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Economic and Social Council

Research Guide



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Agenda 1 : Establishing a cryptocurrency system for international use and regulation

0. Committee Introduction

The Economic and Social Council (ECOSOC) is one of the six main organs of the United Nations (UN). The ECOSOC is comprised of 54 member states which are elected by the UN General Assembly for three years at a time for overlapping terms, and seats on the Council are given based on geographical representation.

The ECOSOC has formed many UN partnerships around the world. It provides unique global meetings for productive dialogues among states to bring about sustainable development. This goal is one of the most urgent priorities in the international community. Thus, sustainable development was at the center topic of discussion in the 2030 Development Agenda for sustainable development. In order to achieve this objective, emphasis on three pillars is required: economy, society, and the environment. The ECOSOC aims to promote effective policymaking by combining the concerns in all three fields to achieve sustainable development.

To be more specific, under the UN Charter, the ECOSOC is responsible for "promoting higher standards of living, full employment, and economic and social progress; identifying solutions to international economic, social and health problems; facilitating international cultural and educational cooperation; and encouraging universal respect for human rights and fundamental freedoms."

The ECOSOC's primary roles include addressing issues related to economic growth and development with specific regard to macroeconomic policy on international trade and external debt sustainability, security of financing for sustainable development, poverty eradication, globalization, and interdependence.

The ECOSOC has assisted many developing countries through times of financial crisis and development in order to spur growth and prosperity. Through its foreign aid programs, the ECOSOC has set goals in lowering poverty and relieving economic strain on countries facing large amounts of debt or countries that are in need of financial reconstruction.

To conclude, the ECOSOC has provided aid throughout the world in order to achieve sustainable development. The committee will continue to bring people and ideas together to facilitate collective actions that promote sustainable development.

1. Background

Cryptocurrency became ever more popular this year with news of overnight millionaires who invested in Bitcoin. Some people began to believe that the new currency could actually replace money that is used today. Even countries paid attention by implementing policies to regulate or use cryptocurrency. For instance, while Switzerland has a very optimistic view of the new currency, China banned most projects related to the asset. Indeed, there has been great controversy among countries whether to use or regulate crypto-asset or not. There are many characteristics that cryptocurrency have that captivated people and even nations.

First of all, cryptocurrency represents a digital asset, whose main purpose is to be a medium in exchange. It uses cryptography so that all the transactions are secured. The most prominent example of cryptocurrency is Bitcoin which was invented by Satoshi Nakamoto in 2009. By examining Bitcoin, it is possible to have a more clear understanding of the system of cryptocurrency. Bitcoin is based on a peer-to-peer network. In this system, every peer has a record of the complete history of all



transactions and thus of the balance of every account. Here, transactions are files that states for example, “A gives X Bitcoin to B” and is signed by A’s private key. Once signed, a transaction is broadcasted in the network, sent from one peer to every other peer. In other words, the transaction is known almost immediately by the whole network and after a specific amount of time, it gets confirmed. When a transaction is confirmed, however, it is set in stone and no longer forgeable. It cannot be reversed, it is part of an immutable record of historical transactions: of the so-called ‘Blockchain’. If a transaction is unconfirmed, however, it is not fixed and therefore, it can be forged. As there is no central authority, confirmation of transactions is done by people involved in Bitcoin. These people are called ‘miners’. In the peer-to-peer system, the miners carry out the process of confirmation in the middle of their every single transaction. To be more specific, they firstly untangle some cryptography, which is a form of the geometric puzzle, secondly stamp each virtual currency as legit and at last, spread them in the peer-to-peer system. These entire confirming processes are called “the mining”. After a transaction is settled, through this process, every node has to add it to its database, which means the provision of the cryptocurrency. It has become a part of the blockchain system, expanding the supply of the virtual currency. After then, the miners get rewarded for this job with a token of the cryptocurrency.

The genius of Bitcoin lies in its peer-to-peer mechanism for making countless transactions not controlled by a centralized entity. This is the most important characteristic of cryptocurrency. Without a central entity, people thought there would be many more problems. For instance, one major problem every payment network has to solve is to prevent the so-called “double spending” problem: to prevent that one entity spends the same amount twice. Usually, this task is controlled by a central server that keeps record about each and every balance. Essentially, this record of balance identifies those who have double spent. In this decentralized network, however, there is no such central server. Thus, every single entity of the network needs to keep the record of all existing balances. Peers in the network has a list with all transactions to check if future transactions are valid or if there is an attempt to double spend.

2. Major Issues & Previous Actions

One of the advantages of cryptocurrency transactions is that they are one-to-one affairs, taking place on a peer-to-peer networking structure that eliminates “the middleman” in transactions. Middleman refers to brokers, agents, and legal representatives. Such person complicates very straightforward transactions by adding paperwork, brokerage fees, commissions, and any number of other special conditions into the transactions. As a result, cryptocurrencies which do not require such individuals are more efficient than traditional business dealings. This characteristic also increases clarity in establishing audit trails, causes less confusion over who should pay what to whom, and facilitates greater accountability, in that the two parties involved in a transaction each know who they are. In other words, cryptocurrency technology made it possible to perform international transactions with a very low operational cost.

This peer-to-peer networking system allows for another advantage: individual ownership. In a traditional banking or credit card system, a third party can exercise power over one’s assets. For instance, banks can close individuals account without notice for infringements of a financial institution’s Terms of Service. However, there is no central authority to exercise such power in cryptocurrency. There is the only one entity which is the individuals involved in blockchain system. Perhaps the greatest of all advantages of cryptocurrency is that it fully gives people total ownership of their assets by providing them with private and public encryption keys that make up your cryptocurrency network identity.



Another major advantage that cryptocurrency offers, is the security of transactions. When one gives his credit card to a merchant, he gives access to his full credit line, even if the transaction is for a small amount. Credit cards operate on a “pulling” basis, where the store initiates the payment and pulls the designated amount from one’s account. Cryptocurrency uses a “pushing” mechanism that allows the cryptocurrency holder to send exactly what he or she wants to the merchant or recipient with no further information. In other words, cryptocurrency ensures anonymity for customers, which respects individual privacy and makes transactions secured.

There are numerous other advantages that cryptocurrencies bring forth. Some countries recognized these benefits and legitimized cryptocurrency in their economies. For example, Switzerland has become a part of this blockchain technology. A city called Crypto Valley, which is the center for companies that work with cryptocurrencies was built in Switzerland by the government. Its’ intention was to build this independent association to be a leading blockchain and cryptographic technology ecosystem in the world. The creation of Crypto Valley was initiated by Johann Gevers who was inspired by all the advantages that global industry offers. He even accepted the idea that the city should start accepting bill payments in Bitcoin. It was a way of showing how open-minded the city is. Ever since this development, the headquarters of Bitcoin Suisse has rapidly grown. It has more than 20 employees and trading volume has increased dramatically. To be more specific, in 2015 the company was doing 13 million Swiss francs in trading volume for one year, and now it is close to 300 million francs a month.

In this sense, some countries recognize the potential of cryptocurrency and employ it in their state. However, it is critical to mention that some countries are afraid of the application of Bitcoin. China, for instance, has a very negative view of cryptocurrencies banning new projects to raise cash or other virtual currencies through cryptocurrencies. Many nations regulate cryptocurrency despite its benefits for the following reasons.

To begin with, the absence of a central authority, which is the main advantage of cryptocurrency is also a major problem for countries as well. The reason is quite obvious. There is no central entity that can control cryptocurrency which implies that even the government cannot lay a hand on Bitcoin. According to the opinion of central bank representatives, adopting a cryptocurrency such as Bitcoin would be a very big challenge for the government, because they cannot control it or influence it in any way. With traditional currency, governments could control interest rates to influence money supply within an economy. However, there are no such methods that apply to Bitcoin.

Furthermore, cryptocurrency is very volatile in nature. Without any central authority, cryptocurrency cannot be controlled when its level of transaction is excessive. To be more specific, as there is no entity to intervene with cryptocurrency markets, dramatic changes in prices are possibly frequent. In January 2015, Bitcoin's value was \$170 and in, now it is more than \$8000. The value of the Bitcoin fluctuates all the time, it falls and it rises and there is a possibility that this will continue to happen. The problem is that this extreme volatility of cryptocurrency is dangerous for countries’ economies. As more of its citizens trade in Bitcoin markets, the volatile nature of Bitcoins can directly relay in a state’s economy.

Moreover, cryptocurrency is easily used for illicit activities. One of the key aspects in the use of cryptocurrency turns out the flow of anonymous money. Some people are taking advantage of anonymity that cryptocurrency offers in the fields of crime. “Cryptocurrencies provide an ideal means of payment for illegal goods and services, from narcotics, human trafficking, organs, child pornography, and other offerings of the dark web.” (“Sex, Drugs, and Bitcoin: How Much Illegal Activity Is Financed through Cryptocurrencies?” Oxford Law Faculty) Based on the research, Bitcoin,



the most well-known crypto-asset, was identified to be addressed as the major exchanging means in illegal “dark-webbed” marketplaces. It has exceeded almost \$250 billion in 2018, with several add-ups of \$400 billion in over 1,000 other cryptocurrencies. In addition, money laundering has been a great problem for Bitcoin. Due to the absence of central authority to regulate money laundering, a great number of people are using cryptocurrency to launder the dark money.

There are many other problems such as market manipulation and fraud with cryptocurrency. The research paper entitled “Price Manipulation in the Bitcoin Ecosystem” shows that one person was able to manipulate the price of Bitcoin in 2013 from \$150 to \$1,000. In addition, there is also the problem of taxation. Due to the anonymity of Bitcoin, people use it to hide some of their assets thereby avoiding taxation.

In this sense, there are a number of serious problems that pose a direct threat to the legitimacy of government as cryptocurrency provide an unlawful area in which people can do virtually whatever they want without supervision. The above-mentioned problem all starts with the main advantage of Bitcoin: the vacancy of central authority. Thus, in order to alleviate such problems, a sort of regulating or intervening mechanism is crucial. Next, this paper will uncover previous actions by states in dealing with the decentralized system of cryptocurrency.

3. Possible actions and solutions

One of the solutions was already mentioned with the example of China. China has dismantled many institutions that utilize cryptocurrency. Although this may seem like avoiding the problem altogether, it actually is an effective means of regulating cryptocurrency. Professionals suggest that by restricting the trade from digital currencies to actual currencies and regulating how banks and cryptocurrencies cross paths, the government could effectively separate cryptocurrencies from their economies, hence lowering their risk. China’s actions show that the government has taken this advice to heart. By restricting cryptocurrency, the government was able to successfully separate the volatility of bitcoin and its economy. As a result, the country was able to stabilize its economy from the fluctuations of cryptocurrency. It is important to mention, however, that doing so also eliminated the benefits that bitcoin have brought to the table. Therefore, more discussions to reason out better solutions are in need.

The most effective solution is with regard to self-regulation. Self-regulation is the regulation promoted by the economic agents themselves to which the rule is intended. Self-regulation has a major impact on the cryptocurrency market as national regulatory bodies have not yet issued relevant decisions on the subject. Promoting self-regulation participants within the market issuing rules to regulate the activity can generate greater credibility to the market. Private institutions must idealize and implement measures that facilitates advantages of cryptocurrency and minimizes its risks. Such measures, above all, have to aim to promote cooperation between the market agents.

For instance, a compliance program can be an effective measure for self-regulation. The compliance program is a set of internal policies and procedures of a company to comply with laws, rules, and regulations set by the government. For example, governments can set specific rules for businesses to verify its clients’ identities and assess potential risks of illegal intentions. This rule which is called “Know Your Client” actually exists in the United States of America. This rule must be followed by all companies and those that trade in cryptocurrency is no exception. In other words, such companies must verify its clients’ identities. This may be difficult in that confidentiality aspects related to the use of cryptocurrencies are extensive. However, using the information available in the Blockchain, it is still possible to track cryptocurrency transactions along with users’ identity. Therefore, an effective compliance program should be adopted by all companies to follow rules such



as know your client, in order to greatly decrease the possibility of use of cryptocurrencies for illegal activities.

In fact, such policies were actually implemented by the U.S. The Financial Crimes Enforcement Network (FinCEN), an agency within the US Treasury Department, published guidelines about cryptocurrencies as early as 2013, the mining or trading of Bitcoin as well as the operation of exchanges on which Bitcoins are traded would fall under the label of “money transmitters” and would be subject to the same Anti-Money Laundering (AML) and Know Your Client (KYC) measures as other money service businesses. Even Switzerland, a country very open with the use of cryptocurrency has such measures to identify users of Bitcoin. To be more specific, Bitcoin Suisse relies on the past transactions that were recorded on the Blockchains to identify prospective clients with accuracy. This allows them to check their client's background and see if someone has a tendency to engage in illegal activities.

Another way to decrease illicit activities with cryptocurrency is through direct intervention. The G20 nations agreed upon the need of a newly established intergovernmental organization specialized for cryptocurrency regulation or the expansion of the authority of current -existing organizations such as the IMF (International Monetary Fund) to effectively prevent and track the illicit flow of crypto-assets such as money laundering. This solution can be a great step forward to the goal of preventing of illegal flow of money because such actions take place in black markets worldwide. The main reason why black markets preferred cryptocurrencies as the means of exchange is that it can be easily sent to many places around the globe outside authority control. However, with the existence of an intergovernmental organization that specializes in tracking such flow of assets, it would be possible for multiple countries to cooperate with one another to track the flow of dark money, ultimately contributing to the creation of a global network for anti-money laundering prevention.

Other solutions include inviting professional investors to get involved in the place of cryptocurrency. If there are a number of related experts that can provide legal advice or suggestions, policymakers will be able to come up with pragmatic solutions that can fulfill the need for regulation for authorities while not interfering with the cryptocurrency market unnecessarily. Again, Switzerland employed this method in July when SIX, the Swiss stock exchange, announced plans to introduce the cryptocurrency trading platform to make it easier for professional investors to get involved in the space.

4. Definition of Key Terms

Cryptocurrency: a digital or virtual currency designed to work as a medium of monetary exchange.

Blockchain: a public ledger of all transaction that ever happened within the virtual network.

Miner: a person who can only confirm the transaction in the cryptocurrency system by solving specific cryptographic puzzles and gain some rewards and transaction financial fees.

P2P(Peer to peer) electronic cash system: an electronic system which allows online payments to be sent directly from one party to another without going through a financial institution.

Double-spending: fraudulent technique of spending the same amount twice.

Decentralized cash system: an electronic cash system with no servers involved and central controlling authority simultaneously.



Money Laundering: the act of concealing the transformation of economic profits from illegal activities and corruption into ostensibly legitimate assets.

Anti - Money Laundering: the movement that suppresses any money laundering actions utilizing the blockchain system

5. Affiliated Document & Organization

1) FATF(Financial Action Task Force on Money Laundering)

It is an intergovernmental body established in 1989 by the Ministers of its member jurisdictions. The FATF puts its goal on setting standards and promoting effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. It can be seen that this is the main body carrying out the research about the anti-money laundering crimes.

2) IMF(International Monetary Fund)

It is an organization of 189 countries all over the world, working to cooperate with the global monetary system and stabilize the international financial system. Not just limited to this, it struggles to promote sustainable economic growth. Because the anti-money laundering utilizing the cryptocurrency system draws confusion to the global financial system based on its technological vulnerabilities, IMF is now on the process of research to solve this worldwide financial problem.

3) FSB(Financial Stability Board)

The FSB monitors and analyzes vulnerabilities affecting the global financial system and proposes actions needed to address them. In addition, it monitors and advises on the market and systemic developments and their implications for regulatory policy. Since the 21 century does not come to the level yet, which can fully ensure the validity of the use of cryptocurrency system, the FSB is on the process of monitoring this new-came mechanism.

4) OECD(Organization for Economic Cooperation and Development)

It is the organization enhancing the international economic cooperation for sustainable development. The OECD Secretariat collects and analyses data, after which committees discuss policy regarding this information, the council makes decisions that will influence the global society. In the economic field, OECD is the only influential institution in the sense of that outputs of its discussion can be realized in real society.

6. Critical Questions to Consider.

- 1) **How could governments regulate cryptocurrencies? What method could they utilize to control a currency that is created to be decentralized and anonymous?**
- 2) **How could government include virtual trading in their economy? Is it possible for them to craft economic policies while taking into account cryptocurrencies?**
- 3) **What are the pros and cons of cryptocurrency? Do the pros outweigh the cons or is it the other way around?**



- 4) What are different perceptions that nations have toward cryptocurrency?
- 5) How can countries with different views on cryptocurrency reach a negotiable solution?

7. Conclusion and Advice

The subject of debate is international use and regulation of cryptocurrency. This means that regulating Bitcoin in a way that completely restricts its use is essentially off topic. One must remember to regulate the problems of cryptocurrency in a way where the advantages of cryptocurrency are preserved. In the case of cryptocurrency, this may be more tricky to do in that the main advantage is also the primary disadvantage. The benefits caused by decentralization also create some serious problems. Despite such difficulties, however, it is critical to provide solutions that do not undermine the decentralized system of cryptocurrency altogether in order to preserve the advantages it provides.

Thanks to all delegates that have read this research guide thoroughly. The chair's advice is to remember to devise plans that promote advantages of cryptocurrency. Not eliminating the benefits along with its problems. This is a very challenging task. But carrying out this task will be the main discussion of the committee. Furthermore, there are much more problems, benefits, as well as possible solutions to cryptocurrency other than those mentioned in the research guide. Although the points mentioned in the guide may be at the center of importance, it is advised to discuss other things related to the topic. I thank the delegates again for reading through the guide and hope to see all of you this January.

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Agenda 2 : Ways to implement reconstruction, development and sustainable peace in post-conflict countries

0. Committee Introduction

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1. Background & Major Issues

1) Status Quo

The outbreak of Civil wars and the World wars have been a main international problem, especially ever since 1945 when over 140 civil wars occurred. It is estimated that the number of casualties draws near to 20 million, and those who are displaced near to 67 million. Even after the end of the Cold War, more than 100 severe armed conflicts have taken place together with a great deal of minor conflicts which led to at least 25 battle-related deaths, to wars which led to 1,000 or more battle-related deaths. More than that, other forms of brutality such as intercommunal violence, genocide and coup d'états occurred as well.

Some cases of such wars and aggressions include civil wars in Sierra Leone, Nigeria and Indonesia, which were due to sharp falls in income and increased the unemployment rate. There were also civil wars which happened in Yugoslavia, as the country had experienced the liberal reforms in 1989. Moreover, the economic depression in Europe led to several revolutions in the 1840s, and the Great Depression in the 1930s triggered fascism, and eventually the Second World War (WWII).

There are even more severe damages such wars have brought about, which indicates the post-conflict problems. To be more specific, the international society ought to pay the human, social and economic costs of such tragedy for rebuilding their society and drawing the national stability. For instance, some victims of the wartime might suffer from physical and mental disabilities even if they survive from a war. A notable case can be found in the case of Africa, where people from military and paramilitary forces transmitted life-threatening diseases like AIDS/HIVs. In addition to such human losses, social and economic problems such as absolute poverty and reduced productivity are existent, regarding the destruction of infrastructure and residential buildings. To exemplify, GDP per capita in Rwanda became 25~30 percent lower after the genocide which happened in 1994.

2) Main Causes

There are three main factors of post-conflict problems, which are poverty, economic stagnation, and discrimination. The three factors are closely connected to each other.

A. Poverty

To begin with, poverty and armed conflict have a close link to each other. Such relevancy can be confirmed by statistics in the United Nations Development Programme (UNDP) Human Development Index (HDI). The HDI mentions that half of the countries going through civil conflicts since 1989 are in the bottom quartile of the included countries and that with one-third of the remaining countries in the next quartile, more than 80 percent of the countries which have experienced such conflicts are in the bottom half of the HDI. As a result of poverty precipitated by armed disputes, countries get to struggle with low-income levels and high unemployment/underemployment levels, and vice versa. Such countries are likely to experience continuous inequality compared with countries with high or medium income, in aspects like literacy, education, and health.



B. Economic stagnation

Another important cause of post-complicit problems is economic stagnation, which leads to impoverishment, inequality, and pessimism regarding the future. Such economic depression that accompanies feelings of insecurity has increased worldwide, especially among countries in Africa, South America and the Pacific Region where development level is low and thereby income is also low. However, governments lack the ability or will to go through such problems by income transfers, thus widening inequality both within and between states. Such phenomenon results in more dissatisfaction, political instability, and increased risk of conflict.

C. Discrimination

Last but not least, discrimination referring to social divisions and political oppressions brings about aggression. Conflict will possibly increase if economic inequality happens because of discrimination. More specifically, socially and politically privileged members are likely to exercise their power against minor society groups, concerning their class, gender, nationality, race or religion. Such a phenomenon is shown by an index regarding political freedom, which was produced for the UNDP. According to the index, practically all countries that have gone through civil conflicts account for the low half level of political freedom.

2. Previous Actions

1) Romania

Romania was a country with one of the most oppressive governments and therefore had severe hardships in the process of transition into a democratic government after a violent revolution. Since the institutional landscape and the legal framework has transformed more quickly than the sense of citizenship, most Romanian citizens still lack trust of their government as well as public institutions and therefore do not actively take part in governance processes. This current situation is entangled with a variety of related problems like uneven access to resources as well as other socio-economic problems, lack of knowledge concerning human rights, and weak democratic skill.

There have been numerous efforts to overcome such circumstance, which quite contributed to rebuilding the nation's trust in government, professionalizing a transparent government, and setting up an environment to proactively participate in policy-making decisions. Major attempts include:

A. Instituting the Ministry of Public Administration in 2001 with the purpose of developing a professional, politically stable and unbiased administration which serves as civil servants;

B. Introducing laws for local public administration, thereby making citizens be engaged with solving local problems and making local council meetings open to the public;

C. Increasing government contact with the civil society, by founding a special government Department of Co-operation with Non-Governmental Organizations and State Secretary for Social Dialogue and a Department for Interethnic Relations;

D. Taking legal measures in order to guarantee transparency in recruiting civil service positions and ensure the neutrality of civil servants;

E. Establishing rules and codes of conduct which guide the behavior of public servants as well



as the development of a network of public ethic officers;

F. Setting new institutional mechanisms for social dialogue between employers, trade unions and governments and for mediation in the case of disputes;

G. Founding a Council for National Minorities in order to protect the minorities' rights, and going through a legislative process to secure education in minority languages; and

H. Ensuring representation of all ethnic minorities in the Romanian Parliament via voting or ensured representation of each of nearly 20 minorities.

2) Rwanda

Rwanda underwent an important institutional reconstruction process, after the civil war and its wide-scale genocide of 1994. After experiencing its post-conflict state of destroyed infrastructure and depleted resource, Rwanda faced six major challenges, each of which relates to the following:

A. Security: A new national security force, as well as a program which encouraged the people to ensure their security, was created.

B. Politics: For national reconciliation and the reconstruction of stable political institutions, Rwanda provided space for public pluralism, which promised freedom of expression and influenced free media.

C. Judiciary: Legal and constitutional commissions were organized. For instance, after the genocide of 1994, the International Criminal Tribunal for Rwanda was established to resolve the conflict resolution and make new rules of law.

D. Economy: Various national initiatives, as well as strict practices concerning financial and economic management, were implemented.

F. Administration: The Government of Rwanda launched out into setting a public administration reconfiguration plan, to introduce new challenges implemented by the new constitution and changed local capacities.

G. Social cohesion: Introducing more transparent and accountable institutions played a positive role in thwarting the negative tendencies of ethnicism, regionalism, and nepotism when it comes to public business rather encouraging the aspect of the “Imagined Country”, which indicates the social harmony based on the “we-feeling”.

3) South Africa

The South African Police Service (SAPS) successfully recovered from conflict, thanks to the country’s unique political environment and its transitional path to democracy. Management of the reform process was done in three phases of rationalization, amalgamation, and change. Key aspects of the process include the following:

A. Addressing issues of demographic representation, concerning equality of ethnicity and gender;

B. Introducing not only a system of labor relations but also a system regarding management and



regulation of police conduct;

C. Providing enhanced access to police services and adopting community policing in order to address the previous hostility of the community; and

D. Introducing a new selection system, a program which trains about human rights, a code of conduct and amending the basic training curriculum.

3. Possible Actions & Solutions

As mentioned in the primary causes of post-conflict problems, main considerations surrounding this agenda such as economic welfare, social harmony, and political stability are closely linked to each other. Therefore, all aspects must have a key part in forming a workable post-conflict strategy, which is aimed to solve post-conflict problems by reconstruction, development and safeguard for world peace.

1) Institutional framework

To start, a legal framework is critical in reconstructing and strengthening the affected nations internally, since a nation's social structure is likely to have changed (usually become underdeveloped) post-war. In this case, the government and public administration should give effort in establishing newly structured systems, programs and institutions such as law-enforcing institutions, thereby outlawing discrimination and heading towards peace. For example, the institutional transformation which affected economic and social progress played a major role in creating the European Union (EU). Meanwhile, people should be concerned about the implementation of such institutions, and they should provide criterion in order to judge whether the governors are committed to achieving the objective of reconstructing post-conflict countries. Such judgment via criterion enables a continuous feedback about the quality of governance in a certain state.

2) Reconstruction and fundamental aid

In order to bring economic activity back to life, reconstructing damaged infrastructures and providing social services will be major tasks. Since nutritional standards encounter problems of inadequacy and descent towards low levels, and since housing problems due to the destruction of residential buildings are serious, the provision of such lackings seems to be mandatory. Thus, basic needs such as food, shelter, clothing and medical services must be given in priority to post-conflict countries for survival. This can be done through economic assistance from other countries, with the basis of the Marshall Plan (which is widely recognized as an ideal form of support from the outside, despite being implemented for a short time at about 60 years ago). One thing to bear in mind is that such support should be in progress taking account of the international economic policy. Another thing to consider is that the reconstruction should be a long-term task since according to World Bank estimates, it may take a country with low income least 4~5 years for effective use of foreign aid.



3) Improvement of economic conditions

Most importantly to be addressed in this committee, there should be measures to improve the depressed economy and thereby gain additional help in solving other related problems such as poverty. Such attempts should be made depending on two main decisions that are critical for the economic development of post-conflict countries.

A. Adoption of general goals

The countries should follow general goals that the international society stresses to work on to improve economic welfare. There are particularly five goals of such macroeconomic policy:

- a. Achieving high employment levels and job security, so that everyone feels that they are contributing to the future development of their country;
- b. Sustaining the required growth in order to maintain the previously accomplished goal in a long-term view;
- c. Keeping prices stable so that other objectives could be stably fulfilled regardless of the rate of inflation;
- d. Ensuring that the distribution of what is gained from economic progress is accepted as being fair, and making sure that none exists below a socially tolerable standard of living; and
- e. Externally balancing on both short-term and long-term capital accounts, in order to enable the nation to conserve its economic sovereignty and seek the other four goals.

B. Application of goals into countries

Individual countries should keep in mind several considerations when it comes to applying the mentioned goals into their domestic environment. For example, countries need to employ an ownership system of productive resources and keep control of the allotment of resources that are most prone to achieve their main goals. When going through such process, countries should regard their problems as well as social preferences of the people. In this way, flexible and practical economic measures can be implemented to solve post-conflict situations.

4. Definition of Key Terms

1) Coup d'état

The sudden, violent overthrow of an existing government by a small group against the major group's political authority.

2) HIVs

HIV is a virus spread through certain body fluids that attacks the body's immune system. Over time, HIV can destroy plenty of cells that the body cannot fight off infections and disease. These special cells help the immune system fight off infections. Untreated, HIV reduces the number of cells (T cells) in the body. This damage to the immune system makes it harder and harder for the body to fight off infections and some other diseases

3) GDP Per Capita

Per capita GDP is an indicator of the change or trend in a nation's living standards over time, since it adjusts for demographic differences between countries. Additionally, Per capita GDP functions as



an informal measure of a nation's real prosperity; the ranks of the richest nations by this metric are dominated by affluent countries with relatively small populations and disproportionately large economies.

4) Economic Depression

An economic depression is a long period during which the economic does not grow, and unemployment remains very high.

5) Stagnation

Stagnation is a prolonged period of time in an economy, in which the economic growth of less than 2 to 3% annually with the high unemployment and involuntary part-time employment.

6) Reconstruction

The movement of recovering the social stability of the nation-states' both politically and economically after the end of the wartime.

7) Absolute Poverty

A condition where household income is below a necessary level to maintain basic living standards (food, shelter, housing). This condition makes it possible to compare between different countries and also over time.

8) Imagined Community

Community holding nationalistic feeling(strong version of 'we-feeling') which is based on having cultural similarity, a common language, national cohesion, political leaders and so on.

5. Affiliated Document & Organizations

1) United Nations Development Programme (UNDP)

UNDP is a UN-affiliated organization which works in order to alleviate poverty, build peace, establish a democratic government, and eliminate economic as well as social inequalities. It supports governments in order to integrate the Sustainable Development Goals (SDGs) into their policies as well as their national development plans, and the main outcome of such support is the Millennium Development Goals.

Particularly concerning problems which surround post-conflict countries, UNDP helps develop the countries' capacities for governance. More specifically, UNDP offices support developing legitimate as well as effective core capacities and help transform governance through getting involved in processes such as constitution drafting and elections.

2) ECOSOC Resolutions for Peace-building and Post-Conflict Recovery

One of the main UN-affiliated organizations, ECOSOC has played a major role in establishing mechanisms that will guarantee the restoration of post-conflict countries, especially in the economic field. Notably, the Council created the ECOSOC Ad Hoc Advisory Groups in 2002 (with Resolution 2002/1), which set a framework for newly rising African countries. Other important resolutions include Resolution 2011/43, which deals with Sudan's northern areas, and Resolutions 60/180 and



61/16 of the General Assembly, which is about the co-operation between ECOSOC and the Peace-building Commission.

6. Critical Questions to Consider

- 1) **Does implementing institutional framework thoroughly satisfy the nation's economic needs, or is it necessary to establish a new framework with a broader spectrum, a universal framework for example?**
- 2) **What actions should each principal agent (such as governments of post-conflict countries, individual donors, international organizations, financial institutions, and so on) take, in order to seek economic development of post-conflict countries?**

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