**SKYMUN 2014 Chair Research Report**

**Committee**: Economic and Social Council

**Issue**: Ensuring sustainable developments in LEDCs through use of technology

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**Editor**s: Yoonjie Park & Jaewon Choi, Mentors

1. Description of the Issue

 The world entered the Information age half a decade ago, and  since then it has seen many vast improvements especially with the advent of the computer and internet. As MEDCs continue to fund its development through its access to technology, LEDCs have seen little progress and this has only increased the digital divide and economic growth of these LEDCs.  The less economically developed nation are struggling to playing catch up to these 1st world nations. Perhaps the most needed measure to bring sustainable development is through sustainable energy development. These nations need to invest in energy sources in order to make conventional electricity available for all. However not only is there a lack of advanced technology to aid the growth of these 3rd world nations, there is also in the disparity in the skillset of the average citizen to operate these technologies. There seems to be a need to educate and train individuals simutaneously. There has been many previous efforts to resolve the crisis. One Laptop Per Child(OPLC) is an organization that is striving to empower the world’s poorest children through computer access and technology education. For every OPLC laptop bought by a MEDC child (or school), the organization donates another of the same laptop to a child in an LEDC nation. The laptop design by OPLC is specifically made to endure harsh weather conditions. The organization has had much support from many governments and individuals,who have bought many of their products to aid the technological development of LEDCs. There has also been many projects to ensure the sustainable use of technology in nations where even electricity is hard to access. Many feel that renewable energy is the answer: using the geography in order to generate free energy,the people will be able to develop and use electricity for better public access,awareness and education of technology. For example:in a poor village in Nepal, two local engineers installed water turbines in nearby rivers and educated the public to facilitate  them. Not only did this create many jobs but it also allowed for nearby area residents to get access to electricity and thus increased the use of telecommunications technologies immediately. Some UN resolutions to alleviate the issue includes:1)GA Resolution 66.211 to facilliate the diffusion and implementation of modern technology in LEDCs 2) GA resolution 62/201, 59/220 to reaffirm the need to take measures to better the technological development in LEDCs 3) GA resolution 58/200 to encourage the distribution of technology around the world.

2. Definition of Key Terms

* *Digital divide:* the social and economic differences brought by the lack of access or skills to use technology, especially the internet.
* *Information and communication technologies*:a broad term that encompasses the integration of telecommunications, computers (and its adjunct software), storage , audiovisuals  that allows people to receive, store and send out information.
	+ eg. Phones, Computers
* *Technology:* A scientific or industrial invention that betters people’s everyday by making tasks more efficient. Largely divided into Construction technology, medical technology and information technologies.
* *LEDC:* an acronym for “Less Economically Developed Country.”( as opposed to “MEDC - more economically developed country)
* *Sustainability:* Ability to be maintains for a long time - taking into account the ecological, economic, political and cultural meanings behind an action.
* *Energy development:* Providing enough energy (primary and secondary) to sustain society. This includes conventional, alternative and renewable sources.
* *Infrastructure*: the basic structures needed to sustain and facillitate a society - the basic framework for the economy to function. It is an important indicator of a country’s development.

3. Timeline of Key Events

* **1963**→  The UN holds the Geneva  conference on Science and Technology to discuss solutions to the increasing gap between 1st world and 3rd world nations due to the rapid technological advancements of 1st world nations. The  conference strived to bring about measures to alleviate the problem through “strengthening science and technological capabilities of developing countries, restructuring international relations in technology transfer and strengthening the role of the UN system in promoting new forms of technological cooperation and increasing relevant financial resources.”
* **1971** →  The UN holds a UNCTAD(United nations Conference on Trade and Development) for an intergovernmental meeting on the need for technological development in LEDCs.
* **1975** → United Nations Environment Programme started the Division of Technology, Industry and Economics (DTIE) to create innovative policies for technology.
* **1993**→ The Commission on Science and Technology for Development(a subsidiary branch of ECOSOC), set by the GA resolution 46/235, holds its first meeting in New York.
* **2013**→ United Nations Economic Commission for Africa (ECA) hosted Rwanda Innovation Endowment Fund (RIEF) as a mean of acknowledging the potential power of Science, Technology and Innovation (STI) and funding Rwanda for its advancement in technology.

4. Position of Key Members and Other Bodies on the Issue

• **Angola** - As a country of sub Saharan Africa, the technology is limited. Advancement can reconstruct the development of the country. Many foreign companies have education programs for science and technology. There are also schools in Angol that are focusing on these areas such as the School of Science and Technology of Uíge and the Faculty of Engineering at the Catholic University of Angola.

• **Nepal** - Although Nepal had a late start in Science and Technology compared to other developed nations, as a developing nation, it is on its way. It is incorporated with various non profit and non governmental organizations for the advancement. Nepal’s new constitution in 1990 has emphasized on science and technology.

• **One Laptop Per Child (OLPC)** - OLPC is a non profit, non governmental organization  that provides children in need low power, low cost computers. This can help the children learn and be more globalized by connecting with each other. Many countries, such as Uruguay, Peru, Argentina, Mexico, and Rwanda are partners with this organization.

**• United Nations Educational, Scientific, and Cultural Organization (UNESCO)** - UNESCO is a non governmental UN body that deals with Education and Science Technology. It has many sub-bodies such as Technical and Vocational Education and Training (TVET) and Teacher Training Initiative for sub-Saharan Africa (TTISSA).

5. Suggested Solutions

 Countries in LEDCs, including those in Sub Saharan Africa can incorporate technology with organizations and programs with programs such as Basic Education in Africa Program (BEAP) to help the children to get the basic education through the use of technology and increase its efficiency. Not only that, but it could also foster a research and an international database with easy access to share knowledge pertaining to education worldwide. Also, Technical and Vocational Education and Training (TVET) can educate people about technology and can help the citizens get jobs, with their newly learned skills. Also, Teacher Training Initiative for sub-Saharan Africa (TTISSA) can ensure the quality of the teachers for the children. These teachers can get trained in the field of technology and teach them to the students.

 Also, MEDCs can help in spread of the Internet-accessing resources, through NGOs such as One Laptop Per Child (OLPC) or United Nations Educational, Scientific, and Cultural Organization (UNESCO) in LEDCs to ensure that children in LEDCs receive education in more efficient manner. Technology can enhance the condition and the quality of the education the people receive, in a much more efficient manner. As long as the basic items are equipped, much more can be achieved, such as jobs. Not only that, but also, medical technology can be implemented and save the lives of those people living in LEDCs.

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1. Description of the Issue

 January first, 1999, Euro comes to existence. 2001, Greece, the infamous country known for its debts converts to Euros. Within eight years, the country’s debts became larger than the size of their entire economy. The Prime Minister of Greece, George Papandreou, was forced to admit that the former governments had failed to recognize the size of the nation’s deficits. This had a large impact on the economies of the entire Eurozone since it is united under one currency, identical tax laws, and public pension rules.  One after another the countries of the EU fell into debt and the top indebted countries formed the acronym PIIGS (Portugal, Italy, Ireland, Greece, and Spain). Together they produced what is now known as the European Sovereign Debt Crisis. Many experts say that the EU will collapse and come to an end, however others believe that the union will persist.

 The question everyone seems to be asking is, “How did Greece end up in so much sovereign debt?” To start off Greece has been known, stereotypically, to be a show-off. People would live lavish lives they cannot manage to pay for. They would often rely on the banks for loans since Greece had just become a member of the EU. In other words, Greece thought they had a clean slate and that having a little debt wouldn’t and couldn’t hurt. However they were proved wrong in 2009, the country’s government could no longer obscure the debt they had reached. The government had not followed their budgets, the country itself would not admit the debt until it reached its historical worst point, and they had no intention of reducing their deficit. Instead, Greece has received over billions of Euros in bailout aid.

 According to the World Bank and International Monetary Fund, Italy has the fourth largest economy in the EU, and eighth in the entire world. But Italy has become a larger version of Greece, a country that has a debt too big and complex to resolve. Others countries have given up to help Italy since the problem seems impossible to handle. Most people suggest that the EU should let the country sink instead of wasting money in bailout aid to lesson their infinite debt. Italy, just like the other PIIGS countries, is uncertain of how far the debts may rise.

 For decades, Portugal’s government has been overspending and fell into debt. In 2011, the country requested 78 billion Euros in bailout and the government wisely used the money to reduce their sovereign debts. However the rate of unemployment rapidly rose over 14.8 percent, taxes were continuously raised, and the government’s wages were cut. The high rate of unemployment is what makes Portugal’s crisis seem hopeless. The nation’s debt continues to rise but in order to reduce it, the country must have at least a 10 percent budget surplus (for nearly a decade).

 Ireland’s economic crisis did not start commonly with government debts, the Irish property bubble did. The Irish Property bubble was the price of real estate in the 1900’s up to 2008. The prices and profits seemed to be doing well until in 2008 the bubble “burst.” The prices of homes in Ireland decreased rapidly and the amount of housing loans dramatically fell as well. To try and compensate the matter, the Finance Minister, Brian Lenihan, promised a two-year guarantee to bondholders and bank depositors. However, the Irish banks lost well over 100 billion Euros due to the loans of homeowners and property developers. On top of that, the rate of unemployment rose by 10 percent, leaving the economy of Ireland to crumble in 2008.

 With almost all the European Union countries in debt, it is a concern how the union will manage to bring the crisis to an end. They have taken action, but their progress seems to be incredibly slow. In order for the European Union to make progress, it will need all 27 countries to participate in this movement of change.

2. Definition of Key Terms

* **“Sovereign Deficit/Debt”**:  It is also known as government debt or national debt, which played the huge role in creating the European Union Crisis. Most country’s governments tend to overspend and pass their budget, and later on borrow more money to pay off the most urgent debt. It creates a cycle that only gets bigger, and seems impossible to break as time passes.
* **“European Monetary Union”:** The European Union is under one currency, identical tax laws, and public pension rules. Which means that even one country’s inevitable debt can largely impact the EU economy.
* **“Austerity Policy”:** A policy that Germany has introduced that they believe will work and will fix the Eurozone Crisis. It is a measure that all nations have to follow where they have to cut fees and to spend as less as possible.
* **“Eurozone”:** An agreement that allows these European nations to have a free trade agreement. They are under one currency known as the Euro. Different from the European Union.
* **“Euro”**: New form of currency formed by and for the Nations involved in the European Union.
* **“European Sovereign Debt Crisis”-** A period of time in which several European countries faced the collapse of financial institutions, high government debt and rapidly rising bond yield spreads in government securities. It started in 2008 with the collapse of Iceland’ banking system, and spread mainly to Greece, Ireland, and Portugal during 2009. The crisis led to a crisis of confidence for European businesses and economies. It is currently an ongoing crisis and makes it difficult or impossible for some of the European nations to re-finance their government debt without the help of third parties.
* **“European Union”-** More often abbreviated to “EU”, the European Union is an economic and political association of European countries as a unit with internal free trade and common external tariffs. It was created on November 1, 1993, and consists of 27 member states, 16 of which use the common currency unit, the euro. The terms European Economic Community (EEC) and European Community (EC) continue to be used loosely to refer to what is now the European Union.
* **“International Monetary Fund”-** Commonly abbreviated as the IMF, it is an organisation of 188 countries that work to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

3. Timeline of Key Events

* **1999**- The new currency, “Euro,” comes into existence.
* **2001**- Greece changes its currency to euros.
* **January 1, 2002**- Coins and notes for euros are introduced.
* **2005**- European Central Bank warns financial imbalances that are increasing.
* **2008**- Malta, Cyprus, and Slovenia  officially use changed to euros.
* **November 2008**- Interest rates continue to decrease dramatically. Loan interests increase dramatically.
* **December 2008-** Europe announces the 200bn euro plan.
* **2009-** Denmark, Estonia, Lithuania, and Latvia join the ERM (Exchange Rate Mechanism).
* **April 2009-** The European Union orders Spain, France, Greece, and the Irish Republic to cut their budget debts.
* **December 2009**- Greece’s government admits that their debts have gone over 300 billion euros (highest in history).
* **January 2010**- The Greek deficits have been reduced more than four times the maximum of the European Union rules.
* **January 2010**- Concerns fall over PIGS (Portugal, Italy, Greece, and Spain) as their debts increase.
* **February 11, 2010**- The European Union assures Greece that they will help get rid of their debts. The EU orders Greece to make spending cuts.
* **March 2010**- Government of Greece insists that no bailout aid is needed.
* **May 2, 2010**- Greece receives 110 billion euros (from the bailout package).
* **November 2010**- EU gives The Irish Republic 85 million euros in bailout.
* **2011**- Estonia converts to euros.
* **February 2011**- The European Union sets up a permanent bailout package called, “The European Stability Mechanism,” worth around 500 billion euros.
* **May 2011**- 78 billion euros are given to Portugal as bailout.
* **June 2011**- EU ministers order Greece to come up with new measures (to solve the crisis) before receiving another bailout package.
* **July 2011**- Greece receives another 109 billion euros to solve their debt crisis and to prevent Greece from harming other EU countries’ economies.
* **August 2011**- Spain, Italy, and Germany are facing large sovereign debts.
* **August 7, 2011**- The European Central Bank tries to buy the Spanish and Italian government bonds to help lower borrowing costs.
* **September 20, 2011**- Italy has their debt ratings cut.
* **October 6, 2011-** The Bank of England adds 75 billion euros to the UK economy.
* **December 9, 2011**- President of France (Nicolas Sarkozy) comes up with an intergovernmental treaty; including new budget rules to help solve the crisis.An effort to get all the 27 countries of the European Union to agree with the treaty begins.
* **January 2012-** Greece continues to make negotiations with private lenders. The country tries to make further spending cuts to be eligible for receiving another bailout package.
* **March 2012-** the EU hits the highest rate of unemployment in history.
* **March 13, 2012-** Greece finally receives another 130 billion euros in bailout.
* **April 2012-** Italian borrowing rates dramatically increase.
* **May 6, 2012**- The majority of Greece votes for parties that don’t agree with the country’s bailout agreement.
* **June 12, 2012**- Spain’s borrowing rate reached the highest in history since the existence of euros (1999).

4. Positions of Major Countries Involved

* **Greece**: Converts to Euros in 2001 and within eight years their debts were larger than their economy. Greece had failed to admit the amount of their debt until it became inevitable. They are one of the countries that has received the largest loans and euros in bailout. The country hesitates to cut budgets and lower their spending.
* **Ireland:** Their financial crisis did not begin with sovereign debt (like the other countries). Ireland’s economy went down in a turmoil after investing in the property bubble. It was the price of real estate in the 1900’s up to 2008. The market seemed to be doing well until in 2008, the bubble “burst.” The Irish banks lost well over 100 billion Euros due to the loans of homeowners and property developers. On top of that, the rate of unemployment rose by 10 percent, leaving the economy of Ireland to crumble in 2008.
* **Portugal:** Portugal’s government has been overspending and fell into debt. In 2011, the country requested 78 billion Euros in bailout and the government wisely used the money to reduce their sovereign debts. Also, the rate of unemployment rapidly rose, government’s budgets were being cut, and taxes were being raised.
* **Spain:** Spain was going through a large phase of constructing new homes. The construction provided 13 percent of the employment in Spain. However, the demands and prices for houses were reduced since it took too long to build. Which lead the constructions to a halt and raised the rate of unemployment.
* **Italy:**  Italy has the fourth largest economy in the EU, but the country’s debts seem too big and complex to resolve. The economic growth continues to lower as well. Italy is following the footsteps of Greece’s debt crisis, only worse. Having a larger economy makes the deficit crisis larger on the scale.

5. Suggested Solutions

 The European Union should start solving the debt crisis by first taking a look at Greece. Greece has the highest and largest rate of debt, and has no intention of cutting budgets or finding any resolutions to reduce the deficits. The EU should establish an exact budget that the government of Greece cannot surpass. If the country does go over the budget Greece should not be eligible to receive any bailout packages until they prove that their country can control their expenses. Putting a strict rule on Greece, or any other country, will prevent the country from increasing their deficits. I also propose that the EU should come up with a resolution to decrease the rate of unemployment. Unemployment is making the indebted countries impossible of escaping their debts. Without any surplus money, the deficits cannot be paid for. I feel that to create a stable economy in the EU, all the countries must participate and strive to create a resolution to end this ongoing crisis.

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