

## United Nations Development Programme

### Welcome

Dear Delegates,

Welcome to BUSUN 2009 and the United Nations Development Programme (UNDP)! We all look forward to seeing you this upcoming fall at what we expect to be a stimulating and fruitful conference.

I'm Jiacui Li, your conference chair this year. First, let me introduce myself. I am a sophomore from the other side of our planet, across the Pacific Ocean – Shanghai, People's Republic of China. Although I have not officially declared my concentration, I'm quite sure about majoring in applied math and economics. I have been an active participant in Model UN throughout my high school years in China, where MUN popularity has been growing rapidly these past few years.

The essence of MUN is to bring vastly different ideas together and let them speak to each other. I believe my former experiences can bring to our conference multiple perspectives, since I've lived and worked in China, Singapore, Japan and United States. I've witnessed the staggering yet exciting cultural and ideological differences since I have come to Brown, a community noted for its liberty of ideas, and a school famous for bringing the whole world into its classroom.

As for our UNDP conference, we have three potential topics to talk about. Due to the fact that I am an applied math concentrator, I have also opted to include a topic that may be a little bit more intensive than some others. Usually Model UN hesitates before touching upon anything quantitative; but this time, owing to the fact that I am an applied math concentrator, you will look into the problem of measuring welfare and human development – a crucial function of UNDP that is changing the world, as we discuss the topic of "Rethinking Human Development Index (HDI). How come it's importance? In short, UNDP exists to promote human development, but in order to promote development, we have to measure it first. As soon as you start investigating HDI, chances are that you will soon appreciate its significance and find the passion to make it more reliable.

The materials in this guide should be a good starting point for research. It is an overview of background and general opinions on the topics at hand. After reading them,

I encourage you to explore further based on the key words presented, the bibliography links provided, or simply your own interest. Being prepared before you come to the conference is the only guarantee to a rewarding experience.

Apart from the conference, we will definitely have time to walk around the campus and talk about the history, the values, and the beauty of Brown. Please feel free to ask me any question about my alma mater. You are more than welcome.

See you all in fall!

Yours Sincerely,

Jiacui Li

United Nations Development Programme Chair

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### Committee History

Established by the General Assembly in 1965, the United Nations Development Programme (UNDP) is the international "headquarters" for promoting global development. It operates in 166 countries world-wide via 135 regional "Country Offices", 8,000 UNV volunteers and an annual income of approximately \$5 Billion (US)<sup>1</sup> the UNDP is one of the most potent forces for development in the modern world.

The UNDP focuses on developing *local capacity*. In short this method, pioneered by the UNDP Capacity Development Group (CDG), attempts to assist developing nations in acquiring the *capacity*, in the form of resources, bureaucracy, infrastructure etc., to achieve their own advancement objectives in the long-term.

Our goal as a committee is to construct and disseminate solutions to the difficulties presented by:

- Democratic Governance
- Poverty Reduction
- Crisis Prevention and Recovery
- Environment and Energy
- HIV/AIDS

While these challenges may at first seem daunting, the UNDP and its partners have made great progress in the past years in each and every field. In 2008 alone, the UNDP provided crisis prevention and recovery support in 83 different countries, while acting to strengthen national parliaments in 50 more.

<sup>1</sup> UNDP Fast Facts, [www.undp.org](http://www.undp.org). Figures are as of 2008

Perhaps the most pertinent aspect of UNDP diplomacy currently is its commitment to achieve its *Millennium Development Goals (MDGs)*, a series of 8 ambitious goals, by the year 2015. In order to accomplish these, and the many other tasks the UNDP embraces, it needs to enlist the help of other institutions, particularly the UN General Assembly. In this regard, the UNDP also acts as an advisory body to the General Assembly, publishing policy prescriptions, development procedures and annual reports on a variety of topics ranging from the current status of its MDGs to Regional Human Development.

## Topic 1: Rethinking the Human Development Index (HDI)

### Background

*“The process of economic growth is a rather poor basis for judging the progress of a country; it is not, of course, irrelevant but it is only one factor among many”*

*Amartya Sen*

One of the primary functions of the UNDP as an advisory body to the General Assembly is to publish an annual report on the current developmental status of virtually all member-states of the UN. This report, appropriately titled the Human Development Report (HDR), is designed to attempt to answer the question “How *developed* are we?” and in doing so, isolate and identify the restricting factors to global progress in order to more adequately assess and respond to them. This question, however, serves to be far more difficult to answer than it might appear given the nature of *development* as a vaguely defined concept. As a result, the UNDP developed a numerical index known as the Human Development Index (HDI) that attempts to provide a quantitative representation of the developmental level of a particular nation; a meter-stick for human well-being.

The UNDP firmly believes that the word development is not freely interchangeable with economic growth in the modern world. As far back as 1990, in its first Human Development Report, the UNDP defined development as “the process of expanding people’s choices” For this reason the HDI is calculated with 3 primary indicators of progress, the levels of development that were deemed “essential”:

- Life Expectancy
- Education Index: A function of two weighted factors
  - Adult Literacy Index (ADI) weighted as 2/3 of the Education Index
  - Gross Enrollment Index (GEI)

weighted as 1/3 of the Education Index

- Gross Domestic Product (GDP)

Each of these three is given a value between 0 and 1 and then they are averaged to produce the numerical HDI value.

### Criticisms of HDI

The principle of the HDI however has a significant amount of opposition since its conception. Many critics claim that the HDI is too limited in scope, while some claim that the means of calculating are misrepresentative of the data while some reject the criteria of measurement entirely.

One of the most prominent of the criticisms has to do with the mathematical process by which the HDI is formulated. Currently, the HDI value consists of the *arithmetic mean* of the three component indices. This process therefore is an additive one, and critics argue that the use of an additive process is unwarranted given that it implies equality of each of the three factors. Furthermore, additive means do not account for relativity. To be more precise, in an additive system, if a nation’s education index improved from 0.9 to 1.0 the quantitative increase in HDI would be based solely on this absolute value of a 0.1 difference and the total contribution would be equal to approximately 3/100 of a unit. These critics argue that the benefit received from an increase at that level is relatively insignificant compared to a hypothetical increase from 0.2 to 0.3. While the absolute difference in both cases remains the same, the second, in the eyes of some development scholars, is much more significant. For these reasons, one of the forefront suggestions for modification of the HDI is to adopt the use of a multiplicative function, perhaps a geometric mean, to calculate the index.

Other criticisms include but are not limited to that the HDI is too limited in scope. A front-runner in this category of denunciations is that the current system fails to account for ecological wellbeing and sustainable economy. Another is the idea that the HDI is an arbitrary, redundant value that contributes nothing to the understanding of development on a larger scale.

### Questions To Consider

1. Is the HDI Methodology effective in achieving a standard for measuring development worldwide?
2. Is the HDI an inclusive measure of the essential factors that contribute to development?

## Helpful Resources

For the purposes of this topic it is really important that each of you does the research to find potential criticisms, and that you use your own reasoning skills to propose logical improvements to the HDI and its components. Here are a few starting sources, but these are by no means inclusive or sufficient.

- UNDP Homepage: [www.undp.org](http://www.undp.org)
- Ambuj D. Sagara, Adil Najam, "The human development index: a critical review", *Ecological Economics*, Vol. 25, No. 3, pp. 249-264, June 1998. (This is a full citation, I will let you guys use your own resources to find this one ☺)
- Here's an academic paper which you probably would not want to read through but it may give you some idea if you browse its abstract and some sections in the paper:  
Accounting for Inequality: A Proposed Revision of the Human Development Index. Elizabeth Stanton  
<http://ideas.repec.org/p/uma/periwp/wp119.html>
- The following article, by Richard Posner, includes several interesting criticisms.  
[http://www.becker-posner-blog.com/archives/2007/12/the\\_uns\\_human\\_d.html](http://www.becker-posner-blog.com/archives/2007/12/the_uns_human_d.html)
- Here's an article by Justin Wolfers arguing for the uselessness of HDI:  
<http://freakonomics.blogs.nytimes.com/2009/05/22/what-does-the-human-development-index-measure/>
- And here's an interesting rebuttal by Francisco Rodriguez, a Wesleyan Professor who works for the UNDP Human Development Report Office:  
<http://freakonomics.blogs.nytimes.com/2009/06/01/another-perspective-on-the-human-development-index/>

## Topic 2: Food Aid Programs and Local Development

### Food Aid and Local Markets

According to a recent report by the World Food Programme, there are currently over one billion people in the world who go hungry on a consistent basis. For decades, one of the solutions toward ameliorating this problem has been food aid: the donation or subsidized sale

of food to developing countries by international institutions, states and non-governmental organizations. Yet in recent years, many have questioned the true effects of such aid on local economies, and its validity as a tool to reduce poverty. Theory suggests that when a foreign good comes into a local economy at rock-bottom prices, it drives the market price down, and often local producers simply cannot compete: they are unable to sell their product or must sell it for less than it cost to produce. In addition to fostering a highly dependent relationship, this clearly this presents an enormous obstacle to the development of a sustainable economy in the recipient area. For this reason, exporting goods at below-cost prices, a practice called dumping, is prohibited by the World Trade Organization. However, due to the very real problem of starvation around the world, international politics, and the fact that millions of people do subsist on that food aid, the practice has been allowed to continue until just recently with little global-level regulation. In this committee we will discuss whether the effect of food aid on local economies is even a problem at all, whether certain types of food aid should be regulated, and how the structure of food aid can be changed to decrease negative effects on local markets.

### Types of Food Aid

It is important to distinguish between several broad types of food aid:

*Emergency Food Aid* is directed at highly critical populations such as refugees, civilians in midst of war, and victims of natural disaster. Aid to certain areas with chronic food scarcity falls into this category as well. It is meant to be non-permanent, to last only until the population has recovered from the crisis at hand. The World Food Program is the key player here, but nation states and non-governmental organizations have an important role as well.

*Project Food Aid* is food aid which is accompanied by supplemental programs to increase long term food security. For example the World Food Programme's Food for Assets projects pay workers in food in exchange for building irrigation systems, practicing soil conservation and building schools for their community.

*Program Food Aid* is typically bilateral, a transfer of food from one government to another, often with non-governmental organizations playing an auxiliary role. Sometimes the food is a donation; sometimes it is sold at a highly subsidized price. This type of food aid is often used by developed countries such as the United States that want to unload surplus food in order to keep domestic food prices high. It also played a prominent role during the Cold

War, when both the US and USSR used program food aid as an incentive for developing nations to join their side.

### Recent Developments and Debate

A large percentage of all types of food aid, but especially program food aid suffer from the practice of *tying*, which is to say, governments will designate that a particular percentage (often very large) of the aid dollars must be spent on products and services from their own domestic companies. The result is that they are able to support their own economies rather than that of the receiving country by procuring the food there. Furthermore, each dollar of aid becomes much less effective because the food must be shipped (often overseas), and the food is bought at developed world prices. The Food and Agriculture Organization has repeatedly spoken out against this practice, but because it supports their economy, many countries do not want to give it up. The FAO has proposed that instead aid should be given in the form of cash or food-coupons which can be used locally, and every effort should be made to procure food locally except in emergency situations.

Food aid also received significant attention at the Doha trade negotiations round in Hong Kong in 2007. A general consensus was reached that “genuine food aid” and in particular emergency food would not be prohibited by the World Trade Organization. However, no consensus was reached about how to deal with other types of food aid, and where to draw the line between genuine and non-genuine food aid. In this committee we will consider the problem from more of a developmental rather than trade perspective. Some questions to consider are:

1. Who benefits from food aid? Who does not? Try to think not just on the nation state level but also in terms of interest groups within a given country. How have these special interest groups shaped the politics of international food aid so far?
2. What types of food aid delivery mechanisms minimize negative impacts on local markets?
3. Is international food aid something we can regulate? If so, where do we draw the line to ensure that needy populations do not starve but that local markets are still encouraged to develop? Remember, tougher regulations may cause donor countries to reduce their contributions.

### Helpful Resources

- [www.wfp.org](http://www.wfp.org) – The World Food Programme website
- [www.fao.org](http://www.fao.org) – The Food and Agriculture

Organization website

- [www.odi.org.uk/resources/download/2248.pdf](http://www.odi.org.uk/resources/download/2248.pdf) - A background paper by the Overseas Development Institute about Food Aid in the recent Doha Round
- [www.tradeobservatory.org/library.cfm?refid=73512](http://www.tradeobservatory.org/library.cfm?refid=73512) – A publication by the Institute for Agriculture and Trade Policy focusing specifically on US food aid
- <http://www.oaklandinstitute.org/pdfs/fasr.pdf> - A publication by the Oakland Institute giving an overview of the history of food aid and current problems

### **Topic 3: HIV/AIDS and the Workforce**

#### Background

AIDS has become a major economic, as well as societal, issue. In 2007, the disease accounted for an estimated 2.1 million deaths, of which 330,000 were children under the age of 15. In the same year, approximately 2.5 million people were newly infected, of which, 420,000 were children.

#### **Worldwide mortality due to infectious disease**

Rank	Cause of death	Deaths in 2002 (million)	1993 Rank
1	Lower respiratory infections	3.9	1
2	HIV/AIDS	2.8	7 (0.7 million deaths in 1993)
3	Diarrheal diseases	1.8	2
4	Tuberculosis	1.6	3
5	Malaria	1.3	4

Source: World Health Organization, UNAIDS.

Despite the best efforts of organizations like the United Nations and the World Health Organization, HIV/AIDS continues to spread amongst the world's population at an incredible rate. The table to the left illustrates how rapidly HIV/AIDS is growing as an epidemic. Sub-Saharan Africa is where the disease's ability to completely destroy a society is most visible. The risk of being infected by the disease is greatly increased by having multiple and/or non-regular sexual partners. Those most likely to engage in such activity are those that move from region to region. In areas where HIV/AIDS is most prevalent, this includes migrant workers, military personnel, and civil servants. The result is thus twofold: 1) the

behavior of those employed in these migratory professions promotes the spread of the disease throughout the region and 2) as the effects of the disease eventually prevent those infected from working, these societies lose a vital part of their workforce and economic collapse is likely.

### Current Situation

The negative impact of HIV/AIDS is potentially devastating. As the disease spreads through the population of a given society's workforce and then the entire working age population, the size of these populations are drastically reduced. The reduction in skilled laborers also reduces the society's productivity, which in turn damages the economy. Another problem that arises is the government's loss of a significant portion of its taxable population. This loss in government income is compounded by the rise in government expenses necessary to 1) combat the spread of the disease, 2) care for the increasing population of orphans left in the wake of the disease and 3) train and replace the civil servants, military personnel, teachers, and other government employees that have been lost. Current models forecast that growth of GDP in sub-Saharan countries will be reduced by 0.5%-2.6% per annum. In 2004, a group of eight economists collaborated on a project known as the Copenhagen Consensus, which aimed to establish priorities for advancing global welfare using methodologies based on the theory of welfare economics. Of the seventeen (17) issues they discussed, the number one priority was the implementing of measures to prevent the spread of HIV/AIDS. They estimated that an investment of \$27 billion could prevent 30 million new infections by 2010. However, how such investments should be raised and how it should be spent are questions that remain debatable. While the most recent report on HIV/AIDS by the UN show promising data in sexual behavior trends among young people in heavily-infected areas, the data from the majority of the countries in the study reflect a less optimistic reality.

### Questions To Consider

1. What are the economic and security implication of AIDS, particularly for African countries whose young, middle-class populations are being decimated?
2. How will the funds necessary for combating HIV/AIDS be raised and how will it be spent in the most economical way, considering the effects the disease has already had on the workforce in heavily-infected areas?
3. How will expenses from any program or initiative be determined so that the net benefit exceeds the costs? How can the benefit/cost ratio be maximized?

4. In areas like North Africa, where the epidemic is still nascent, how can the UN intervene as quickly as possible while topics like intravenous drug use and pre-marital sex remain largely taboo in these societies?

### Helpful Resources

- [http://data.unaids.org/pub/EPISlides/2007/2007\\_epi\\_update\\_en.pdf](http://data.unaids.org/pub/EPISlides/2007/2007_epi_update_en.pdf)  
2007 UN AIDS Epidemic Update
- <http://www.copenhagenconsensus.com/CCC%20Home%20Page.aspx>  
Website of the Copenhagen Consensus
- [http://www.un.org/esa/population/publications/AID\\_Simpact/AIDSWebAnnounce.htm](http://www.un.org/esa/population/publications/AID_Simpact/AIDSWebAnnounce.htm)  
The Impact of AIDS – a UN Report
- [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=636571](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=636571)  
The Long-Run Economic Costs of AIDS: Theory and an Application to South Africa
- <http://www.copenhagenconsensus.com/The%2010%20Challenges/Communicable%20Diseases.aspx>  
The Challenge of Communicable Diseases – summary from the Copenhagen Consensus