GATORMUN XXIII

Economic and Financial Affairs council

Background Guide

Sebastian Gonzalez Saldarriaga

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Letter from the Director:

Dear Delegates,

Welcome to GatorMUN and to ECOFIN — the Economic and Financial Committee of the United Nations General Assembly. My name is Sebastian Gonzalez Saldarriaga and I am honored and excited to serve as your chair for this committee, Error 404: Financial Stability Not Found — a committee that dives into the mess we call the modern global economy, featuring everything from job-stealing algorithms to bank account-freezing sanctions. Basically, this committee is one bad line of code away from a global crisis.

I am a senior at the University of Central Florida studying Industrial Engineering and double minoring in FinTech and Real Estate. I regularly compete in the collegiate circuit on UCF's travel team and look forward to being able to chair my 3rd consecutive GATORMUN committee! Maybe you've heard of me chair at KnightMUN or other conferences! With each of those committees, I've made it my goal to create a space where delegates can be smart, bold, chaotic, and solution-oriented all at once which is exactly what I'll try my best to make happen for you guys.

As a reminder, as a delegate of the Second Committee, you will be debating highly sensitive topics which require professionalism and respect not only for your fellow delegates but also international sovereignty as a whole. This background guide should act as a landmark for your research but understand that you are expected to obtain a more comprehensive understanding of the status quo.

If you have any questions, comments, or concerns about quite literally ANYTHING, please contact me at seb@ucf.edu at any given time. Be sure to include GATORMUN and your assigned country in the subject line to ensure you receive a timely response.

Go Knights, Charge On!
Sebastian Gonzalez Saldarriaga (or just Seb)

Rules of Procedure

Quorum

A majority of voting members answering to the roll at each session shall constitute a quorum for that session. This means that half plus one of all voting members are present. Quorum will be assumed consistent unless questioned through a Point of Order. Delegates may request to be noted as “Present” or “Present and Voting.”

Motion to Suspend the Rules for the Purpose of a Moderated Caucus

This motion must include three specifications
- Length of the Caucus
- Speaking Time
- Reason for the Caucus

During a moderated caucus, delegates will be called on to speak by the Committee Director. Delegates will raise their placards to be recognized. Delegates must maintain the same degree of decorum throughout a Moderated Caucus as in formal debate. This motion requires a simple majority to pass.

Motion to Suspend the Rules for the Purpose of an Unmoderated Caucus

This motion must include the length of the Caucus. During an unmoderated caucus, delegates may get up from their seats and talk amongst themselves. This motion requires a simple majority to pass. The length of an unmoderated caucus in a Crisis committee should not exceed fifteen minutes.

Motion to Suspend the Meeting

This motion is in order if there is a scheduled break in debate to be observed. (ie. Lunch!) This motion requires a simple majority vote. The Committee Director may refuse to entertain this motion at their discretion.

Motion to Adjourn the Meeting

This motion is in order at the end of the last committee session. It signifies the closing of the committee until next year’s conference.

Points of Order

Points of Order will only be recognized for the following items:
- To recognize errors in voting, tabulation, or procedure
- To question relevance of debate to the current Topic
- To question a quorum.

A Point of Order may interrupt a speaker if necessary and it is to be used sparingly.

Points of Inquiry

When there is no discussion on the floor, a delegate may direct a question to the Committee Director. Any question directed to another delegate may only be asked immediately after the delegate has finished speaking on a substantive matter. A delegate that declines to respond to a question after a formal speech forfeits any further questioning time.

Points of Personal Privilege

Points of personal privilege are used to request information or clarification and conduct all other business of the body except Motions or Points specifically mentioned in the Rules of Procedure. Please note: The Director may refuse to recognize Points of Order, Points of Inquiry or Points of Personal Privilege if the Committee Director believes the decorum and restraint inherent in the exercise has been violated, or if the point is deemed dilatory in nature.

Rights of Reply

At the Committee Director's discretion, any member nation or observer may be granted a Right of Reply to answer serious insults directed at the dignity of the delegate present. The Director has the ABSOLUTE AUTHORITY to accept or reject Rights of Reply, and the decision IS NOT SUBJECT TO APPEAL. Delegates who feel they are being treated unfairly may take their complaint to any member of the Secretariat.

Directives

Directives act as a replacement for Draft Resolutions when in Crisis committees, and are the actions that the body decides to take as a whole. Directives are not required to contain operative or preambulatory clauses. A directive should contain:

- The name(s) of the author(s)
- A title
- A number of signatories/sponsors signatures' necessary to
- introduce, determined by the Director

A simple majority vote is required to introduce a directive, and multiple directives may be introduced at once. Press releases produced on behalf of the body must also be voted on as Directives.

Friendly Amendments

Friendly Amendments are any changes to a formally introduced Directive that all Sponsors agree to in writing. The Committee Director must approve the Friendly Amendment and confirm each Sponsor's agreement both verbally and in writing.

Unfriendly Amendments

Unfriendly Amendments are any substantive changes to a formally introduced Directive that are not agreed to by all of the Sponsors of the Directive. In order to introduce an Unfriendly Amendment, the Unfriendly Amendment must be the number equivalent to 1/3 of Quorum confirmed signatories. The Committee Director has the authority to discern between substantive and non-substantive Unfriendly amendment proposals.

Plagiarism

GatorMUN maintains a zero-tolerance policy in regards to plagiarism. Delegates found to have used the ideas of others without properly citing those individuals, organizations, or documents will have their credentials revoked for the duration of the GatorMUN conference. This is a very serious offense.

Crisis Notes

A crisis note is an action taken by an individual in a Crisis committee. Crisis notes do not need to be introduced or voted on, and should be given to the Crisis Staff by sending the notes to a designated pickup point in each room. A crisis note should both be addressed to crisis and have the delegate’s position on both the inside and outside of the note.

Motion to Enter Voting Procedure

Once this motion passes, and the committee enters Voting Procedure, no occupants of the committee room may exit the Committee Room, and no individual may enter the Committee Room from the outside. A member of the Dias will secure all doors.

- No talking, passing notes, or communicating of any kind will be tolerated during voting procedures.
- Each Directive will be read to the body and voted upon in the order which they were introduced. Any Proposed Unfriendly Amendments to each Directive will be read to the body and voted upon before the main body of the Directive as a whole is put to a vote.
- Delegates who requested to be noted as “Present and Voting” are unable to abstain during voting procedure. Abstentions will not be counted in the tallying of a majority. For example, 5 yes votes, 4 no votes, and 7 abstentions means that the Directive passes.
- The Committee will adopt Directives and Unfriendly Amendments to Directives if these documents pass with a simple majority. Specialized committees should refer to their background-guides or Committee Directors for information concerning specific voting procedures.

Roll Call Voting

A counted placard vote will be considered sufficient unless any delegate to the committee motions for a Roll Call Vote. If a Roll Call Vote is requested, the committee must comply. All delegates must vote: "For," "Against," "Abstain," or "Pass." During a Roll Call vote, any delegate who answers, "Pass," reserves his/her vote until the Committee Director has exhausted the Roll. However, once the Committee Director returns to "Passing" Delegates, they must vote: "For" or "Against."

Accepting by Acclamation

This motion may be stated when the Committee Director asks for points or motions. If a Roll Call Vote is requested, the motion to Accept by Acclamation is voided. If a delegate believes a Directive will pass without opposition, he or she may move to accept the Directive by acclamation. The motion passes unless a single delegate shows opposition. An abstention is not considered opposition. Should the motion fail, the committee will move directly into a Roll Call Vote.

Tech Policy

Technology will not be allowed throughout the course of the committee. Delegates are prohibited from using their technology inside the committee room. However, they are encouraged to do research before and during assigned breaks.

Introduction to Committee

At the heart of this committee lies one simple truth: **Model UN should be fun**. Whether you're a first-time delegate or a seasoned GA legend, we want this committee to be a space where you can debate fiercely, collaborate meaningfully, and laugh unapologetically. Yes, this is a serious committee discussing economic justice, technological disruption, and the future of global power — that doesn't mean you need to leave your personality behind but rather wear it on your arm with pride.

We're here to challenge ideas, not people. That means we expect professionalism, mutual respect, and open-mindedness throughout the weekend. Every delegate brings something valuable to the room, and our job is to create an environment where those ideas can collide and spark something incredible. This also means you are expected to follow decorum, dress professionally, and treat every delegate — regardless of experience level — with dignity.
But above all, we want you to take this weekend as your opportunity to be bold, be original, and be invincible. Take risks in your speeches. Write clauses that sound like they belong in a real UN resolution. Disagree passionately, compromise thoughtfully, and leave this committee with no regrets. The only thing worse than being wrong is being too scared to speak.

We encourage collaboration across blocs, creative thinking, and solutions that aren't just copies of real-world policy — but that push boundaries and ask "why not?" We're not here to reenact history; we're here to shape the future.
And if at any point things feel overwhelming — whether in committee or outside it — the dias is always here for you. We're your biggest fans and hypest supporters. Come to us with questions, concerns, or even just to vent. You're never alone in this room.

So research hard, speak loud, and don't hold back. Because financial stability may be missing — but we know you'll find your voice.

Committee Background

Established in 1945 alongside the founding of the United Nations, the Economic and Financial Committee (ECOFIN) serves as the Second Committee of the General Assembly. Tasked with addressing international financial and economic matters, ECOFIN plays a pivotal role in shaping global policy on development, macroeconomic issues, international trade, debt sustainability, and the financing of humanitarian aid and infrastructure. While it does not directly enact policy, ECOFIN's recommendations have far-reaching consequences for how nations interact, grow, and stabilize their economies.

ECOFIN exists at the crossroads of power and policy — where balance sheets collide with geopolitics, and where a line of code or a clause in a resolution can spark global change. In an age of hyper-globalization, automation, sanctions, and widening inequality, the committee is more relevant than ever. It is where the world's economic future is not just debated, but actively designed.

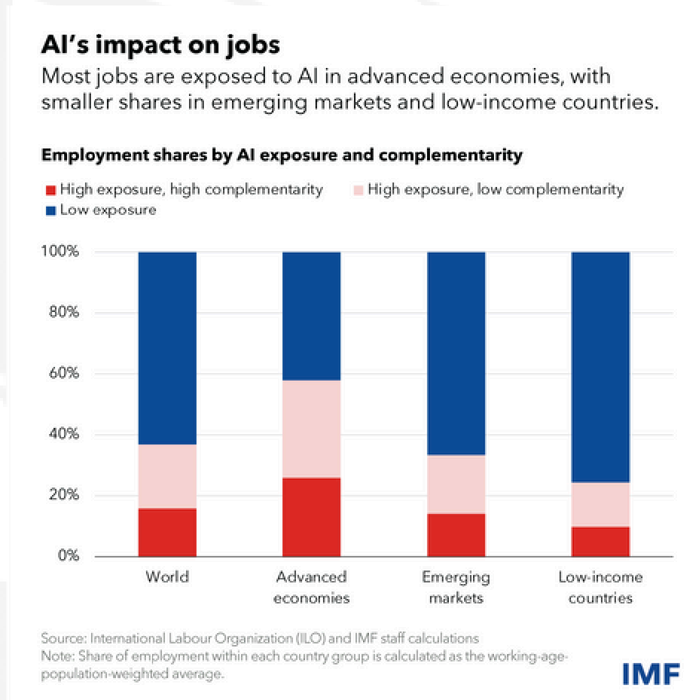
This year's session, Error 404: Financial Stability Not Found, explores two critical forces shaping that future: the rise of artificial intelligence in the global economy, and the growing use of economic sanctions as tools of modern diplomacy. These issues represent new frontiers — technological and political — in how nations wield economic power and how that power affects people's lives across the globe.

Economic and Financial Affairs Committee (ECOFIN)

Topic A: Automation and Inequality: Preparing Economies for the AI Era

Artificial Intelligence (AI) is no longer an emerging technology. It is now a defining force in how economies function and evolve. Across sectors, automation is optimizing productivity, reducing labor costs, and transforming how businesses and governments operate. According to the International Monetary Fund (IMF), nearly 40% of global employment is exposed to AI disruption, with advanced economies facing more immediate risks due to higher concentrations of routine cognitive jobs. In contrast, developing economies face slower adoption but deeper structural challenges in preparing their populations for the transition.

While AI presents opportunities for increased efficiency and economic growth, it also threatens to exacerbate global inequality. Nations with existing digital infrastructure and advanced education systems are rapidly scaling AI integration. Meanwhile, those without such resources struggle to access the technology, develop local talent, or protect vulnerable industries. At the same time, job displacement, algorithmic bias, and unequal access to AI-driven services present new challenges for economic inclusion. As ECOFIN convenes to address this issue, delegates must consider how international financial cooperation can guide a future that is not just technologically advanced, but also equitable and inclusive.

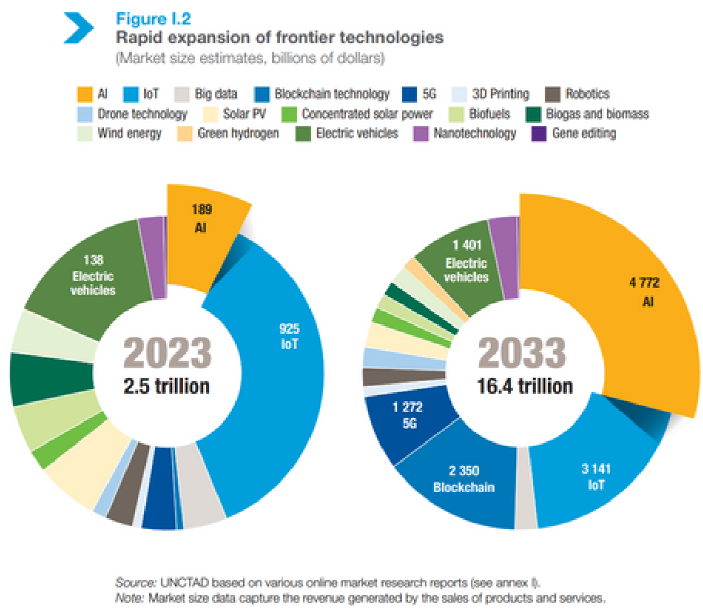


The Global Divide: Who Controls AI, and Who Gets Left Behind?

One of the most pressing concerns in the global conversation on AI is the emergence of a deep technological divide between nations. Developed countries, particularly those with powerful tech sectors like the United States, China, and select EU states, are leading the charge in AI innovation. Their governments partner with massive tech corporations, fund national AI strategies, and shape the standards that influence global adoption. In contrast, many low- and middle-income countries lack the infrastructure, investment, and political bandwidth to participate meaningfully in this new era.

According to the UN Conference on Trade and Development (UNCTAD), less than 20% of AI-related patents and scientific publications come from developing nations. This imbalance not only affects local innovation but also determines who benefits from AI-driven productivity and who remains reliant on imported solutions. Without intervention, these disparities could permanently entrench a global hierarchy of technological power, one where the Global South becomes a passive consumer of AI rather than an empowered contributor.

The consequences of this divide are already surfacing. For instance, African economies heavily reliant on informal labor are at risk of automation without the financial safety nets seen in richer countries. Moreover, many nations lack data governance structures to protect their populations from exploitation or surveillance. Global development banks, international institutions, and public-private coalitions must consider how to fund AI infrastructure, education, and ethical oversight in lower-income states.



Labor, Displacement, and the Changing Definition of Work

The fear that AI will eliminate jobs is not hypothetical. It is already underway. Research by McKinsey estimates that 400 to 800 million jobs could be displaced globally by 2030 due to automation. Roles in customer service, transportation, manufacturing, and data entry are at highest risk, particularly in regions where alternative employment is scarce or where social protection systems are underdeveloped.

However, this conversation cannot be reduced to job loss alone. AI is fundamentally changing what it means to work. Gig economies, remote labor, and platform-based employment have already transformed traditional career paths, and the rise of generative AI is reshaping creative industries once thought immune to automation. In response, governments must consider how to support workforce transitions through upskilling programs, basic income pilots, or new forms of job classification that reflect the hybrid nature of human-machine collaboration.

One challenge for policymakers is that many AI-driven jobs require technical expertise that is inaccessible to large portions of the global population. This creates a barrier to entry for workers displaced by automation, widening the gap between those with digital literacy and those without. The International Labour Organization (ILO) has called for a global conversation on protecting labor rights in algorithmically managed workplaces, where opaque systems dictate performance metrics, compensation, and even termination. Tools must be developed not only to preserve jobs, but to protect human dignity in the shifting landscape of work.

Data, Power, and Economic Sovereignty

Behind every AI system is data, and that data is becoming one of the most valuable commodities in the world. The collection, storage, and analysis of personal and public information fuels the algorithms that drive economic decisions. But as AI expands, so does the imbalance in who owns and controls the data.

A few powerful corporations, often operating across borders, dominate the global AI landscape. These firms not only build the tools but also harvest data from millions of users across the world, often without meaningful consent or regulation. This dynamic places enormous power in the hands of private actors who are not accountable to the international community, especially when operating in countries with weak data protection laws. For many developing nations, this means their citizens' data is extracted and monetized elsewhere, contributing to economic value they will never see.

This presents a fundamental question of economic sovereignty. If a nation cannot regulate how data is collected or used within its borders, can it ever truly govern its role in the global digital economy? The issue becomes even more complicated when AI systems trained on foreign data are deployed to make critical financial, health, or legal decisions in other countries, often with little transparency or cultural context. International bodies must establish enforceable norms around data governance, privacy, and equitable access to the tools driving this new economy.

Questions to Consider:

1. How can international financial institutions support lower-income nations in adopting and regulating AI technologies?
2. What role should global partnerships play in mitigating the economic consequences of automation?
3. In what ways can nations prevent monopolization by large tech companies and promote fair access to AI infrastructure?
4. Should AI companies contribute financially to global worker retraining efforts through international taxation mechanisms?
5. How can international laws protect data sovereignty and ensure developing nations benefit from the value their data creates?
6. What role should the UN or ECOFIN specifically play in standardizing ethical AI governance?

Key Terms

- Labor Market Displacement – The process of workers losing their jobs or needing to shift careers due to automation, AI, or other disruptive technologies. As industries evolve, many traditional roles are phased out, often faster than workers can retrain.

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- Digital Divide – A global inequality where some communities have access to fast internet and digital tools while others don't. This divide directly impacts who can take advantage of AI, education, job opportunities, and economic growth.
- Sanctions – Measures used by countries or international bodies to influence the actions of other states. These often come in the form of trade restrictions, travel bans, or asset freezes.
- Economic Sanctions – A type of sanction aimed at a state's economy by cutting off access to trade, markets, or international financial systems. These are used to apply economic pressure without direct conflict.
- Smart Sanctions (Targeted Sanctions) – More precise sanctions that target individuals, companies, or sectors instead of entire nations. These are designed to reduce harm to civilians while still creating diplomatic or economic leverage.
- Dual-Use Technology – Technology that serves both civilian and military purposes, making regulation complex and politically sensitive.
- Global Financial Stability – A state where international markets are steady, capital flows reliably, and there's confidence in the global financial system. It can be disrupted by war, sanctions, or rapid technological change.

Topic B: The Use of Economic Sanctions in Modern Conflict: Tools of Peace or Provocation?

Economic sanctions are often presented as a more humane alternative to armed conflict. States use them to apply pressure, signal disapproval, or enforce international norms without resorting to violence. Yet, despite their growing use, sanctions remain deeply controversial. For some, they are strategic tools of diplomacy. For others, they are blunt instruments that too often punish the very civilians they claim to protect.

In recent years, economic sanctions have become one of the most widely used tools in modern foreign policy. From Iran to North Korea, Venezuela to Russia, states and coalitions have deployed sanctions to isolate regimes, disrupt financing, and shift behavior. But their real-world outcomes are far from consistent. In some cases, sanctions have successfully brought governments to the negotiating table. In others, they have hardened authoritarian control, deepened economic crises, and worsened humanitarian conditions.

ECOFIN must now confront the growing complexity of this issue. How do we evaluate the effectiveness of sanctions in achieving political goals without inflicting undue economic harm? Are current multilateral frameworks working as intended? And how do sanctions interact with other financial instruments like asset freezes, trade embargoes, or digital currency restrictions in an increasingly globalized economy?

Collateral Damage and Humanitarian Fallout

One of the most persistent criticisms of economic sanctions is the toll they take on civilian populations. While targeted sanctions aim to isolate elites or specific sectors, broad sanctions often trigger inflation, food shortages, and healthcare collapse in affected countries. According to the UN Office for the Coordination of Humanitarian Affairs (OCHA), sanctions have compounded crises in states like Syria and Venezuela, leading to higher mortality rates and restricted access to humanitarian aid.

The consequences ripple beyond borders. Neighboring countries absorb waves of refugees, regional trade is disrupted, and global supply chains are strained. Humanitarian exemptions are meant to reduce this burden, but in practice, these carve-outs are often slow, bureaucratic, or underutilized due to fear of violating complex sanctions law. The international community must address whether the current system genuinely protects vulnerable populations or if it instead enables economic punishment under the guise of moral action.

Delegates must also consider how sanctions affect long-term recovery. When economic pressure fails to produce regime change or policy shifts, the resulting instability may prolong conflict and deepen suffering. These outcomes raise fundamental questions about accountability, effectiveness, and ethics in the use of economic power.

Power Dynamics and Geopolitical Agendas

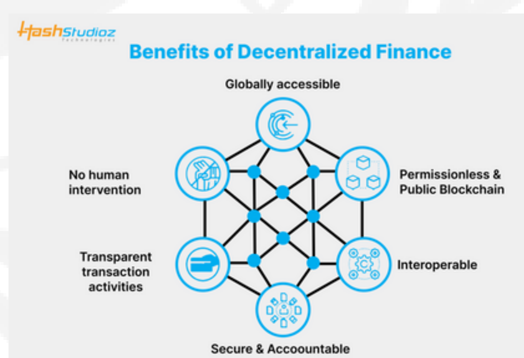
Economic sanctions are rarely neutral. Their application often reflects the interests of powerful states that design and enforce them. Countries like the United States and members of the European Union dominate the architecture of global financial systems and can therefore weaponize access to banking networks, trade routes, and capital flows. This has led to accusations of double standards, where allies are treated leniently while adversaries face sweeping restrictions.

This imbalance erodes the legitimacy of sanctions in the eyes of many countries, particularly in the Global South. Some governments argue that sanctions have become tools of economic coercion rather than consensus-based enforcement. In response, countries such as China and Russia have begun building alternative financial infrastructures, like the Cross-Border Interbank Payment System (CIPS), to reduce their exposure to Western sanctions.

ECOFIN must navigate the tension between the legitimate use of sanctions to uphold international law and the perception that they are being used to project geopolitical dominance. A key question is whether current global governance structures are adequately inclusive or if reform is needed to ensure that all voices—especially those of smaller or sanctioned states—are part of the decision-making process.

Evolving Sanctions in a Changing Economic Landscape

As digital finance evolves, so too does the landscape of sanctions. Cryptocurrencies, blockchain transactions, and decentralized finance (DeFi) challenge traditional enforcement mechanisms by offering new pathways for sanctioned entities to move money and evade oversight. These tools complicate existing systems of compliance, transparency, and accountability.



At the same time, international organizations are exploring smarter, more targeted sanctions. These include asset freezes, travel bans, and restrictions on specific technologies or financial instruments. The aim is to minimize humanitarian fallout while still exerting pressure on key decision-makers. However, implementation remains uneven, and questions persist about the transparency of sanctions lists, the fairness of designation criteria, and the ability to monitor compliance.

Economic and Financial Affairs Committee (ECOFIN)

This committee must explore how to modernize sanctions frameworks to reflect these emerging realities. Should digital assets be regulated differently? How can nations ensure that targeted sanctions remain proportionate and lawful? And is there a role for international arbitration or review to evaluate whether sanctions are achieving their intended goals?

Questions to Consider

1. Do economic sanctions achieve their political objectives, or do they primarily create humanitarian suffering?
2. How can international bodies ensure sanctions are used ethically, transparently, and proportionally?
3. Should there be formal accountability mechanisms to review the humanitarian impact of sanctions?
4. How can multilateral cooperation be strengthened to prevent unilateral overreach or politicized targeting?
5. In what ways should sanctions adapt to emerging technologies like digital currencies and decentralized finance?
6. What reforms are needed to make global sanctions frameworks more inclusive, consistent, and legitimate?

Key Terms

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