



**Committee: World Bank**

**Topic: Effects of the Great Resignation on Recession**

**Chair: Carlos Garcia Guerra**

**Moderator: Jose Enrique Rodriguez Saucedo**

The World Bank is a specialized agency created by the United Nations to grant help and capital to those countries that suffered damages and devastation during World War II and to the nations that are requiring help to develop. In November 2012 in Washington, the bank granted a loan of half a million dollars to help Tunisia with key reforms, meanwhile the government administers the political advance. These are the type of actions the World Bank does, which can allow economic growth in different countries. In recent years the World Bank has been helping countries with COVID-19 problems. Most of these countries are under development, and that's the reason they need help during this crisis. On June 30th, 2022, the World Bank approved the intervention in 78 countries to help with the acquisition of vaccines for an amount of 10.1 billion dollars. The Bank is working with partners to stop the pandemic with the largest vaccination process in history.

Located in Washington, D.C, the World Bank is the second fundamental piece of the Bretton Woods system. It is in charge of managing financial and commercial management internationally. The first piece is the International Monetary Fund and the third is the General Agreement on Tariffs and Trade. The World Bank corresponds to the UN but they work independently.

The World Bank started operating in 1946, but it was first established in Bretton Woods, New Hampshire in 1944, and it currently has 188 members. The World Bank provides financial support for projects and their development. The financing of these projects depends on its ability to obtain loans in the international capital markets and to secure essential contributions from members. The voting power of the members corresponds to how much capital power they have, in other words, if a country has better capital than another, their vote has more value in decisions. The interest varies depending on different factors.

The decisions that the World Bank takes to provide loans has to be based solely on economic studies. Nonetheless, experts have been accusing the World Bank that politics, favoritism, and corruption, among other things, dominate the process of examination and evaluation in the acceptance and financing of projects. The bank is the main source of aid for countries that are not fully developed or are means of developing. The bank has been reaching farther but it is becoming increasingly difficult to respond to the needs of third-world countries that are becoming overwhelmed by debt.

One of the problems that World Bank has been handling is the great resignation. The great resignation is a current social and economical phenomenon that has taken place for the last couple of years. It began with people being unsatisfied with their job, workspace, and working conditions which pushed them to quit their job. The movement gained the most traction when the COVID-19 pandemic left companies and businesses in tricky situations when it came to Human Resources. The disruption caused by the pandemic and its consequences made employers sideline off many of the employees for less vital branches and send them home. This has turned out to be an introspective period for many people who questioned their jobs and their positions in the working environment.

Most people who quit their jobs were mostly part of the leisure, hospitality, food services, and retail industries. This can be attributed partially to the restrictions that the pandemic brought, but many others have quit due to the lackluster pay, underwhelming benefits or dissatisfaction with their current job.

Although the recession has been a nearing risk thanks to the current problems in recent years, the great resignation continues to wreak havoc amongst the job market across the globe. This isn't gonna stop anytime soon either; recent surveys indicate that 94 percent of people who quit their employment have reported that they do not regret their decision or that they would not come back to their previous position.

The job market over the last few years has been subject to a lot of unexpected changes, and it is a fact that it is tightening. Better pay and benefits from other jobs have been an important factor in fueling this phenomenon, and therefore made the job market flood with people quitting or changing. The quitting rates caused by the Great Resignation were felt hard during 2021, as job opportunities cleared after most pandemic restrictions were lifted. Just on March of 2021 the "quit rate" finished with 2.1%, but it soon became a 2.8% in April. The rates peaked at 3% in both November and December 2021, shocking economists' expectations. A tightening job market has left people no choice but to choose their best opportunities and try their luck with quitting their job. Experts are now not so sure if the Great Resignation is going to result in a positive or negative outcome for the job market.

Now, although economists, investors and citizens alike are growing concerned with a possible economic recession, the effects of how the job market shift will pair with this possibility are still quite unclear. For instance, experts are debating whether or not the economic downturn was caused by factors such as the pandemic, and the war in

Ukraine. In any case, if a recession does occur, economists fear that quitting a job may only aggravate the situation. For instance, the direct effect on people's situation after quitting or finding a job can leave them in an economic situation from which they may never recover.

As of right now, many institutions and companies are dealing with this problem that does not seem to have a quick solution. This is because people are not comfortable in their current jobs and are leaving them. They show no regret because they feel better after making this decision. The problem has intensified a lot in recent years due to the COVID-19 pandemic. A lot of people quit their jobs because they get unhappy, as we mentioned before, most of the people that are quitting are from health and food jobs, as well as other factors such as economic shift due to outside causes (The war between Russia and Ukraine). The importance of solving this problem is that with the departures of these people, other people are being affected. Furthermore, companies are the ones that are most affected, but we have to think first about the well-being of people. These crises are not going to stop but they can be anticipated, and they can be managed better and thus avoid damage to society. Solutions must be proposed, but these solutions must not affect society.

Speculating how recession may be influenced by the Great Resignation may prove to be a hassling task, but the facts must have to be reviewed first. The sudden loss of jobs and the condensation of the economic market have left many employees questioning their role at employment. Economic recession continues to be a growing fear in some experts' eyes, and other factors such as the housing crisis inflation and even armed conflicts such as the Ukraine-Russian War. Now, it is important for the committee to evaluate the possible outcomes of this situation. Let's set the example of a recession coming to fruition within the American economy (which is the main setting for the Great Resignation), an event like this would hinder the job market's ability to employ, and therefore, affect the livelihood of hundreds of thousands.

Despite these alarming consequences, there are still some redeeming points if a recession hits and people are unemployed. According to the Forbes magazine, a considerable amount of people who took part Great Resignation were actually trying to change to a better employment position, a person may be able to earn better during a time of crisis. Also, with such a recent event, economic authorities are yet to determine if the Great Resignation will keep an an exponential growth. In the case that an economic recession does not come, the Great Resignation is likely to stay growing at a linear, slow-but-sure pace. The economic landscape is less likely to give in to serious problems or any further economic crisis, instead, the results would consist of an even more aggressive hiring strategy from companies. Is this any good for the common folk?

Perhaps it is going to benefit the most prepared employees on the job market, but the economic setbacks are still yet partially unknown.

The topic of the Great Resignation has sparked thousands of discussions amongst experts, investors, the media, and of course, the people. This cultural and economic shift in the tide has been a growing concern, that if is not addressed properly by the committee, it will surely become a glaring issue for not only the American economy, but the world's too.

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