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**Forum:** Special Focus 2: Sustainable Development

**Issue:** Attributing equal access to economic resources, particularly for the poor and vulnerable.

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## **Introduction:**

Economic resources, are classified as the factors which are utilized in order to produce goods or providing services to a community. Economic resources can be observed through three major subfields. These resources are natural resources (raw materials supplied by nature such as foods or farmland), human resources ( people who produce goods and services in areas such as management, production and labour) and capital resources (money , products and supplies used in the production of either good or service). Even though these factors provide beneficial outcomes to the lives of most individuals, other individuals suffer from a global issue which experts refer to as “*Economic Inequality.*” This situation is best observed in countries that do not seem to obtain strong economical power to support the needs of their citizens such as Cote d’Ivoire, Colombia, Guatemala. However it is also seen in developing countries whose population from rural areas suffer from economic inequality which is why they cannot obtain access to economic resources. The situation only increases and seems to show its effect on global economy more and more as recession begins to form in many developing economies.

## **Definition of Key Terms:**

**Economic Inequality:** Is an issue that is most obviously demonstrated by people’s different positions within the economic distribution, income, pay and wealth.

**Income Inequality:** Income Inequality is the extent to which income is distributed on unequal terms to a group of individuals.

**Pay Inequality:** The situation which a person’s pay is different to their income.

**Wealth Inequality:** Refers to the unequal distribution of assets in a group of people.

**Rural Poverty:** Refers to poverty in rural (mainly countryside) areas which also includes rural economics and politics. Lacks political authority and economic stability.



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## **Background information:**

### **Effects of Economic Inequality**

It is important to know that if an individual that not have equal access to economic resources it does not mean that they are necessarily suffering from poverty. Inequality is simply defined as the difference between levels of living standards across the whole economic distribution. Economic Inequality is separated to three factors, these factors are income inequality, wealth inequality and pay inequality. Even though these factors do not directly correlate with economic resources, they still play an important role that can determine how much an individual can benefit from their country's economic resources. If they suffer from income inequality, the likelihood of ensuring their access to economic resources is less likely.

Income inequality continues to increase both developing and non developing countries. Some (in developing countries) may consider economic inequality as not much a threat since it only affects a small quantity of the whole population, however, the results of such an inequality has negative effects on all. It tends to drag down economic growth and harms the working opportunities of many individuals.

In the 1980's inequality was widely seen among the elderly, especially among pensioners across the world. Because of the low amounts of payment they receive from the governments they were much more likely to suffer from poverty since they had to lean against the government to earn their payment and did not obtain the enough amount of facilities to be able to pay for themselves. However in today's social structure and business world, it is usually the younger population and families with young children that suffer from this situation. This is caused by non-other then unequal income distribution that refers to families and other individuals who are not paid enough to benefit from the goods and services produced through natural, human and capital economic resources. If a person is from a household where the household income is attributed to its members through factors such as earnings, self-employment and capital payment. If this household functions differently from other households that are similar but seem to benefiting from economic resources such as food production or simply material production, then there is a matter of economic inequality.

### **Perceptions of Economic Inequality**

According to a public survey carried out by Social Psychology researchers in Colombia, people not only associate the distribution of economic resources income gaps and wealth distributions, they also find sense in associating it with how they are perceived particularly those who are perceived as poor or vulnerable. According to the study of these researchers, economic inequality is mainly represented by identifying social classes. The formation of these social classes (which varies from elites to beggars) generally concludes what kind of people receive access to economic resources. People become labelled as "have's" and "have-not's" in terms of who may benefit from economic resources which varies from owning technological advances to owning land to being able to by company products from a local store to owning nothing.

According to the team's statements regarding their results of the survey, they declare that; *"Research on perceptions of economic inequality focuses on estimations of the distribution of financial*



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*resources, such as perceived income gaps or wealth distribution. However, we argue that perceiving inequality is not limited to an economic idea but also includes other dimensions related to people's daily life. We explored this idea by conducting an online survey (N = 601) in Colombia, where participants responded to an open-ended question regarding how they perceived economic inequality. We performed a content analysis of 1,624 responses to identify relevant topics and used network analysis tools to explore how such topics were interrelated. We found that perceived economic inequality is mainly represented by identifying social classes (e.g., the elites vs. the poor), intergroup relations based on discrimination and social exclusion, public spaces (e.g., beggars on streets, spatial segregation), and some dynamics about the distribution of economic resources and the quality of work (e.g., income inequality, precarious jobs)."*

Regarding social classes and current socioeconomic "caste systems", participants who took part in this survey state that education also plays a big part in the distribution of income. However aside from education "spatial segregation" also claims its effects on the issue. People who are not living in neighborhoods with *optimal* living conditions tend to be segregated from the rest of society and are generally labelled as low income citizens. In such neighborhoods, it is usually the women who do not obtain a job and who are not able to provide for their families. Because of poor living conditions, families are not able to have access to basic economic resources such as food markets and suppliers. The current state of these individuals shows that they are indeed below the ideal social income level, which puts them below the socioeconomic hierarchy. The survey was able to indicate the solid idea that simply implied that those who simply gained more were able to benefit from more, this of course is in regards to the topic of natural, human and capital economic resources. *"The public space is another linking category that brings together concepts such as socioeconomic stratification, spatial segregation, and the prevalence of informal work(ers) on the streets. Again, economic inequality was placed in the public arena of daily life, where social comparisons can be particularly salient, stressing intergroup tensions...social class and intergroup relations, public space and social exclusion, lack or unequal access to opportunities, and economic resources and work."* (Frontiers Psychology) Hence the idea of social class and income distribution is quite a significant topic to cover.

## **Household Production as an Economic Resource**

It is noted that household disposal income along with household consumption is considered to be the main indicators for household production that provides as an economic resource for the members of the household. The goods and services that are produced within that household include meals, accomodation, clean clothing and care. Based on economic theory it is assumed that poor people consume more household production than the wealthier bunch, simply because they do not obtain the efficient amount of financial sources in order to purchase goods that are provided through economic resources, however, it theorists state that high income families are able to produce more household services when compared to low income families but wealthier individuals choose to benefit from human and capital resources.

Although the question of household production has a lot to do with income, another affective factor for the situation is gender. In developing countries, women and girls bear the responsibility of housework along with childcare. In regards to this, women spend most of their working hours in the



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household which makes it unable for them to earn any sort of payment, since they are unable to gain access to their country's economic resources due to the reason that they don't earn enough from external sources such as a work place or the government, they're only option is to create their own foundations despite simple and rational solutions.

It is well known that the Nordic welfare state model, governments do indeed provide more economic services (mainly in the areas of human and capital resources) than other developed countries. The public sector is able to provide services in areas such as but not limited to child and elderly care, school meals which are all at a low price of charge. They have also built a renowned foundation to provide financial support citizens with large families. Not to mention that markets offer services and goods which is suitable to facilitate outsourcing of lifecare services such as meals and household maintenance. This concludes that in wealthy and more developed countries here are more ways for a family to choose how their life care services will be provided to them rather than solely relying on household produced goods.

According to research done by Findley and Wright (1996) , it is important to consider the aspect of economic approach. Their research emphasizes on the fact that "he economic approach to household production is obliged to focus on individuals' rational choices between paid and unpaid work in time allocation." According to *Becker's theory on the allocation of time*, people are more willing to specialize in work that is most productive for them, time and money are considered as primary substitutes for each other. How one chooses to spend their time in order to gain money is a very effective factor on this matter. "The theory has, however, been applied mostly to the division of paid and unpaid work between men and women in a family, and consequently to the distribution of welfare within families"(Saunders, O'Connor and Smeeding 1998). This research also suggests that when intra-household resource allocation is taken in to account in the measurement of poverty women "lose" but men and children "gain" because of the unequal sharing of resources in the households. This proves that in developing countries, the majority of women spend most of their time producing household services rather than working, which is why the women in particular do not have the enough economic wealth to actually go to a market and buy goods.

## **The Rural Poor and Economic Resources**

Who is considered to be part of the rural poor? Well, the rural poor consists of those who depend largely on forestry, agriculture, fishing along with small-scale services. The rural group is known to cultivators who own land and non-cultivators who are skilled in farming and working in the natural resource sector. It is important to note that the economic conditions of the rural poor are affected by a variety of different assets. These assets are referred to as household, community and supra-community levels, this indicates that the poor's physical assets in which they have access to may vary from natural resources to capital resources (markets, stocks of food, use of machines) to human labor. This depends on the economic stability of the family.

It is also important to note that the so called "poor" have access to their community's (depending on how developed it is) institutional assets, which include an individual's legally protected rights and freedoms and the extent of their participation in order to make decisions within their domestic lives



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and their social and work lives. However, there are many communities that are considered poor who do not have access to these assets which results in their inadequate lifestyles.

The obvious differences seen among the rural poor are more clearly reflected with their links to the economy, which is suitable to determine how they utilize their assets and participate in production (which they all participate in even on inadequate levels). In rural areas, only cultivators have access to land and other natural resources. Since the cultivators are able to own land and produce the most amount of material in rural areas, they are also the only group of people living in such areas who either own or rent physical capital tools such as implements and machinery which enables them to carry out their own production. Those who earn more money than farmers only have little access to capital goods and generally won't spend money on capital markets.

In spite of all this, governments are hoping to introduce new policies which focus on helping small landowners who cultivate their land, landless tenants, landless laborers and women (in high hopes of having women gain access to education and paying jobs.)

## **Gender and Economic Resources**

According to the discussions that were disclosed at the *Vienna UN Conference*, women across the world face discrimination in accessing economic resources. The situation was viewed as an obstacle that would prevent the further completion of the sustainable development goals.

According to Cecilia Vera Lagomarsino, Regional Academy on the United Nations Coordinator for Austria, the access to economic resources based on gender standards is able to detail the “deeply entrenched inequality”. Lagomarsino has also noted that “another contributing factor is that most women are obliged to work in “vulnerable , low-paid or undervalued jobs.” The concept further implies that every individual regardless of gender, should have equal access to, use of and benefit from all specific resources.

In developing countries and rural areas of non developed countries, women are unable to access important economic assets that vary from land to the market to technologies and similar services. These problems limit women's access to agricultural productivity, secure households along with food security. Gender -biased land reform is also an effective factor in limiting women's access to land. After all in less developed and more conservative nations unequal inheritance and avoiding the voice of women have blocked their access to their family inheritance, this means that women are not given the sufficient amount of financial support by their families in less developed countries. Even though, there are organizations and projects being formed to enable women's access to land and wide acres, equal distribution could still not be maintained properly.

Infrastructure availability (especially in rural areas) is another asset that should be developed in order for women who live in poverty to utilize it. Through the development and equal distribution of infrastructure services, women would be able to gain access to public transport, markets , schools and other capital resources. If these developments are to take place, it would improve the well-beings and the living conditions of women living in poverty and vulnerable conditions.



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## Timeline of Major Events:

1911	Access to oil and other natural resources is granted in the United States of America.
1980	Protests occur in African nations regarding issues of poverty.
2003	An earthquake in the Dominican Republic disrupts economic resources.
2004	An earthquake in Guadeloupe disrupts economic resources.
2008	An economic crisis in the US causes families below the poverty line to lose access to economic resources.
2009	UN Congress on economic equality based on gender.
2014	Further developments are carried out in African farms.

## Major Countries and Organizations Involved:

### Colombia:

Colombia has constructed recent research on this ongoing problem, claiming that the poor and the vulnerable individuals who do not have access to economic resources might have fallen as victims to this problem simply because they suffer from poverty and carry the risk of being in depth. The research done by the *Universidad del Valle* in Colombia long with partnership with the *University of Granada* in Spain concludes that the social lives and yearly earnings of people is enough to determine their socioeconomic profiles. Hence, in developing nations, a person's income is what determines their place and rights in today's economic understandings. They conclude that in developing countries people who do not have a high income may not be able to access capital resources, could work in the area of human resources (which includes labour) and may have to rely on household production. These statements have been made through an observation and evaluation done through the Colombian population.



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## One Acre Fund:

The *One Acre Fund* is an organization created by the *Steep Network*, which aims to provide smallholder farmers with credit in order for them to invest in their farms. This organization aims to provide African farmers living in rural areas basic entrepreneurship skills in order for them to invest in their own farms, especially if they don't have access to the rightful natural and capital resources. The sources of the organization aims to provide service to the rural and urban poor. Even though the labour sector in Africa is wide, farmers still don't earn enough credit.

## International Labour Organization:

The ILO aims to support a universal approach to social and economic protection (especially for women) that all countries can afford. The ILO addresses insecurity and vulnerability in people's lives and hopes to guarantee social and domestic security both socially and economically that would guarantee access to basic needs, secure households in secure areas and health nutrition. Access to these resources for those who do not have high income or for those who suffer from unemployment would provide stability in areas that house vulnerable individuals.

## Cote d'Ivoire:

Cote d'Ivoire is one of the finest examples where farmers cannot properly carry out their own investments, women are unable to work and capital goods aren't produced annually. This demonstrates the economic instability in the country. Land workers outweigh capital workers and the labour force is not enough to support the families who live in poverty. Development is not meeting the needs of many families living in the country.

## Previous Attempts to Solve the Issue

There have been many conferences held by the UN, especially in the Vienna and Geneva Headquarters issuing the situation as a "unrighteous act to the communities in need." These conferences have focused on the rights of those who live in poorer social classes with the aim to improve their lifestyles as well as focusing on allowing them to have access towards full employment and decent work along with allowing such individuals to have access land, housing and other productive resources. Aside from those who live below the poverty line or in vulnerable and poor conditions, the UN has also developed the "2009 world Survey on the Role in Development; Women's Control over Economic Resources." Which states that women should no longer suffer from economic inequality, hence, they should have access along with full control over their economic resources. Sources and experts observe vulnerable living conditions especially in LEDC's to understand how poverty can affect one's living standards.



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As stated previously, the *One Acre Fund* assists farmers in forming new business strategies to have them invest in their own farms while allowing them to earn enough money to spend a few of their earnings on capital goods instead of completely relying on natural and labour sources.

Meanwhile, key policy components are being executed especially in rural areas that express an international need to permit the right of adequate land and water for every individual, basic access to health institutions along with education in order for every individual to obtain skills of literacy, along with decentralized food programs, targeted credit and most importantly, provided infrastructure. With these developments, experts believe that those who suffer from poverty will finally be able to benefit from their country's resources, especially in developing countries.

## **Possible Solutions**

- Reviewing the use of economic resources and whom they are owned by particularly in less economically developed countries.
- Reviewing the current living and financial conditions of individuals in LEDCs particularly the poor and vulnerable and try to further develop their living conditions through a possibility of developing a funded project by the UN in order to retrieve previous economic resources or develop newer ones such as houses or land areas.
- Allow women from lower classes to work in better paying jobs in order to develop their skills in the workplace and by encouraging them to work in order to show others that they deserve economic empowerment.
- Introduce a treaty that distinguishes every individual's access to particular economic resources within their living areas.
- Provide education for employment and education for those who live in rural poverty to specialize in certain working and employment areas other than labour in order to increase income.
- Encourage governments in developing countries to increase given financial support for those who only have access to land resources.
- Build government supported markets in rural and vulnerable areas that would not charge the customers of the market after their purchases that are completely supported by the government in order to have the rural poor benefit from markets and food products.

## **Useful Links**

<https://www.scribd.com/document/115379708/What-is-the-Meaning-of-Economic-Resources>

<https://www.docsity.com/en/news/economics/economic-resources-economic-system/>

<http://www.un.org/womenwatch/daw/public/WorldSurvey2009.pdf>



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<https://www.frontiersin.org/articles/10.3389/fpsyg.2018.01660/full>

<http://www.forum.awid.org/forum12/2013/03/access-to-and-control-over-resources-organizing-for-womens-economic-empowerment/>

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Department of Economic and Social Affairs, Division for the Advancement of Women, “*2009 World Survey on the Role of Women in Development: Women’s control over Economic Resources and Access to Financial Resources including Microfinance.*” UN Report, <http://www.un.org/womenwatch/daw/public/WorldSurvey2009.pdf> , 2009

Frontiers Psychology, Sanchez, Erfian- Garcia, “*Perceptions of Economic Inequality in Colombian Daily Life.*” <https://www.frontiersin.org/articles/10.3389/fpsyg.2018.01660/full> , 2018

Verjonen, Johanna, “*Household Production as an Economic Resource for Low Income Families,*” <https://ec.europa.eu/eurostat/documents/1001617/4577263/3-1-J-VARJONEN-REV-EN.pdf> , Finland Research.