



**Committee:** World Economic Forum

**Presidents:** Martina Gutierrez and Daniel Noero

**Topic A:**

Oil and Gas in the New Global Order

**Topic B:**

Globalization and Third World Countries After COVID-19

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Dear Delegates,

With great honor, we welcome you to CNGMUN XLI. Being part of this United Nations Model is a privilege that not only allows us to enrich our knowledge but to enhance our leadership capacities and our critical thinking abilities when evaluating challenges of global relevance. The unprecedented economic situation that the world is now facing has drastically changed the reality of all, and raises the importance of this commission, The World Economic Forum. This is why, now more than ever it is our duty to be informed and constantly push ourselves to devise solutions; because the world requires fresh ideas and minds such as your own to face the ever aggravating challenges we face. Taking this into account, we will be discussing *oil and gas in the new world order* and *globalization and third world countries after COVID-19*. Success in this commission will require lots of effort and research since we expect a debate of excellent caliber in which all delegates participate actively. Finally, we wish you a wonderful experience full of growth and innovation in the Colegio Nueva Granada Model United Nations. Don't hesitate contacting us at the email addresses provided below.

Best regards,

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## Topic A: Oil and Gas in the New Global Order

### **Introduction:**

In an evermore interdependent world, the concept of developing a new methodology to access energy has become a pressing matter in any business around the world. With companies like Blackrock inc. investing 4.8 billion dollars each quarter in renewable energy, and Aker ASA, the biggest company in Norway, creating daughter companies centered around renewable energy, one can question where will the conventional sources of energy lie in this new world. With the war on Ukraine, renewable energy sources have taken a toll and governments have gone back to conventional energy, such as coal, whilst energy coming from oil has been intentionally dried out making the barrel crude one of the most missed products in the International markets. This situation has paved the way for renewable energy to become the main source of energy in the international atmosphere. However, one should also consider the ever-growing nuclear energy sources proving to be one of the most cost-production effective and beneficial sources of energy, in the eyes of governments such as the UK, France and Germany. On the other hand, the private sector does stride to natural-renewable resources, creating the atmosphere for a division of the new world's energy source. "More than ever, countries that don't have their own energy sources will need to fund and develop them– which for many will mean investing in wind and solar power." - Laurence D. Fink, CEO of Black Rock inc.

### **Historical Context**

In 1880, the United States of America, the world hit a turning point, mining of coal became a source of energy, to power cars, homes, trains. With this, we know now, the most catastrophic damage to the environment started. After WWI, 1919, there was a new change in energy sources,

petrol engines started to enter the global scene. With the beginning of WWII, the arms race with the intention of winning the war proved that petrol engines were the future of energy. After WWII, the world saw the power of nuclear fusion, however nuclear power was deemed dangerous and oil and gas were the most prominent business in the world for almost a century, being integrated into world economics, practically becoming the backbone of modern economics, fueling; the Industrial sector, Commerce sector and the Service Sectors of economics. However, come to the 21st century one can see that the modern shareholders have diverted their main focus away from pure profits, emphasizing sustainability and climate impact. Leading modern economics to see a new market in renewable and climate beneficial companies. Also we can see this change in the cultural field, due to the virtual environment we see today, trends such as "Go Green " or "Save the Turtles' ' have become of critical importance for today's businesses, and even more, staying in favor of said trends.

## **Current Situation**

Oil and gas continue to be major players in the global economy, with the industry being worth trillions of dollars. Despite the increasing push for renewable energy sources, oil and gas are still in high demand for transportation and energy production. However, the industry has faced challenges in recent years, including price volatility, environmental concerns, and shifting political landscapes.

One of the major challenges facing the oil and gas industry is the fluctuation in oil prices. In recent years, prices have been highly volatile, with fluctuations caused by a variety of factors including changes in global supply and demand, geopolitical tensions, and natural disasters. This volatility can make it difficult for companies in the industry to plan and budget effectively.

Another challenge facing the oil and gas industry is the growing pressure to transition to cleaner, renewable energy sources. Climate change concerns and government regulations are pushing the industry to reduce emissions and invest in cleaner technologies. This is leading to a shift in the industry, with some companies investing in renewable energy projects and others focusing on natural gas as a transition fuel.

Furthermore, the oil and gas industry has been facing increasing political pressure in recent years. Governments around the world are implementing stricter regulations on the industry, including emissions standards and environmental protections. This can make it difficult for companies to operate, and can also lead to increased costs for consumers.

Despite these challenges, the oil and gas industry remains a major player in the global economy, and is likely to continue to be an important source of energy for the foreseeable future. Companies in the industry are adapting to the changing landscape by investing in new technologies and exploring new business models. While the future of the industry is uncertain, it's likely to remain a key player in the global economy for years to come.

Overall, the oil and gas industry is facing a number of challenges, including price volatility, environmental concerns, and shifting political landscapes. However, the industry remains a major player in the global economy and is likely to continue to be an important source of energy for the foreseeable future. Companies in the industry are adapting to the changing landscape by investing in new technologies and exploring new business models.

On the other hand, Renewable energy, such as solar and wind power, has the potential to greatly impact the oil and gas industry.

One of the main ways that renewable energy affects oil and gas businesses is by reducing demand for fossil fuels. As more and more consumers and companies turn to renewable energy sources, the demand for oil and gas decreases, which can lead to lower prices and reduced profits for companies in the industry. Additionally, governments and organizations around the world are setting ambitious targets for the adoption of renewable energy, which is likely to further decrease demand for fossil fuels in the future.

Another way that renewable energy affects the oil and gas industry is by increasing competition. As renewable energy technologies continue to improve and become more cost-effective, they are becoming a more viable alternative to fossil fuels. This increased competition can lead to reduced market share and profitability for companies in the oil and gas industry.

However, it's worth noting that the oil and gas industry is also actively investing in renewable energy, as they are aware of the trend and want to remain competitive in the long run. For example, many oil and gas companies have invested in the development of renewable energy sources such as wind and solar power, and are also exploring new ways to reduce the carbon footprint of their operations.

In conclusion, renewable energy affects the oil and gas industry in a number of ways, including reducing demand for fossil fuels, increasing competition, and forcing companies to adapt and invest in renewable energy. While these factors may pose challenges for companies in the industry, they also present opportunities for growth and innovation.

### **Major Bloc Positions:**

Oil Companies - They want to maintain the market as it is, creating the atmosphere for a realist perspective with a hint of conservatism. They do believe that oil is one of the most important energy sources due to the fact that it is the most renewable, and also want justice for malicious intent by pro-environmental entities.

Renewable energy companies - They present an environmentalist perspective, creating the atmosphere for the relation with John Locke, every man is free in every means, they want to change the market and involve new ways of business, eliminating the focus only on ROI but on sustainability and development of the energy market.

### **Guiding Questions**

1. How will the increasing adoption of electric vehicles affect the demand for oil in the future?
2. How will the continued growth of renewable energy sources impact the profitability of the oil and gas industry?
3. What steps are oil and gas companies taking to reduce their carbon footprint and address concerns about climate change?
4. What role will technology play in the future of the oil and gas industry, particularly in terms of exploration and extraction?
5. How will government regulations and policies on fossil fuels impact the growth and development of the oil and gas industry in the future?



## Topic B: Globalization and Third World Countries After COVID-19

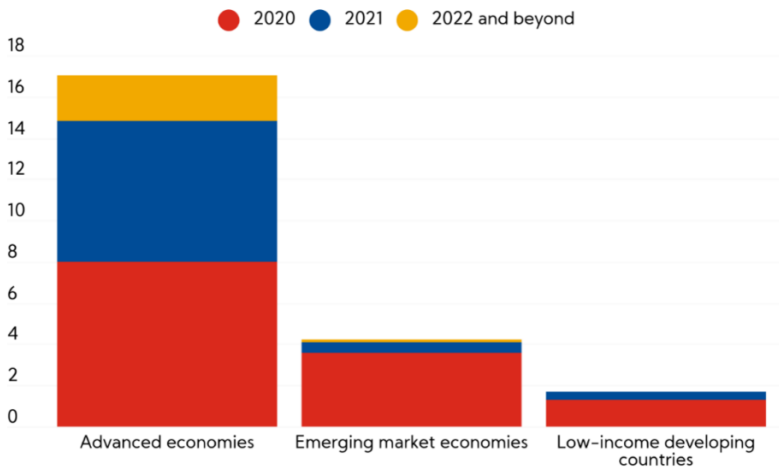
### **Introduction:**

More than ever, we live in an interdependent world where a core of our economic systems is based around Globalization. We refer to Globalization as the speed-up of movement and exchange all over the world, including but not limited to economic resources, migrations, and cultures. Globalization in economics refers to the increasing integration of nations around the world. As COVID-19 impacted our society, it forced nations to enter into month-long lockdowns forcing the economy to shut down. As a result of economies shutting-down, exports and imports started to decrease leaving the world to enter an economic recession and high unemployment rates. After vaccines got approved societies started to slowly return to pre-pandemic activities and life, economic activity started to recover in strong economies. However, in third world countries that lack access to economic resources weren't able to recover as fast and still find a hard time in getting economic activity to pre-pandemic levels and recover the unemployment rate. As seen on the graph below, the recovery of economic activity is due to the investment of the government in their fiscal policy to boost the economy. While for advanced economies the investment was around 16% of their Gross Domestic Product, for low-income developing countries it was only 2% of their GDP.

## Divergences in policy support

While fiscal support in advanced economies continues, most measures in emerging market and developing economies expired in 2020.

(total revenue and spending measures in response to COVID-19; percent of 2020 GDP)



Sources: IMF Fiscal Monitor database of Country Fiscal Responses to COVID-19; and IMF staff calculations.

IMF

## Globalization and Third World Countries:

Globalization refers to the increasing interconnectedness and interdependence of countries and their economies, cultures, and populations through the exchange of goods, ideas, and information. Third world countries, also known as developing countries, are typically characterized by low levels of economic development and high levels of poverty.

The relationship between globalization and third world countries is complex and can be both positive and negative. On one hand, globalization can bring increased economic growth and investment to developing countries, which can lead to job creation and improved living standards. However, globalization can also lead to the exploitation of labor and natural resources

in developing countries, and can exacerbate income inequality. Additionally, globalization can also lead to the erosion of local cultures and traditional ways of life.

### **Historical Context:**

Economic globalization refers to the increasing integration of national economies through the exchange of goods, services, capital, and labor. The history of economic globalization can be traced back several centuries, but it has accelerated significantly in recent decades.

One of the earliest forms of economic globalization was the rise of trade during the 19th century, driven in part by the development of new transportation technologies such as steamships and railroads. This period also saw the expansion of European colonialism, which led to the exploitation of resources and labor in many parts of the world.

In the 20th century, globalization slowed down due to two World Wars and the Great Depression but resumed after the second World War with the formation of the Bretton Woods system, which established the US dollar as the world's reserve currency and created the International Monetary Fund (IMF) and the World Bank to promote international economic cooperation.

In the late 20th century, the rise of technology, particularly the internet, and the liberalization of trade and investment policies, led to a significant acceleration of economic globalization. This led to increased trade and investment flows, the outsourcing of manufacturing to developing countries, and the rise of global supply chains.

Recently, globalization has slowed down due to the pandemics and trade tensions, protectionism and populism, which also brought attention to the negative consequences of globalization such as job loss, inequality and environmental degradation.

Overall, the history of economic globalization is marked by both positive and negative effects on the world economy, but it has played a significant role in shaping the global economy as we know it today.

### **The Impact of COVID-19:**

The COVID-19 pandemic has had a significant impact on globalization and third world countries in multiple ways.

Firstly, the pandemic has led to a sharp decline in international trade and travel, which has severely impacted the economies of many developing countries that rely heavily on exports and tourism. This has led to widespread job losses and increased poverty.

Secondly, many third world countries are facing significant challenges in their efforts to contain the spread of the virus due to inadequate healthcare systems and a lack of resources. This has led to a higher number of deaths and severe economic consequences.

Thirdly, the pandemic has also highlighted existing inequalities and disparities in access to healthcare, education, and other essential services between developed and developing countries.

Fourthly, The pandemic has also accelerated the trend of digitalization and e-commerce, which could have a positive impact on the development of the third world countries, but also could have negative consequences for those who do not have access to the digital world, like low-skilled workers and people living in remote areas.

Overall, the pandemic has had a devastating impact on the economies and societies of many developing countries and has highlighted the urgent need for increased international cooperation and support to address the challenges faced by these countries in the wake of the crisis.

### **Major Bloc Positions:**

The United States has been one of the key drivers of globalization, particularly in the areas of technology and finance. American companies like Google, Microsoft, and Amazon have become dominant players in the global economy, and Wall Street has played a major role in financing global trade and investment.

China has also been a major player in globalization, particularly in the areas of manufacturing and exports. China's rise as a global economic power has been driven by its low-cost labor and abundant natural resources, which have made it an attractive destination for foreign investment and manufacturing.

Other major players in globalization include countries such as Japan, Germany and South Korea, which have been major exporters of technology, automobiles, and other manufactured goods.

Europe, as a whole, has been a major player in globalization with the creation of the European Union, which has brought together the economies of many European countries, increasing trade and investment flows between them.

India is also a major player in globalization, particularly in the areas of technology, outsourcing and business services.

Brazil: Brazil is one of the most significant developing countries that has been impacted by globalization, particularly in the areas of agriculture and natural resources. The country has benefited from increased access to global markets and investment, but it has also faced challenges such as income inequality and environmental degradation.

Mexico: Mexico has been impacted by globalization in several ways, particularly through its role in the North American Free Trade Agreement (NAFTA) which has expanded trade and investment between the US, Canada, and Mexico. However, the country has also faced challenges such as income inequality and environmental degradation.

South Africa: South Africa has been significantly impacted by globalization, particularly in the areas of mining and natural resources. The country has benefited from increased access to global markets and investment, but it has also faced challenges such as income inequality and environmental degradation.

### **Guiding Questions:**

Here are some guiding questions that could be used to explore the impact of globalization and third world countries after the COVID-19 pandemic:

1. How has the COVID-19 pandemic affected international trade and investment flows, and what impact has this had on the economies of developing countries?

2. What are some of the key challenges faced by developing countries in their efforts to contain the spread of the virus, and what support do they need to address these challenges?
3. How has the pandemic highlighted existing inequalities and disparities in access to healthcare, education, and other essential services between developed and developing countries?
4. How has the pandemic affected the outsourcing of manufacturing and services to developing countries, and what impact has this had on jobs and living standards in these countries?
5. How has the pandemic affected the digitalization and e-commerce, what are the opportunities and challenges for third world countries in the digital era?
6. What are the potential long-term effects of the pandemic on the global economy and how can developing countries prepare for these effects?
7. How can the international community work together to support the recovery of developing countries in the wake of the pandemic?
8. What role could be played by the private sector, civil society and other non-state actors in the recovery and development of third world countries post-pandemic?
9. How can globalization be made more inclusive and sustainable in the future, particularly with regard to the needs and perspectives of developing countries?

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