanu, and Bob Moritz, "4 Ways to Bridge the global Skills Gap," *The Harvard Business Review*, March 18, 2022, <https://hbr.org/2022/03/4-ways-to-bridge-the-global-skills-gap>, (accessed August 2, 2023).

²¹⁵ Kevin Frey, Mihnea Moldoveanu, and Bob Moritz, "4 Ways to Bridge the global Skills Gap."

Delegates should recognize that the post-COVID-19 global economy is in a precarious situation. Additional external factors continue to put a strain on the skill gap, such as fragile supply chains, ongoing global conflicts, debt crisis, and climate change. Delegates should review previous G20 documents to research previous work the body has done on these various issues to build on past success or attempt to overcome previous obstacles. Delegates should think about how the G20 can support Member States' actions in addressing immediate and long-term skill gap needs. Consideration should be given to how the private sector can be mobilized to assist in identifying and training current and future employees in current and future needed skills. All actions can be broken down to what Member State governments can do to directly support lifelong learning, and what governments can do to help the private sector assist in identifying future needed skills and participating in learning formally and informally. Finally, Delegates should pay special attention to how G20 Member State coordination can potentially address sought-after skills to help their workforces be more resilient in the event of future economic disruption.

Annotated Bibliography

Topic I: Addressing the Effects of the Global Debt Crisis on Developing Member States

Pescatori, Andrea and Amadou N. R. Sy, “Are Debt Crises Adequately Defined?” *IMF Staff Papers* 54, no. 2 (2007): 306–37, <https://www.jstor.org/stable/30036034>.

International Monetary Fund (IMF) Staff Papers is the official journal of the IMF, which provides high quality research on a variety of topics. The IMF Staff Papers were replaced by the Economic Review in 2010. This research paper provides insight into the different definitions of the debt crisis. The paper reveals that debt is either classified as sovereign defaults, large arrears, large IMF loans, or distress events. The paper goes in-depth on the different definitions and proposes an alternative definition of debt crisis which captures the capital market. This source will provide a greater understanding of what a debt crisis can encompass.

Ozili, Peterson K, “The COVID-19 global debt crisis: how to avoid it,” *Munich Personal RePEc Archive*, Paper No. 116003, January 16, 2023. <https://mpra.ub.uni-muenchen.de/116003/>.

The Munich Personal RePEc Archive (MPRA) is an initiative by economists of the Research Papers in Economics (RePEc) network from different countries. This research paper analyzes the potential impact of COVID-19 global debt crisis and how to avert it. The research paper reveals that high debt incurred during the pandemic combined with tightening global financial conditions, such as increase in interest rate, can trigger a global debt crisis for heavily indebted countries. Member States can learn ways to mitigate the looming COVID-19 global debt crisis through different debt relief initiatives.

Dolls, Mathias, Andreas Peichl, and Klaus F. Zimmermann, “A Challenge for the G20: Global Debt Brakes and Transnational Fiscal Supervisory Council,” *Intereconomics – Review of European Economic Policy*, vol. 47(1), 31-38, January 2012, <http://dx.doi.org/10.2139/ssrn.1968111>.

Intereconomics is an academic journal that publishes articles by experts on current economic and social policy issues affecting Europe. This article discusses rising debt levels and the financial and economic crises in Europe specifically. The opinion addresses the problem of rising debt levels in industrialized countries and highlights the benefits of a globally implemented debt brake fixed into national constitution. It also stresses the opportunity for the G20 to take the lead and negotiate global reform measures. The article provides information about the G20’s prominence as an economic group.

World Bank Group and International Monetary Fund Development Committee, “Making Debt Work for Development and Macroeconomic Stability.” *World Bank Group and International Monetary Fund*, April 26, 2022. <https://www.imf.org/en/Publications/Policy-Papers/Issues/2022/04/26/Making-Debt-Work-For-Development-and-Macroeconomic-Stability-517258>

The World Bank Group and International Monetary Fund Development Committee is a ministerial-level forum of the World Bank Group and the International Monetary Fund. The Committee's mandate is to advise the Boards of Governors of the Bank and the Fund on critical development issues and on the financial resources required to promote economic development in developing countries. The paper addresses rising debt risks and how The World Bank Group and International Monetary Fund can help debt promote development and stability. The paper also discusses policy reforms to strengthen a Member State’s capacity for debt management and sustainability.

Topic II: Addressing Skill Gaps in the Global Economy

“Beyond hiring: How companies are reskilling to address talent gaps,” McKinsey and Company, February 12, 2020, https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/beyond-hiring-how-companies-are-reskilling-to-address-talent-gaps#.

McKinsey and Company is a global management consulting firm that offers professional services to corporations, governments, and other organizations. This article provides insights into how companies plan to address potential skill gaps in various business areas. A survey conducted by McKinsey and Company reveals that companies' most common tactic for addressing skill gaps has been hiring, followed by reskilling programs and other efforts. The efforts used by companies to address the skills gap varies region to region, which can help determine regional trends for addressing the skills gaps and devise ways governments can help companies address the gap.

Wes A. Schwalje, "The Prevalence and Impact of Skills Gaps on Latin America and the Caribbean," *Journal of Globalization, Competitiveness, and Governability*, Vol. 5, No. 1 (2011):16-30, <https://ssrn.com/abstract=1803832>.

The *Journal of Globalization, Competitiveness, and Governability* is a journal published by Georgetown University, which assesses the effects of globalization on the competitiveness and governability of businesses and countries in Latin America. This research article discusses a case study of how skills gaps are impacting Member States in Latin America and the Caribbean. The article urges governments to intervene with corrective measures to address the skills gap. Member States can gain insights into how the skills gap will affect developing economies and institutionalist approaches to national skills formations in which governments play a central role.

Eric A. Hanushek and Ludger Woessmann, "The Basics Skills Gap," International Monetary Fund, April 26, 2022, <https://www.imf.org/en/Publications/fandd/issues/2022/06/basic-skills-gap-hanushek-woessmann>.

The International Monetary Fund is an international organization which fosters global monetary cooperation, facilitates international trade, and promotes sustainable economic growth. Achieving the Sustainable Development Goals depends on the skills of each society. Thus, skills gap initiatives are dependent on educational outcomes. This article provides data on development challenges presented by global deficits in basic skills. The article provides information on how equitable education can help bridge the gap for relevant economic skills.

Prateek Kukreja, "The G20 in a Post-COVID-19 World: Bridging the Skills Gap," *Observer Research Foundation*, Issue Brief No. 424, November 2020, https://www.orfonline.org/wp-content/uploads/2020/11/ORF_IssueBrief_424_G20-SkillsGap.pdf.

The Observer Research Foundation is an Indian public policy think tank focusing on organizational analysis and research on international affairs and economic development. The brief "The G20 in a Post-COVID-19 World..." analyzes the changing skill gaps in G20 Member States that resulted from the COVID-19 pandemic. The COVID-19 pandemic radically changed how workers perform their job duties, with many jobs in G20 Member States transitionally digitally. This digital transition places Member States with large offline populations at an economic disadvantage. The article provides an examination of how the recent COVID-19 pandemic has affected the employment and skill development of G20 Member States, as well as emphasizing disparities that exist not only among G20 and developing Member States, but between G20 Member States themselves.