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Topic I:

Cryptocurrencies (e.g. Bitcoin) and their possible use as economic stabilizers

## **I. Background**

An **economic stabilizer**, or automatic stabilizer, is an economic policy designed to help stabilize one nation's economy. While before in the past, things such as corporate or personal taxes would be used to help boost the economic cycle, there is much debate on whether Cryptocurrencies can be used to help boost a nation's economy, given the amount of momentum and growth that is being driven behind them. **Crypto currencies**, as a whole, are a new form of currency (that act like paper based currency) but, they are entirely digital, heavily encrypted, as well as can be stored or transferred with electronic devices. Bitcoin, the first of these crypto currencies, is a decentralized crypto currency; it is not regulated or backed by a government, or organization. It is built on the principle that other people will respect its value - the trust that other people respect it as a currency. For example, a delegate can go to a merchant to buy a new suit for the PRAMUN conference however, instead of using euros as payment for the new suit, they pay the merchant in Bitcoin. Fundamentally, it is because Bitcoin is not controlled by a central authority, such as the United States Federal Reserve, that Bitcoin's value is based

entirely on growth and market demand. This would make sense, as Bitcoin is also inflation-proof, as there can only ever exist 21 million Bitcoin, or 20999999.9769 BTC (to be exact). Due to Bitcoin's hard limit at 21 million, this places scarcity on the currency. A limited supply on the currency is what makes Bitcoin so useful, as the currency can never devalue from inflation, which is an ongoing issue with paper currency that is not backed by gold.

Now that it has been established that Bitcoin can be used just the same as any other currency, there are characteristics, which make Bitcoin more useful than currencies issued by governments or banks.

In developing countries, Bitcoin has shown to be quite useful and is now an emerging market. Bitcoin in general is used to circumvent banks, basing transactions on a person-to-person system - meaning the fees are much lower, as it does not go through a bank's profit margins. This is vital for people residing in developing nations, as they do not have a large disposable income, meaning the more they can save on fees - the more they can devote towards productivity. Bitcoin transactions are instantaneous circumventing the 2-5 business days for the money to arrive in the account. Not only are they instantaneous, the fees are minimal, and Bitcoin can be exchanged to local currencies. So people can sell Bitcoin for their local currency and use that money normally - without expensive fees. Given this, the demand for Bitcoin will always be present in developing nations because the currency is universal and is not limited by borders. Those living in a developing country can exchange Bitcoin into whatever currency they wish. This is especially useful for people who have family members living in other countries, as they can send funds without the losses caused by bank fees, which sometimes run 10-20% or even as high as 50% of a total transfer.

One of the major issues with Bitcoin is the value or exchange rate fluctuates much like a stock. Meaning over short periods of time, Bitcoin can be worth much more or much less. While the value and fluctuation of Bitcoin may seem inconsistent, delegates should also consider how much economic growth, even one bitcoin could have yielded one's economy, if there were to have bought Bitcoin even one year prior to this conference. Bitcoin's value has grown, within one year, approximately 165% as a positive investment return. While investment returns like this can be found so rarely, delegates should consider Bitcoin's current price (once committee has opened), as well as long-term usage, when it comes to policy making.

On the contrary, government-regulated currencies are much more consistent in value. They do not spike up or down in value and usually remain more constant. The issue for debate with Bitcoin is there is not much emphasis on what defines Bitcoin (lack of education), and whether it has the capability to become a full-featured currency.

## **II. UN Involvement**

While the UN is not yet directly involved with Bitcoin, there are currently 7 United Nations entities that are now investigating or implementing Blockchain applications. The UN defines blockchain as, "... a distributed database that is continuously updated and verified by its users. Each added block of data is 'chained' and becomes part of a growing list of records, under the surveillance of network members. This technology enables the transfer of assets and the recording of transactions through a secure database." While the UN has been talking about their usage in adopting Bitcoin, it seems that the UN is more likely to jump on the usage of Ethereum, given that UN aid efforts have had a historical problem with fraud and mismanagement of funds. With Ethereum blockchain, it would be easy to not only secure payments, but to track down payments with a record transaction system, using private key encryption that can only be accessed through a peer-to-peer network system, ensuring a decentralized system of currency, with a secure distribution.

## **III. Bloc Positions and Possible Solutions**

While the standing of Bitcoin has reached the interest of many prominent leaders on an international level, this has only been achieved during a very short amount of time of only a year; as of last year, there was much debate on the legitimacy of Bitcoin as well as if it can even be considered that of a full-featured currency. Given this, and how fast the momentum of Bitcoin took off by this previous year alone, there has yet to remain any established bloc positions.

Delegates will be asked to pass a resolution, and work together, to see if Crypto currencies, such as that of Bitcoin, can be used to boost one nation's economy. The size of one nation's economy, as well as a delegate's ability to predict the consistency of what Bitcoin can provide, as well as other crypto currencies, should also be taken into consideration.

## **IV. Questions to Consider**

- a. How should the United Nations and the International Monetary Fund (specialized UN agency) categorize Bitcoin?
- b. Does Bitcoin have the ability to perform as a full-featured currency for the UN? How would this change the dynamic of Bitcoin being used internationally?
- c. Is a currency respected by people and the community an acceptable alternative, rather than a government-regulated currency? What difference does this make with

government-regulated currencies that do not hold real value, that are not backing its value, such as gold?

- d. Do developed nations have an advantage over developing nations, with obtaining crypto currencies?
- e. Can third world nations, see more economic growth out of using crypto currencies, than nations with an already developed economy?
- f. Are crypto currencies a consistent way to be used to boost one nation's economy?
- g. There are many different types of crypto currencies emerging, some of them being scams in order to obtain funds. Which crypto currency do you believe to stay here for the future?
- h. How much growth do you think Bitcoin will have in the future, given that it is a currency that can never devaluate??
- i. Is Bitcoin, a better alternative as a currency, than government-regulated paper currencies, that are not backed by gold?

## **V. Sources and Useful Links**

Video explaining the technical side of Bitcoin (without the use of jargon)

- <https://www.youtube.com/watch?v=t5JGQXCTe3c>

Site with documentaries explaining 3<sup>rd</sup> world usage of Bitcoin

- <http://Bitcoinfilm.org/>

Official Bitcoin Website (note there is also a resources page on this site)

- <https://Bitcoin.org/en/>

5 reasons the UN wants to jump on the Blockchain Bandwagon

- <https://singularityhub.com/2017/09/03/the-united-nations-and-the-ethereum-blockchain/#sm.000ow7en818dsf3311u4e825sahr2>

Topic II:

## Sustainable tourism as a means of creating jobs

### **I. Background**

**Tourism**, which the UNWTO defines as, activities of persons traveling to stay in places outside their environment, for leisure or business purposes, is often times a neglected part in a nation's economic sector, yet more importantly, one of the main economic sectors in the world. It not only generates important social benefits, as well as generates substantial economic benefits to both host countries and tourist home countries, it accounts for 9% of GDP, but 6% of world's exports. In 2014, over 1,000 international tourists travelled around the world, generating 1.5 trillion USDs. According to the United Nations Environmental Programme, the number of international tourist arrivals has increased by 3.3% on average since 2010, and according to the UNWTO, this forecast is to reach 1.8 billion by 2030. While this being the case, sustainable tourism is often times a topic overseen by the many issues of the world, yet should not be taken lightly given the amount of funds tourism generates in a globalized world.

**Sustainable tourism** is an industry committed to making a low impact on the environment and local culture, while helping to generate future employment for local people. It's always positive and always beneficial. Tourism creates jobs - lots of them. In fact, one person in every 10 is employed in tourism-related jobs. When it is well managed, tourism provides an incredible economic boost to host communities. For these reasons, almost every country in the world wishes to expand its tourism sector and increase the number of tourist arrivals. According to the World Travel and Tourism Council data: Travel & Tourism's direct contribution to GDP grew by 3.1% in 2016. This was faster than the global economy as a whole which grew at 2.5%, meaning that for six consecutive years, the Travel & Tourism sector has outperformed the global economy. The direct contribution of Travel & Tourism to employment grew by 1.8% in 2016 meaning almost 2 million net additional jobs were generated directly by the sector, and a total of around 6 million new jobs created as a result of total direct, indirect and induced activity. This means that almost 1 in 5 of all new jobs created in 2016 were linked to Travel & Tourism. Within G20 countries, China, India, Indonesia, Mexico and South Africa are expected to be among the fastest growing tourism and travel destinations. Among the non-G20 economies Kyrgyzstan, Myanmar, Tanzania, Vietnam and Zambia are expected to show the strongest growth. These statistics highlighting the significant contribution of tourism to employment and GDP speak for themselves. Furthermore, it is essential to make sure that the growth and development of this sector is sustainable, socially responsible and creates decent work opportunities.

## II. UN Involvement

In 2014, the UN General Assembly (UNGA) adopted by consensus resolution 69/233 on Promotion of sustainable tourism, including ecotourism, for poverty eradication and environment protection, a milestone resolution recognizing the contribution of sustainable tourism to poverty eradication, community development and the protection of biodiversity. The resolution, (available in [English](#), [French](#), [Russian](#) and [Spanish](#)) is significantly broader in scope than previous ones on the subject, builds on resolution **67/223 from 2012** and draws on a [report](#) prepared by UNWTO in **August 2014**. In line with recommendations of the report, it underlines the importance of appropriate national policies, guidelines and regulations for promoting sustainable tourism, including ecotourism, and encourages UN Member States and regional and international financial institutions to support sustainable tourism projects, enabling the creation of small and medium-sized enterprises, promoting cooperatives and facilitating access to inclusive financial services, including microcredit initiatives for the poor, local and indigenous communities. Acknowledging global challenges, such as climate change, migration and security, the UNWTO chief said, that 2016, 1,235 million travellers crossed international borders in one year. That was almost one-sixth of the people of the world making an international trip every year, “and while doing so, tourism is bringing tremendous benefits to communities, economies and societies.”

Generating **\$3.2 billion** of spending worldwide every day, tourism creates one-tenth of jobs globally, represents 10 percent of world’s gross domestic product (GDP) and is **30** percent of world trade in services. As the third largest export industry, travel and tourism fuel UNWTO’s long-term forecasts showing that **by 2030**, the number of travellers will reach **1.8 billion**.

But beyond the numbers and the economic benefits, travel and tourism is today a major contributor to a transformation that slowly and gradually is bringing us together, as humans, like never before, in a fast, globalized world. “Breaking down stereotypes and enabling people to celebrate rich cultural diversity, is “tourism’s greatest contribution to a better world,” according to Mr. Rifai.

## III. Bloc Positions and Possible Solutions

The UN world tourism organization (UNWTO) was established in the very early 1990s, and since then, has developed a set line of rules and guidelines aimed for those whom are interested in tourism, which can be an excellent way to boost a nation’s economy, while also taking into consideration of the long-term effects of the environment. UNWTO places heavy emphasis on

protected areas and tourism, while its main goal is to ensure tourism is used and promoted, without conflict on that of the environment.

The UNEP, or the United Nations Environment Programme, is a sustainable tourism program that promotes the evolution of sustainability through innovation, efficiency, as well as adaptability. The program aims at emphasizing collaboration amongst other individuals whom wish to push the boundaries of sustainable tourism. Their objective is to integrate sustainable consumption and production (SCP) patterns towards tourism related policies, to collaborate amongst 'stakeholders', to improve one's tourism SCP performance, as well as to ultimately, prevent, mitigate, and enhance tourism through investing and financing.

If tourism is not managed properly, this could have a damaging effect on not simply the environment, but the industry. Rapid development could overwhelm and run down natural areas through disturbed wildlife, pollution, or even once-isolated cultures. However, according to the United Nations foundation, certification can address the impacts of tourism by ensuring that tourism business comply with standards to protect wildlife and indigenous communities. Delegates may use the global baseline certification program, which is being sponsored by the Global Sustainability Tourism Council (GSTC), whom partners under the umbrella of the UN, to help develop a standardized accreditation for sustainable tourism.

If tourism is not sustained, then the environmental issues of the past, will lead to the economic issues of the future; as depending on how large or small the pollution is, will ultimately cost a nation much more funds in the long term, cleaning things up, rather than originally keeping things clean.

#### **IV. Questions to Consider**

- Does my nation generate any form of tourism?
  - If so, how does it do so? How much economic growth does it provide?
  - If not, how much revenue would my nation need, to attract tourism?
  - Regardless of which, how would tourism effect the environment in any delegates nation?
- What are things my nation can invest in, to attract tourism?
- Is tourism sustainable, or unsustainable in my nation?
- Will tourism always be sustainable? If not then why?
- What are the probabilities of the economic loss caused by the tourism in developing countries?
- How much would it cost, to repair current environmental damages, effected by tourism?

- Is my nation suffering from a lack of tourism, due to environmental damages such as smog or pollution?
- What are the environmental effects of the new/current jobs that shall be created?
- Can tourism give my nation enough revenue, to help fight against pollution?
- Does the growing threat of terrorism affect my nation?
- With all the influx of international people coming into my nation, how may I reduce or prevent the risk of a potential, terrorist attack?

## V. Useful Links

- Economic Impact Research  
<https://www.wttc.org/-/media/files/reports/economic-impact-research/2017-documents/global-economic-impact-and-issues-2017.pdf>
- The Growth Paradox – Can Tourism Ever Be Sustainable?  
[http://unctad.org/meetings/en/SessionalDocuments/ciem5d2\\_en.pdf](http://unctad.org/meetings/en/SessionalDocuments/ciem5d2_en.pdf)  
<https://www.weforum.org/agenda/2017/08/the-growth-paradox-can-tourism-ever-be-sustainable/>
- Sustainable Tourism  
<http://sustainabletourism.net>
- Sustainable Tourism Programme  
[web.unep.org/10yfp/programmes/sustainable-tourism-programme](http://web.unep.org/10yfp/programmes/sustainable-tourism-programme)
- UN Foundations Sustainable Tourism  
[www.unfoundation.org/what-we-do/legacy-of-impact/sustainable-development/promoting-sustainable-tourism.html](http://www.unfoundation.org/what-we-do/legacy-of-impact/sustainable-development/promoting-sustainable-tourism.html)
- UN Foundation Global Sustainable Tourism Council  
[www.unfoundation.org/what-we-do/campaigns-and-initiatives/global-sustainable-tourism-council/](http://www.unfoundation.org/what-we-do/campaigns-and-initiatives/global-sustainable-tourism-council/)
- Sustainable Tourism can advance global development  
[www.un.org/apps/news/story.asp?NewsID=57756#.Wjnlpmlo\\_Dt](http://www.un.org/apps/news/story.asp?NewsID=57756#.Wjnlpmlo_Dt)

