Houston Area Model United Nations
Standard Committee

ECOFIN



Chair | Tejaswi Sriram
Topic A: Addressing the Financial Exclusion of Informal & Non-Traditional Labor
Houston Area Model United Nations 52
February 4 & 5, 2027

Atilgan Ozdil/Anadolu Ag

Chair Letter

Hello Delegates,

Welcome to HAMUN 52! My name is Tejaswi Sriram and I am excited to be your chair for the United Nations Economic and Finance Committee (ECOFIN) this year!

I am currently a graduate student at the University of Texas at Dallas (UTD), where I am pursuing a double Masters in Human Development - Early Childhood Disorders and Criminology. I started participating in Model UN when I was in middle school, meaning I've been a part of the MUN world for a decade now! From the strong sense of community to meeting new people and learning about real-world global issues, MUN has been such a meaningful and rewarding experience for me. I've had the opportunity to chair at HAMUN 49 in SOCHUM and HAMUN 51 in UNEP, both of which I truly enjoyed. Currently, I volunteer as part of the staff and dais for collegiate and high school conferences. It's always such a fun experience to come back, volunteer, and see so many people passionate about the world.

I wanted to chair ECOFIN because I am passionate about global economic policies, and believe in the importance of international cooperation when addressing economic challenges and their impacts at the global, regional, and local levels. I wanted to share a few last minute tips: Research is key! The more you know about your country, the committee, and the topics, the more confident and prepared you will feel. It's also completely okay to be nervous, regardless of if you're a first-time delegate or a seasoned veteran (trust me, I still get nervous too!). I encourage y'all to push yourself to step outside of your comfort zones, especially when it comes to public speaking, because growth happens when you truly challenge yourself. And above all, have fun and enjoy the experience!



I can't wait to see what y'all accomplish in committee. Feel free to reach out to me at any time with questions or concerns. Best of luck delegates!

Tejaswi Sriram
Chair of ECOFIN
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Vice-Chair Letter

Hello Delegates,

Welcome to HAMUN, and to the Economic and Financial Committee known as (ECOFIN). My name is Jose Portales, and I will be your Vice Chair for this year's ECOFIN committee, which is surprisingly known as the Second General Assembly!

I am currently in my sophomore year at Texas A&M University pursuing a Business degree in Finance at Mays Business School. Since 2024, I've been part of ECOSOC and a 2 time General Assembly Plenary delegate, with my chair career starting this year. Since my first participation at HAMUN, the conference has provided a sense of place, feeling that delegates and I have the power to change the world. This has led to maturity in the role delegates and chairs play and how it has opened our eyes to the world. Model UN has also taught to analyze circumstances from others' viewpoints.

I chose to staff ECOFIN because of the connection to my degree, but also because of what it takes to succeed, making a strategic place for delegates to show their skills. In this form, delegates can address, research, and even learn new content, giving them knowledge of current or past events. Another reason why I chose to staff relies on fairness and integrity I've always wanted to see in the world and in Model UN, avoiding any issue from one delegate towards another, which convinced me to be part of an event that has potential to transform the lives of those present. Regardless of everyone's starting position, I know that we all have space to grow in Model UN.

As quick tips to succeed, I can confidently say that statistics is crucial in any way possible, while making research with citations the best friend in a conference. It has happened and it may again. Secondly, creating an impact in any unique way. These tools can be highly important for Model UN and sometimes even for future endeavors. I wish all of you the best in this conference! If you have any questions, please don't hesitate to reach out to me!



Jose Portales
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Background Information

History

The Economic and Financial Committee (ECOFIN), the Second Committee of the United Nations (UN) General Assembly (GA), was established in 1945. Since its founding, ECOFIN has been the main GA body responsible for addressing macroeconomic policies, financing for development, poverty eradication, and sustainable development. ECOFIN's work also includes addressing globalization, food security, and operational activities for development through on-the-ground programs in regions of need [1]. This committee regularly collaborates with other UN bodies such as the UN Economic and Social Committee (ECOSOC) and the UN Development Programme (UNDP), and international organizations such as the World Trade Organization (WTO).

Over time, ECOFIN has been a part of various important global development frameworks, including the Millennium Declaration of 2000, which set the Millennium Development Goals and provided Member States a shared set of targets for reducing poverty [2].

This committee also took part in the to the Monterrey Consensus of 2002, the first major international agreement on how development should be financed at the local, national, and international levels [3]. In 2015, ECOFIN supported the Addis Ababa Action Agenda, which expanded the international language on financial frameworks [4]. That same year, the GA adopted the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs), which ECOFIN assists in reviewing the progress of each year [5]. In 2025, this committee acted as one of the primary hosts of the Seville Conference, a major international development finance summit that occurs once every 10 years, in order to overhaul the global financial structures and address the $4 trillion annual SDG financing gap impacting developing nations. This conference led to the Seville Commitment, which established over 130 actionable

Background Information

initiatives regarding tax reform, debt relief modernization, and multilateral lending expansions [6]. As one of the leading bodies in financial development within the UN, ECOFIN prioritizes collaborative efforts and recognizes the need to respond to ongoing financial crises and support the SDGs.

Mandate

ECOFIN's mandate allows for discussions, negotiations, and recommendations on economic and development issues, but all resolutions are non-binding, meaning that Member States may choose to implement them but are not required to. The committee also guides other UN bodies through its review of operational activities for development, such as setting priorities for committees like UNDP and UNICEF. ECOFIN itself cannot allocate funds, as the UN budget is funded by contributions and managed through the Fifth Committee, and most development programs rely on voluntary contributions from Member States, IGOs, and other parties [1].

Topic Information

Introduction

Informal and non-traditional laborers, from street vendors and domestic workers to freelancers and app-based couriers, form the backbone of many economies. Yet, they remain largely excluded from the financial systems that would allow them to save, borrow, and insure themselves and their dependents against forms of risk. This exclusion is partially a result of the foundation of informal work globally, as 93 percent of the world's informal labour is concentrated in emerging and developing nations [7]. In fact, informal labour accounts for 85.8 percent of all employment in Africa [7]. Without registered incomes, credit histories, or legal recognition, these individuals are frequently unable to prove their economic activities or credibility to formal institutions such as banks and investors, which in turn limits their ability to access the crucial services that could help them become formalized. This challenge has been a longstanding topic within ECOFIN, as in 2015, the committee approved a resolution on the Financial Inclusion for Sustainable Development, calling for financial inclusion to be considered in the review of the 2030 Agendas and the Addis Ababa Action Agenda [8]. A/RES/72/206 later built on this by finding evidence that financial inclusion strategies reduce this gap twice as fast as approaches without them, while also acknowledging the gender disparities persisting despite the increase in female account ownership [9].

In 2025, A/RES/80/125 emphasized that financial inclusion should prioritize financial health and resilience to shocks, emphasizing a shift in focus from simply encouraging the opening of accounts to ensuring that these accounts can meaningfully improve livelihoods [10].

History

Concern for the economic security of informal workers is a long-standing issue, with global discussions on the 'informal sector' occurring as early as the 1970s. In 1972, an International Labour Organization (ILO) employment mission to Kenya led to a report that offered a multi-criterion definition of informal labour [11]. In 2002, the ILO adopted a resolution on decent work and the informal economy, and in

2015, Recommendation No. 204 affirmed that the transition from the informal to formal economy is essential to inclusive development and decent work for all [12]. In 2011, the World Bank's Global Findex was established, becoming the largest database for tracking financial inclusion and economic stability in individuals [13]. Yet, despite decades of action, informal labour remains a major source of income across the world, as it still exceeds 80 to 90 percent of total employment in many low-income nations, and platform-based work has only increased informal labour rather than replacing it [14]. This issue is also spread unevenly across the various demographics and regions of the world, as in Sub- Saharan Africa, 74 percent of women's non-agricultural employment is informal as compared to the 61 percent reported for men [15]. Furthermore, reports have found that at least eight in ten young workers are informally employed, and that globally, individuals in rural regions are twice as likely to be employed in the informal market than those living in urban regions [16]. This financial exclusion is a life-long sentence for many, as only one in three workers globally contribute to a pension scheme, and only one in ten in many low-income nations, leaving many informal workers to spend a lifetime without income security [17]. The Covid-19 pandemic further highlighted the effects of financial exclusion, as the ILO estimated that 1.6 billion informal workers suffered due to the limited opportunities to earn a living, with a notable 60 percent drop in income during the first month itself [18]. The lack of financial inclusion for informal and non-traditional continues to persist today, as digitalization has caused new barriers to emerge, meaning that the gaps first identified in the 1970s are now growing wider instead of becoming closer to being resolved.

Gig Worker Classification

Platform-mediated work is one of the most prominent modern forms of non-traditional labour, with the World Bank estimating between 154 million and 435 million individuals participating in platform or online gig work each year globally [19]. These platforms often portray themselves as intermediaries rather than employers and classify many workers as independent contractors, leaving them unprotected by policies such as minimum wage, paid leave, and contributory social protection systems. This ambiguity often emerges in labor markets that are already strained, as 58 percent of workers globally remain in informal employment [20] and approximately 3.8 billion individuals do not have social protection coverage [21]. In June 2026, the International Labour Conference adopted *Convention No.*

193 *on Decent Work in the Platform Economy*, the first global treaty to apply to platform workers in both the formal and informal economies [22]. Yet, this convention is only binding to nations that ratify it, and its accompanying recommendations were left unfinished, meaning that how a gig worker is classified, and what protections and documentations they can access, continue to vary by region and state. the formal and informal economies [22]. Yet, this convention is only binding to nations that ratify it, and its accompanying recommendations were left unfinished, meaning that how a gig worker is classified, and what protections and documentations they can access, continue to vary by region and state.

Figure 1
The "gig economy" includes many jobs and tasks

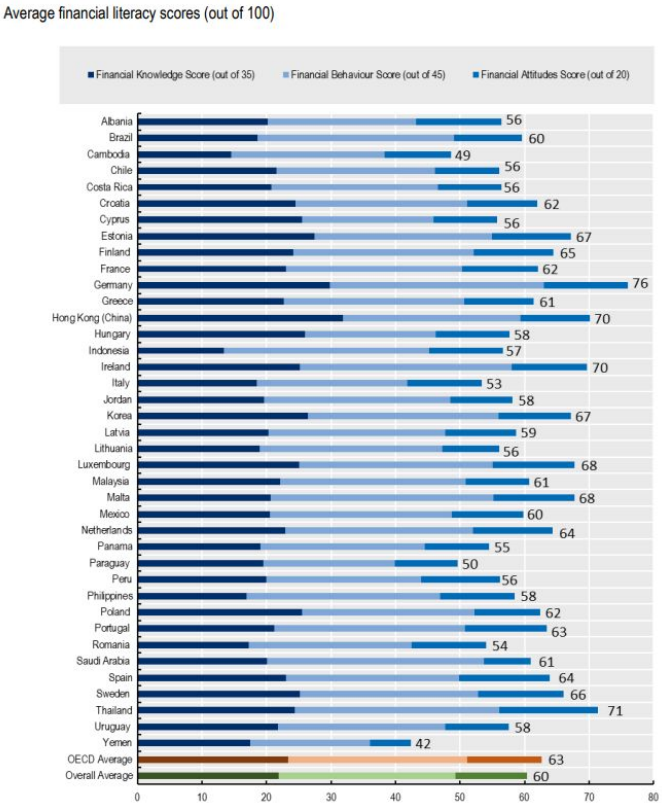


Data Sources: World Bank (2023)

Financial Literacy Gaps

Financial literacy, the skills, knowledge, and tools that enable individuals to make informed financial decisions, remains one of the most crucial skills for decreasing socioeconomic disparities. Access to a financial account does not, on its own, guarantee that individuals can use it meaningfully, and global data on financial literacy continues to suggest that this gap in meaningful use remains substantial. The OECD/INFE 2023 survey of 39 countries and economies found an average financial literacy score of 60 out of 100, with only 34 percent of adults reaching the minimum target of 70 [23]. This survey found that the weakest areas of financial literacy were in saving and borrowing, as only 42 percent of individuals could currently answer a question on compound interests and just 26 percent compared financial literacy products across various providers before purchasing [24]. Literacy is also closely related with income and education, as informal workers often have lower financial knowledge, and many of these individuals have reported falling victim to a financial fraud or scam.

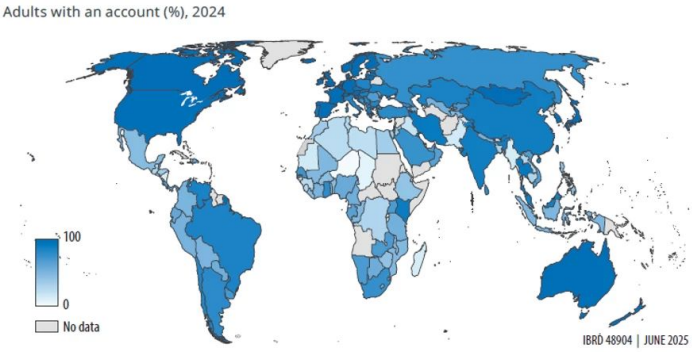
HAMUN



Digital Financial Inclusion

Digital financial services have made significant progress in shortening the inclusion gap within the financial world, with the World Bank's Global Findex 2025 reporting that 79 percent of adults worldwide now hold a financial account, an increase from the 74 percent reported in 2021 [25]. Mobile technology has been key in this shift, as 10 percent of individuals in developing economies now use a mobile money account to save, while 42 percent make digital payments, a 35 percent increase from 2021 [26]. Yet, 1.3 billion individuals still lack access to financial services, despite 900 million of them already owning a mobile phone or device, highlighting that this gap is still incredibly prominent.

Progress also remains uneven across various regions, with financial account ownership growing to 58 percent in the Sub-Saharan Africa regions, but only reaching 53 percent in the regions of the Middle East and Northern Africa [27]. This shift to digital financing, however, also introduces new risks, as only around half of the 4 billion individuals in low- and middle-income economies own a mobile phone with adequate safety features to protect it, making this shift to a digital economy incredibly important to track [26].



Source: Global Findex Database 2025.

Case Study: Togo's Novissi Program

When the COVID-19 pandemic reached Togo, a nation in West Africa, in March 2020, the lockdowns threatened a demographic that the nation's social protection systems had never been built to reach. Informal workers make up 90.4 percent of Togolese workers and contribute between 20 to 30 percent of Togo's GDP, yet, had been widely recognized and ignored [28]. Before the pandemic, Togo's social programs often had very low coverage, with minimal to no presence in urban regions, and the nation as a whole severely lacked a comprehensive social registry [29]. The nation also had a national ID system that did not actually record most of the population at that time, leaving the government with no ready way to identify informal workers [30]. As the devastating economic and social effects of the pandemic rose, in April 2020, the Ministry of Digital Economy and Digital Transformation launched Novissi, a fully digital unconditional cash transfer platform built in roughly 10 days [28]. This platform allowed applicants to register by dialing a number from any phone, and eligibility was checked against a 2020 voter database of 3.6 million voters, which did cover 90 percent of adults in Togo and included self-declared occupations [28]. The transfer was set at 30 percent of the monthly minimum wage and was paid directly into online mobile financial accounts. In the first two months itself, the program reached 567,000 individuals, 65 percent of whom were women, and by March 2021, the program had reached over 819,000 individuals and disbursed approximately $23.9 million USD [28]. In October 2020, the Togo government partnered with the NGO GiveDirectly and university researchers to extend the reach of Novissi, and by July 2021, more than $8 million USD had been distributed to another 138,531 individuals [30]. The World Bank also utilized IDA financing under its West Africa Unique Identification program to support Togo's social protection programs [30]. The UN Department of Economic and Social Affairs (DESA) Division for Public Institutions and Digital Government also highlighted Togo's Novissi program in its report of Member State's digital COVID-19 responses to encourage further support and collaboration [31].

Questions to Consider

1. To what extent should financial systems adapt to the realities of informal labour, or should informal workers adapt to the existing financial systems?

2. What roles do governments, private corporations, and international organizations each play in expanding financial access for non-traditional workers?

3. How can the benefits of digital financing tools be compared to the risks they may cause?

4. What demographics or groups of individuals may still be overlooked by current financial inclusion efforts, and how can policies be revised to include them?

5. In what ways can the success of financial inclusion efforts be measured beyond the number of financial accounts open within a region?

6. What level of international cooperation is necessary to address the global financial exclusion crisis, given the differences in economic statuses between various nations?

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