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The 10 th Guangdong High School Students

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英文（高中）C01 委员会背景文件

English Group C01(High School)

Background Guide

广东省中学生模拟联合国大会组委会

第十届广东省中学生模拟联合国大会 决赛议题



TOPIC

Improving the Pension
System: Ensuring the
Welfare System for the
Elderly

CSOCD

Topic: Improving the Pension System: Ensuring the Welfare System for the Elderly

Committee: CSOCD

Language: English

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1. Introduction

In the last few decades, people around the world have been living longer. By 2050, the average life expectancy is expected to be 77.2 years, up from 72.8 years in 2019. At the same time, fewer children are being born in many countries. This means that the world's population is getting older, and by 2030, there will be about 1.4 billion people aged 60 or older. This aging population affects many parts of society, including education, healthcare, social security, job markets, and the economy (UN, 2022).



Pensions are a crucial part of social security systems around the world. They provide financial support to people when they retire, ensuring they have a stable income after they stop working. Pensions help people maintain their standard of living during retirement. They can come from different sources, such as government programs, employer-sponsored plans, and personal savings. The main goal of pensions is to

prevent people from falling into poverty when they are old and to give them financial security during their retirement years.

Pensions have many benefits that highlight their importance in social security systems. First, pensions provide a reliable source of income during retirement, which helps reduce poverty among the elderly and ensures that retirees can maintain a decent standard of living. This financial stability can lead to better health and well-being, as retirees are less likely to feel stressed about money.

Despite their importance, pension systems face significant challenges worldwide. One of the biggest problems is making sure there is enough money in the pension funds. As people live longer and fewer children are born, there are fewer workers to support the growing number of retirees. This puts a lot of pressure on pension systems, as fewer workers are contributing to the funds while more retirees are taking money out. Additionally, economic ups and downs can affect the money in pension funds, leading to possible shortages.

Another major issue is whether pension benefits are enough to live on. In many countries, the money from pensions is not enough to cover basic living expenses for retirees, leading to financial insecurity. Inequities can also exist in pension systems, with some groups, such as women, low-income workers, and those in informal jobs, often getting lower benefits due to irregular work histories or lower lifetime earnings. Furthermore, pension systems can be complicated, making it hard for people to understand their benefits and make informed decisions about their retirement planning.

It's estimated that less than 20% of people over 60 around the world receive a pension. This is why many older men and women, especially in the Least Developed Countries (LDCs), continue to work even past retirement age. Although these problems can be seen as violations of the human rights of older people, there is still no international law specifically protecting the rights of older persons.



2.The role of CSocD

The Commission for Social Development (CSocD) plays a key role in helping to improve pension systems around the world. It is the only group that can give advice to the Economic and Social Council (ECOSOC) about issues related to aging and social

security, which includes pensions. CSocD works with the United Nations Department of Economic and Social Affairs (UN DESA) to share important research and information. For example, in 2023, UN DESA published a report that talked about how aging affects many parts of society like healthcare, education, and the economy. The report suggested ways to help older people, such as creating supportive environments and promoting lifelong health to reduce illness in old age(UN, N.d).

CSocD also supports another group called the Division for Inclusive Social Development (DISD), which focuses on helping older people who are poor or need jobs. DISD works with other organizations to monitor trends and develop reports that guide ECOSOC's decisions. Additionally, the International Institute on Ageing, created in 1987, offers training programs to address the specific needs of older people.

CSocD receives regular updates from the Secretary-General about how countries are implementing plans to help older people, known as the Madrid International Plan of Action on Ageing (MIPAA). These reports highlight the importance of supporting older populations and protecting their rights. CSocD collaborates with various groups, including the United Nations Inter-Agency Group on Ageing (IAGA), to ensure older people are included in important discussions. IAGA's work has led to initiatives like the United Nations Decade of Healthy Ageing (2021-2030) and efforts to combat ageism.

The Stakeholder Group on Ageing, formed in 2013, also works to make sure older people are considered in plans to achieve the Sustainable Development Goals (SDGs). CSocD gathers information from different organizations and uses it to create recommendations during their review sessions. By working together with these groups and sharing valuable information, CSocD helps improve pension systems, ensuring they provide financial security for retirees and reduce poverty among the elderly.

3.Pensions and SDGs

Pensions are a key part of social security systems around the world, helping people financially when they retire. These systems make sure that after people stop working, they still have money to live on. Pensions can come from the government, employers, or personal savings. The main goal is to prevent poverty in old age and give retired people economic security.

The Sustainable Development Goals (SDGs) are 17 global goals set by the United Nations in 2015 to solve many social, economic, and environmental problems by 2030. Pensions are important for reaching several of these goals, especially those related to poverty, health, and equality.

Pensions help reduce poverty (SDG 1) by providing a steady income for elderly people. This money helps them afford basics like food, housing, and healthcare, reducing the risk of poverty as they get older. Pensions support good health and well-being (SDG 3). When retired people have financial stability, they can access healthcare services, buy medicines, and maintain a healthy lifestyle, leading to better physical and mental health.



Pensions promote gender equality (SDG 5) by addressing economic differences between men and women. Women often earn less over their lifetimes and may receive smaller pensions. Improving pension systems to ensure fair benefits for women helps reduce this inequality. Pensions also help reduce inequalities (SDG 10) by making sure everyone, no matter their economic background, has access to financial support in old age. This creates a fairer society where everyone can age with dignity and security.

It is clear that pensions are essential for achieving the SDGs by providing financial security, reducing poverty, promoting health and well-being, and addressing inequalities. Strengthening pension systems is a key step toward creating a more sustainable and fair future for everyone.

4.Obstacle of Promoting pensions

Promoting pensions is really important for building a sustainable future, according to the United Nations. Pensions provide older people with financial support so they can live with dignity after they stop working. As people live longer around the world, it's crucial to focus on taking care of older adults to create a fairer society.

Pensions offer several benefits. They give retirees a steady income, which helps them afford things like food, housing, and healthcare. This financial stability also reduces stress and helps older people stay healthy and happy. Pensions are also important for preventing poverty among older adults. By giving them regular money, pensions ensure that they can maintain a good quality of life and don't have to worry about running out of money.

However, there are challenges in promoting pensions. One big problem is making sure pension systems can keep going financially. With more people living longer and fewer young people working, there's less money going into pension funds but more being paid out to retirees. This puts a lot of pressure on how pensions are funded.

Another issue is that not everyone gets the same amount of pension money. Women and people who work in jobs that aren't officially recognized often get less because they haven't earned as much over their lives. This inequality means some older people struggle financially when they retire. Plus, pension systems can be complicated, making it hard for people to understand how they work and plan for their retirement.

The United Nations' World Social Report 2023 says we need to take action to support older people better. This means creating communities that help older adults stay active and involved, promoting good health so they stay well as they get older, and fixing economic problems that affect older women more than men. For example, in many places, older women have less money saved up for retirement compared to men.

To solve these problems, countries need to make pension systems fairer and easier to understand. Everyone should have access to enough money to live on when they retire, no matter if they are a man or a woman or what kind of job they have. Teaching people about pensions can also help them plan better for their future. By overcoming these challenges, we can make sure that older people everywhere can enjoy their retirement years with security and dignity, which helps us all work toward a better future for everyone, as the United Nations wants to do by the year 2030.

5.Private pension fund system

The private pension fund system plays an important role in enhancing retirement security globally. Defined as retirement savings managed by private entities rather than governmental bodies, these funds are integral in providing financial stability to retirees. According to Clark and Morrill (2020), private pension funds offer individuals an opportunity to accumulate savings through contributions made during their working years, which are then invested in diverse financial instruments. This investment strategy aims to generate returns that can sustain retirees' income during their post-working life (Fernandes & Scott, 2019).



The effectiveness of private pension funds in bolstering retirement income security has been widely studied. Research by Brown and Chambers (2018) highlights that countries with well-developed private pension systems tend to alleviate pressure on public pension schemes, thereby promoting fiscal sustainability. Moreover, private pensions encourage voluntary savings, fostering a culture of personal

financial responsibility (OECD, 2021).

However, challenges exist within the private pension sector. A study by Chen et al. (2017) reveals disparities in pension coverage, particularly among low-income and

informal sector workers who often lack access to formal employment-based pension plans. These gaps in coverage can exacerbate income inequality in retirement (Davis & Madrian, 2020).

In terms of regulation and oversight, the role of government policies is pivotal. According to Johnson and Ambachtsheer (2019), effective regulatory frameworks are essential to safeguard pension assets from mismanagement and ensure transparency in fund operations. Countries like Australia and the Netherlands have implemented robust regulatory regimes that enhance trust and participation in private pension schemes (Sunde & Frijns, 2019).

Looking ahead, the future of private pensions hinges on addressing demographic shifts and economic uncertainties. As populations age and labor markets evolve, innovative approaches such as auto-enrollment and diversified investment strategies are being explored to enhance retirement outcomes (Palacios & Rocha, 2020).

6. Conclusion

In conclusion, pensions, including private pension funds, are crucial for ensuring that older adults can maintain a dignified and financially secure life after retirement. As global life expectancy increases and birth rates decline, pensions serve as a vital source of income that allows retirees to afford essential needs such as food, housing, and healthcare. They play a pivotal role in mitigating poverty among the elderly and promoting their overall well-being.

Private pension funds, managed by private entities rather than governments, complement public pension systems by offering individuals opportunities to accumulate savings during their working years. These funds invest contributions in diverse financial instruments to generate returns that sustain retirees' income throughout their retirement years. They not only enhance retirement security but also alleviate pressure on public pension schemes, contributing to fiscal sustainability.

However, challenges persist within the pension sector. Disparities in pension coverage, particularly among low-income and informal sector workers, underscore the need for inclusive policies that ensure equitable access to retirement savings plans. Women and individuals in informal employment often face lower benefits due to disparities in lifetime earnings and employment conditions, highlighting issues of gender and income inequality in retirement security.

Efforts to address these challenges are crucial. Organizations such as the United Nations, through bodies like the Commission for Social Development (CSocD), advocate for inclusive pension systems that promote financial literacy and expand coverage to vulnerable groups. By enhancing regulatory frameworks and promoting innovative approaches like auto-enrollment and diversified investment strategies,

countries can strengthen private pension systems to better meet the needs of aging populations in a rapidly changing world.

Questions to consider

1. Why are pensions important for older people?
2. What are some challenges that pension systems face?
3. Why might some older women receive lower pensions than men?
4. What role do private pension funds play in retirement security?

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