



ECOSOC

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Welcome Letter

Dear Delegates,

Welcome to the 15th annual MIT Model United Nations Conference and to the ECOSOC committee! We will be covering two separate but related topics within this committee:

- I. Addressing the rise and regulation of cryptocurrency
- II. Closing the gender wage gap and reducing gender inequality in the workforce

We are excited to finally return to an in-person conference format, and we are looking forward to being your chairs this weekend.

I'm Neha, a first-year planning to major in Materials Science and Engineering with a potential minor in Business Analytics. I have been involved in MUN for six years as both a delegate and a chair. As someone interested mainly in STEM fields, I joined MUN in middle school to explore something new, and I stayed throughout high school as I grew to love the engaging discussions at conferences. This will be my first time chairing a collegiate conference, and I am excited to work with you all.

I'm Ruchee, a first-year student from Nepal planning to major in Mathematics and Economics. Although I do not have much past experience with MUN, I am interested in talking about and tackling the social issues of our society. Coming from an underdeveloped and under-represented country, I am excited to learn more about diverse social and economic perspectives of world issues. I am looking forward to meeting you all and having nice debates on our topics.

Throughout the conference, you will have the opportunity to collaborate on policy tackling major economic and social issues facing UN Member States. You should submit your position papers five days prior to the beginning of the conference to the chairs at the following email: ecosoc-mitmunc-2023@mit.edu. Use this weekend to learn, collaborate, and above all, have fun in exploring the future of sustainable development! We are excited to meet you all and to debate issues that are ever-pertinent to the real Economic and Social Council!

Sincerely,

Neha Basu and Ruchee Bhatta

Topic 1: Addressing the rise and regulation of cryptocurrency

Introduction & History

As the global economy and social interactions become increasingly digitalized, cryptocurrency has risen to the forefront of financial innovation. With numerous applications including online payments, value chains, and international trade, cryptocurrencies and other blockchain-based technologies are projected to grow by US \$71 Billion by 2027.¹ Individuals and institutions around the world are turning to cryptocurrencies as they facilitate decentralized, direct transactions that maintain confidentiality and avoid exchange rates and other traditional transaction fees. While cryptocurrencies have the potential to create a secure, interconnected network of global finance, their rapid rise to prevalence presents several risks that must be addressed, specifically in the areas of security, economic regulation, and sustainable development. A central goal of the United Nations Economic and Social Council is to promote sustainable development, and cryptocurrencies have the potential to accelerate growth in developing countries if harnessed properly.

Several UN committees have taken action both in regulating and in implementing blockchain-based technologies like cryptocurrency to foster sustainable development. At its twenty-third session in May 2020, the United Nations Commission on Science and Technology for Development (CSTD) identified “Harnessing blockchain for sustainable development: prospects and challenges” as a priority theme, and this topic was addressed in the subsequent CSTD intersessional panel.² Other UN bodies have begun using cryptocurrencies in their operations, like an United Nations Development Programme (UNDP) initiative using impact

¹ "Blockchain Market Size, Share, Analysis Report." *Market Research Engine*, www.marketresearchengine.com/blockchain-market.

² "Commission on Science and Technology for Development, 2020-2021 Inter-sessional Panel." *UNCTAD*, <https://unctad.org/meeting/cstd-2020-2021-inter-sessional-panel>.

tokens to track chocolate production in Ecuador.³ Similarly, in October 2019, the United Nations International Children's Emergency Fund (UNICEF) launched the CryptoFund, an unprecedented investment fund of bitcoin and ether.⁴ These efforts exemplify the power of cryptocurrency in advancing the UN Sustainable Development Goals, but it is essential that governing bodies employ proper regulation to ensure that cryptocurrency continues to be harnessed constructively.

Important Terms

Cryptocurrency: A cryptocurrency is a digital, encrypted, and decentralized medium of exchange whose value is entirely subject to the demand of its users.⁵ Unlike traditional currencies like the US Dollar and the Euro, cryptocurrency is not managed or maintained by a central authority, and cryptocurrencies have historically operated autonomously from political and financial authority, lacking formal regulation. Cryptocurrencies use cryptography to maintain privacy of parties and ensure the verification of transactions, a process that requires Distributed Ledger Technology (DLT) most commonly in the form of a blockchain.

Distributed Ledger Technology (DLT): Distributed ledgers use independent computers (referred to as nodes) to record, share and synchronize transactions in their respective electronic ledgers (instead of keeping data centralized as in a traditional ledger).⁶ DLT has the potential to increase efficiency of financial systems and integrate unbanked populations that are currently excluded from the financial system. However, DLT also presents risks in consumer protection, financial integrity, and regulation given its status as a relatively new technology.

³ "A Practical Guide to Using Blockchain within the United Nations." *The Atrium*, <https://atrium.network/guide>.

⁴ "The UNICEF CryptoFund." *UNICEF Office of Innovation*, www.unicef.org/innovation/stories/unicef-cryptofund.

⁵ "What Is Cryptocurrency?" *Forbes Advisor*, www.forbes.com/advisor/investing/cryptocurrency/what-is-cryptocurrency/.

⁶ "Blockchain & Distributed Ledger Technology (DLT)." *The World Bank*, www.worldbank.org/en/topic/financialsector/brief/blockchain-dlt.

Blockchain: A blockchain is one type of distributed ledger that forms the basis of most cryptocurrency transactions, using cryptographic proof to record and verify payments.

Blockchain technology involves recording transactions in “blocks” that are then linked together on a “chain” of previous cryptocurrency transactions.⁷

How blockchains work

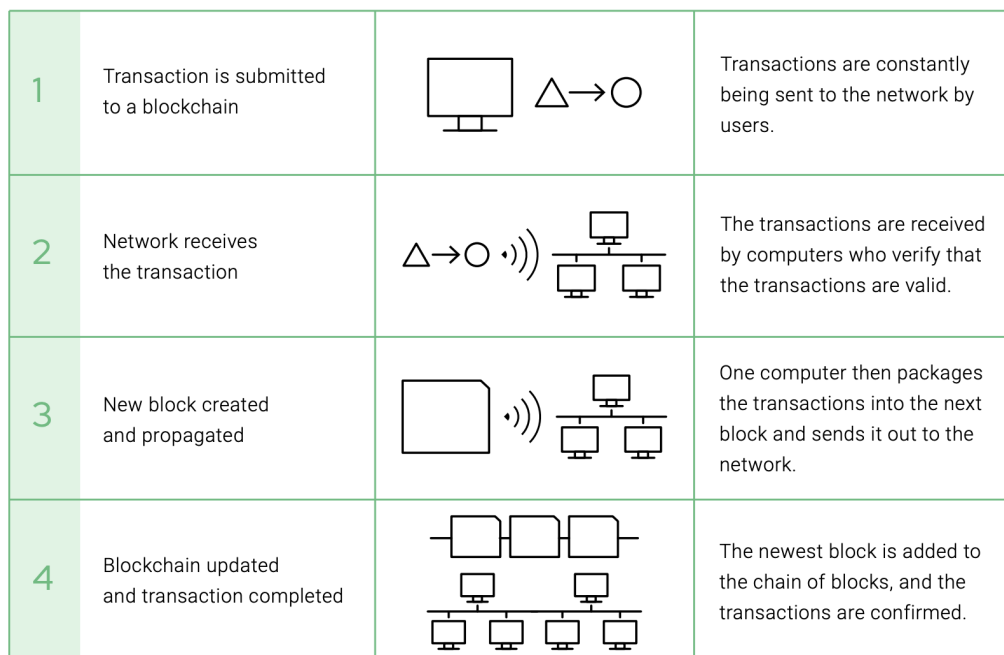


Diagram 1

Source: <https://atrium.network/guide>

Bitcoin: Bitcoin is the world’s first widely-adopted cryptocurrency.⁸ Bitcoin rose to prominence as a digital money allowing for secure and seamless “peer-to-peer” transactions on the internet.

⁷ "What Is Cryptocurrency?" *Forbes Advisor*, www.forbes.com/advisor/investing/cryptocurrency/what-is-cryptocurrency/.

⁸ "What is Bitcoin?" *coinbase*, www.coinbase.com/learn/crypto-basics/what-is-bitcoin.

The term “peer-to-peer” refers to how any two people across the world can engage in a Bitcoin transaction, without the involvement of a centralized financial institution. Since Bitcoin’s creation, the number and value of cryptocurrencies has skyrocketed – as of December 2022, the global crypto market cap is \$842.07B.⁹ Aside from Bitcoin, the second most valuable cryptocurrency is Ethereum, which is part of a second-generation of blockchain technology that includes a “smart contracts” feature. Smart contracts are recorded in the ledger of a blockchain transaction with certain conditions, and once these conditions are met, the contract will execute automatically.

Points of Debate

The increasing prevalence of cryptocurrency must be met with a corresponding increase in regulation of the digital payments market. Central points of debate to be addressed during committee include the protection of privacy and security in cryptocurrency transactions, economic stability in the face of varying cryptocurrency prices, and sustainable development harnessing new blockchain technology. The ability for individuals to transfer money with complete confidentiality outside the purview of international regulation presents significant risks for money laundering. United Nations Office on Drugs and Crime (UNODC) has attempted to curb the risks of cryptocurrency in drug trafficking throughout a cryptocurrency training course,¹⁰ but further action is required to prevent the abuse of cryptocurrency and its anonymous platforms for laundering money, evading taxes, and avoiding international sanctions.

⁹ CoinMarketCap, <https://coinmarketcap.com/>.

¹⁰ "UNODC delivered the cryptocurrencies and darknet investigations training course." *UNODC Regional Office for Southeast Asia and the Pacific*, www.unodc.org/roseap/en/2022/02/cryptocurrencies-darknet-investigations/story.html.

Aside from security and privacy, another important consideration is economic stability in a world driven by digital payments, as cryptocurrency prices are entirely based on current user demand for a certain coin. Since its conception, Bitcoin has widely varied in price, with large speculative bubbles and even larger crashes. The volatility associated with cryptocurrency prices poses a major threat to individual investors as well as the international economic system as a whole, requiring regulation to prevent economic collapse. In its August 2022 Fintech Notes, the International Monetary Framework laid out a framework for regulating the crypto ecosystem, which involves a combination of monitoring, prioritization, and continuous risk assessment.¹¹

A founding goal of the UN Economic and Social Council is to promote sustainable development, and new blockchain technology could greatly advance developing countries' ability to achieve the Sustainable Development Goals. It is essential that proper infrastructure for blockchain technology is implemented in less-developed countries, as a lack of access to new technological advancements could worsen the gap between developing and developed countries.

Bloc and Country Positions

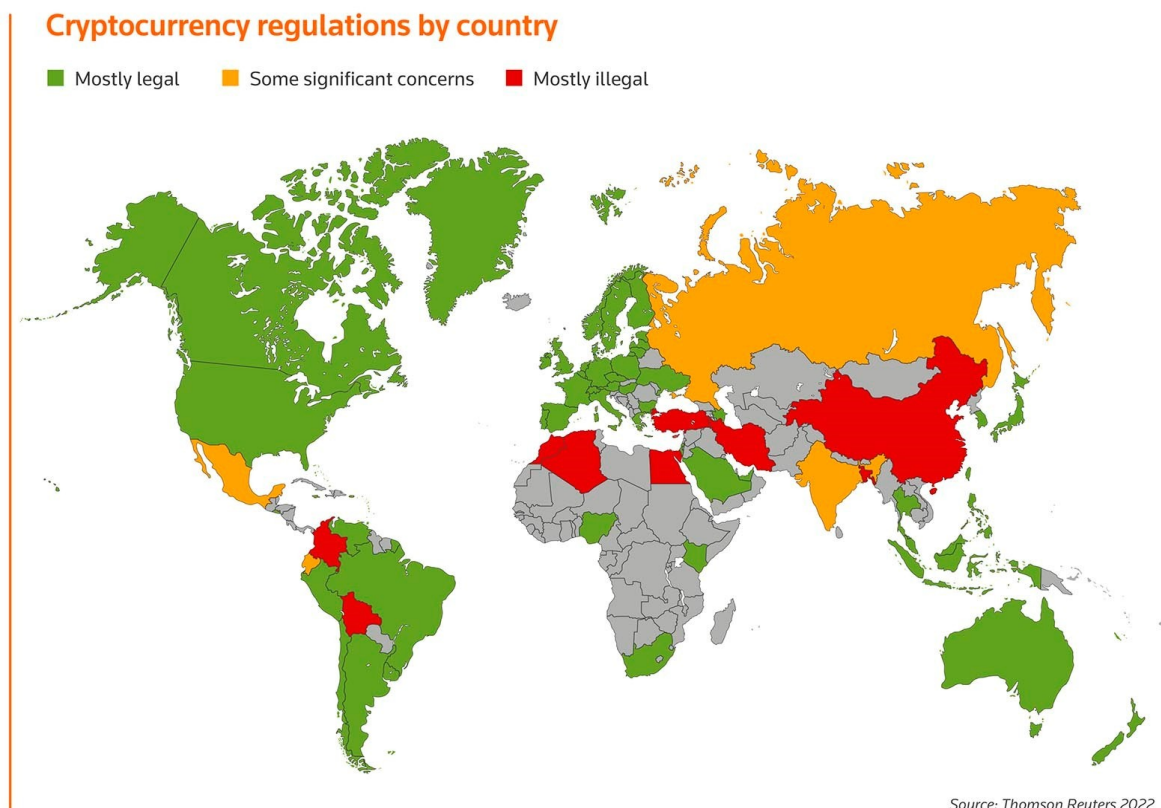
Given that blockchain is relatively recent technology, country-level regulation of cryptocurrency varies widely, ranging from complete outlawing to acceptance as official currency to an ambiguous gray area. Due to the large controversy surrounding cryptocurrency, several countries have banned the digital technology entirely or instituted severe restrictions on its use, namely Algeria, Bangladesh, Bolivia, China, Colombia, Egypt, Indonesia, Ghana, Iran, India, Iraq, Kosovo, Mexico, Nepal, North Macedonia, Russia, Turkey, and Vietnam.¹² The

¹¹ "Regulating the Crypto Ecosystem: The Case of Unbacked Crypto Assets." *International Monetary Fund*, www.imf.org/en/Publications/fintech-notes/Issues/2022/09/26/Regulating-the-Crypto-Ecosystem-The-Case-of-Unbacked-Crypto-Assets-523715.

¹² "Bitcoin ban: These are the countries where crypto is restricted or illegal." *euronews.net*, www.euronews.com/next/2022/08/25/bitcoin-ban-these-are-the-countries-where-crypto-is-restricted-or-illegal2.

preceding country list is based on state policy as of August 2022, and it is important to remember that international policy on cryptocurrency is continuously evolving as technology continues to advance.

On the flip side, two countries in particular have adopted the exact opposite policy: embracing cryptocurrency as an official currency. In June 2021, El Salvador became the first country in the world to adopt Bitcoin as legal tender, a historic but controversial decision.¹³ In April 2022, the Central African Republic followed in El Salvador's footsteps, becoming the second country to adopt Bitcoin and other cryptocurrencies officially.¹⁴



¹³ "El Salvador becomes first country to adopt bitcoin as legal tender after passing law." *CNBC*, www.cnbc.com/2021/06/09/el-salvador-proposes-law-to-make-bitcoin-legal-tender.html.

¹⁴ "Central African Republic votes to adopt Bitcoin as an official currency." *euronews.net*, www.euronews.com/next/2022/04/27/central-african-republic-follows-el-salvador-in-making-bitcoin-legal-tender.

Source: <https://www.thomsonreuters.com/en/reports/cryptos-on-the-rise-2022.html>

Most countries lie somewhere in the middle of the spectrum of regulation or have not yet developed a comprehensive policy on cryptocurrency. The graphic above displays country-level cryptocurrency regulations based on the beginning of 2022, although some policy has changed since that time.

Questions to Consider

1. How can cryptocurrency and blockchain technology be harnessed to aid in achieving the UN's Sustainable Development Goals?
2. How can Member States of the Economic and Social Council best regulate cryptocurrency given the technology's decentralized nature?
3. What economic policies should be instituted to maintain stability in the cryptocurrency market and prevent catastrophic crashes?
4. Given the rapid growth in cryptocurrency, how might digital transactions transform the economy of the future? What role does the UN regulation play in that future?
5. What other international agencies can ECOSOC collaborate with, and what would these interactions look like?

Helpful Links

1. More information on blockchain technology:
 - UN Innovation Network Guide to Blockchain: <https://atrium.network/guide>

- ECOSOC 2021 Secretary-General Report:

https://unctad.org/system/files/official-document/ecn162021d3_en.pdf

- UN DESA Conference on Cryptocurrencies (webinar):

<https://www.un.org/development/desa/en/news/policy/potential-of-cryptocurrencies-positive-change.html>

2. Possible Regulations

- IMF Fintech Notes:

<https://www.imf.org/en/Publications/fintech-notes/Issues/2022/09/26/Regulating-the-Crypto-Ecosystem-The-Case-of-Unbacked-Crypto-Assets-523715>

- WBL Report on DLT and Blockchain:

<https://documents1.worldbank.org/curated/en/177911513714062215/pdf/122140-WP-PUBLIC-Distributed-Ledger-Technology-and-Blockchain-Fintech-Notes.pdf>

3. Cryptocurrency policy around the world:

<https://www.thomsonreuters.com/en/reports/cryptos-on-the-rise-2022.html>

Topic 2: Closing the gender wage gap and reducing gender inequality in the workforce

Our society is moving forward day by day in every possible dimension whether that be technological advancement, globalization, or quality of life, but one thing seems to be stuck in the past: the pay gap in the labor market. The labor market has faced a tremendous amount of changes and reformation in last few centuries. Some of the changes include a minimum wage, access to better working conditions, and a guarantee of job benefits like insurance. Even with all these reforms, the labor market is still lagging behind in ensuring gender equality. In much of the world, the ratio of female to male workers is critically low, and women are under-represented in decision-making roles. The pay gap in labor market is still persisting – for every dollar men earn, women earn 77 cents.¹⁵

On average, women globally are paid about 20 percent less than men, as reported by the International Labour Organization (ILO) on International Equal Pay Day.¹⁶ Women are subjected to do same work for lesser amount of money than men. Women are also viewed as less-skilled and get less appreciation than men in same workplace. In fact, the majority of the world's women—up to 80 percent in some parts of the world—work in the informal economy, where they lack decent wages, safe working conditions, and social protections like health care, maternity protection, and paid leave.

The Economic and Social Council was founded with the mission of advancing sustainable development, and as outlined by Sustainable Development Goal 5, women's rights and gender equality are critical to ECOSOC's operations. The gender wage gap is one of the

¹⁵<https://news.un.org/en/story/2022/09/1126901#:~:text=For%20every%20dollar%20men%20earn,the%20global%20gender%20pay%20gap.>

¹⁶<https://news.un.org/en/story/2022/09/1126901#:~:text=For%20every%20dollar%20men%20earn,the%20global%20gender%20pay%20gap.>

most pressing issues currently facing UN Member States on the topic of gender equality, and gender equality in the workforce must be achieved in order to move towards sustainable development in all sectors of the economy.

Terminologies

Gender gap or Pay gap

The gender wage gap is a measure of what women are paid relative to men. It is commonly calculated by dividing women's wages by men's wages, and this ratio is often expressed as a percent, or in dollar terms. This tells us how much a woman is paid for each dollar paid to a man. This gender pay ratio is often measured for year-round, full-time workers and compares the median annual wages of the man with that of the woman.¹⁷

OECD

The Organization for Economic Co-operation and Development (OECD) is an international organization that works to build better policies for better lives. Together with governments, policy makers, and citizens, they work on establishing evidence-based international standards and finding solutions to a range of social, economic and environmental challenges. From improving economic performance and creating jobs to fostering strong education and fighting international tax evasion, they provide a unique forum and knowledge hub for data and analysis, exchange of experiences, best-practice sharing, and advice on public policies and international standard-setting.¹⁸

¹⁷ <https://www.epi.org/publication/what-is-the-gender-pay-gap-and-is-it-real/>

¹⁸ <https://www.oecd.org/about/>

High Income: OECD

Countries that are both high income and members of the Organisation of Economic Co-operation and Development according to the World Bank.¹⁹

Women, Business and the Law (WBL)

Women, Business and the Law, a program created by the World Bank, measures explicit discrimination in the law, legal rights, and the provision of certain benefits, areas in which reforms can bolster women's labor force participation. Governments can use this framework to identify barriers to women's success, remove them, and boost economic inclusion.

Sustainable Development Goals (SDGs)

In 2015, all UN nations adopted a shared agenda of 17 Sustainable Development goal to address urgent world issues and also foster the long term developments all around the world. The achievement of gender equality is the 5th of 17 Sustainable Development Goals (SDGs) laid out in the Sustainable Development Agenda which goes by "Achieve gender equality and empower all women and girls."²⁰

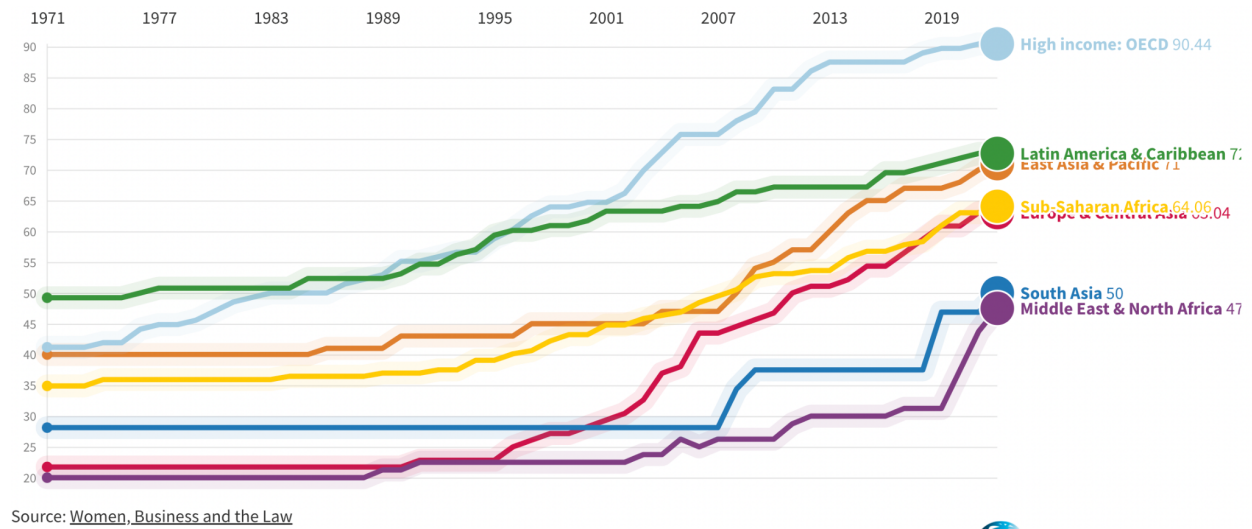
Recent data

The following chart depicts the evolution of regional scores for the Pay indicator over the past 51 years. A score of less than 100 indicates the existence of restrictive laws and regulations

¹⁹ <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519>

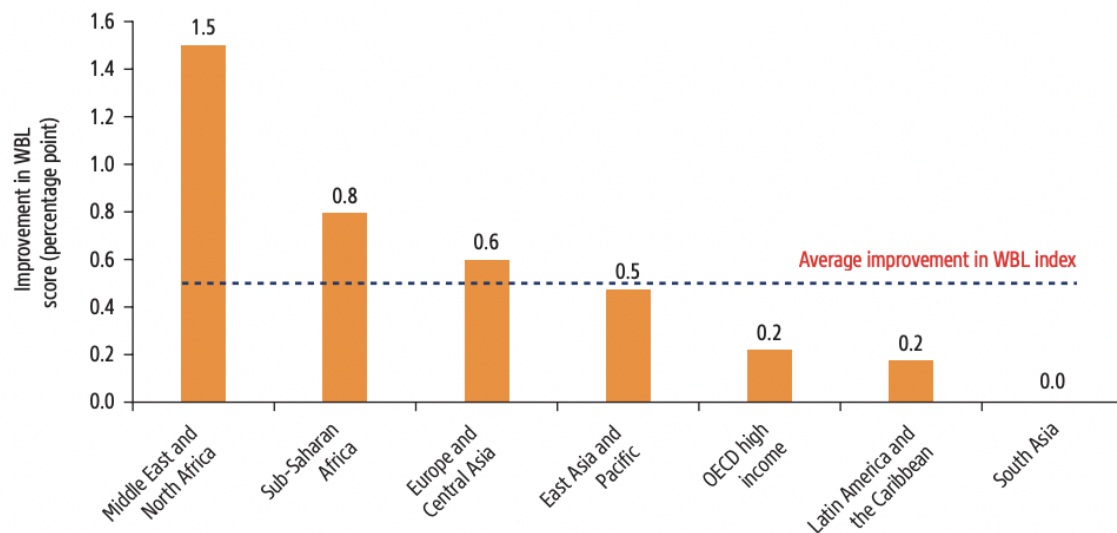
²⁰ <https://sdgs.un.org/goals>

affecting a woman's ability to earn equal pay for work of equal value, and her ability to work in the same sectors and industries as men.²¹



The Middle East/North Africa and Sub-Saharan Africa regions showed the largest improvements in the WBL Index in 2021, though they continue to lag behind other parts of the world overall.

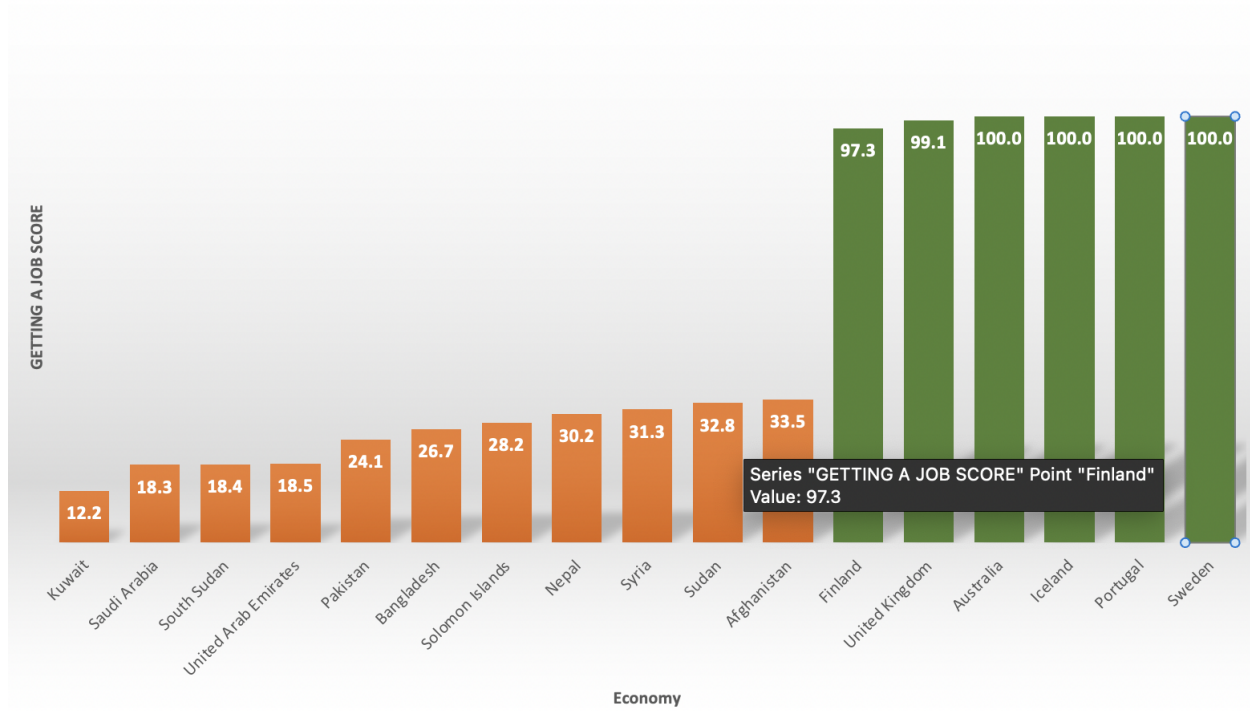
²¹ https://wbl.worldbank.org/en/data/exploretopics/wbl_gpd

FIGURE 1.6 | IMPROVEMENT IN *WOMEN, BUSINESS AND THE LAW* SCORE, BY REGION

Source: *Women, Business and the Law* (WBL) database.

The World Bank's *Women, Business and the Law* 2018 report presents data on close to 170 gender inequalities in legal treatment in 189 countries, grouped into seven categories: accessing institutions, building credit, getting a job, going to court, protecting women from violence, providing incentives to work, and using property.

'GETTING A JOB SCORE'



The above chart shows the comparison between the two economies. In the countries represented by orange bars, it is really hard for women to get jobs, whereas in the countries with green bars, it is as easy as men to find jobs for women.

Challenges

In some countries' economies, especially in the Middle East and South Asia, gender inequality is entrenched in traditional expectations of male and female “spheres of domain.” As a consequence of patriarchal society, women are expected to stay home and not do jobs. A lot of families refrain their female child from higher education and restrict them from working outside. It is due to the underlying stereotype that males are supposed to earn and females are supposed to take care of home and family. These social and cultural norms, which broadly cast men’s roles as decision-makers and women’s roles as carers, play a significant role—not only in terms of the

type of paid work into which women are channeled—but in terms of how that work is valued and remunerated.

Even in developed economies like OECD nations, the pay gap has been a major issue. Women are under paid and under valued in work force, and they lack proper safety in workplace. The incidents of workplace harrasments are occurring at an increasing rate. Even in developed economies, women are not guaranteed fairness in selection process. In many workplaces, the recruiter seems to prefer male candidates more than female candidates. They claim to find men more professional than women. There are even some positions where they restrict the female candidacy.

Easy access to maternal leave is one of the challenges that women face at the workplace. 12 countries do not have legally mandated paid maternity leave. That means female workers don't get paid in their maternity leave. In some cases, they don't even get leave (i.e. they are not hired back after a leave). Good and affordable childcare is a key factor for better gender equality in employment. But change also has to happen at home as the bulk of housework and caring is left to women in many countries. Policy can support such change, for example, through parental leave policies that explicitly include fathers. It is essential that these policies include proper mechanisms of implementation, as such policies often fail to be enforced properly in the workplace.

Bloc and country position

The pay gap is widely spread all around the world including underdeveloped, developing, and even developed countries. But the mechanism involved in the pay gap and inequality in the work force seems to be different in different countries. In some countries, women don't choose

to work because their husband or father (or primary earner in their family) earns enough. While in other countries, women are not allowed to work due to family restrictions and an unsafe work environment. The pay gap and inequality in the workplace is higher in developing and underdeveloped countries like Iraq, Iran, Sudan, Qatar, Afghanistan, and Pakistan than in developed countries. The social culture, educational availability, and childcare access play a significant role in the gender pay gap. But the country's policies matter the most. 18 countries prohibit women from getting a job or pursuing a trade or profession in the same way as men. 3 countries prevent women from opening a bank account in the same way as men. 98 countries do not have legally mandated paid paternity leave.

Throughout the paper, we can notice that the countries in the same region have similar ranking on gender equality indices. This is the result of their shared policies and even cultural influences. Arab league, African Union, and SAARC nations have more or less a similar situation and can work together to tackle the problem. On the other hand, European Union and large economies like US, China, Russia face different situations as more developed countries.

Questions to consider

1. Some regions or some groups face more pay gap than others. What might be the underlying factor of this disparity?
2. Do different profession has different pay gap?
3. What are the short term and long term effect of pay gap?
4. Determine the cause-effect relation between pay gap and gender inequality. Which one is effect and which is cause? And how one affects other?
5. What can be the long term and short term solution for the issue?

6. Does the culture of marriage affect the gender equality in workplace?