AUS MODEL UNITED NATIONS

MMXXIV

POSITION PAPER - GENERAL

POSITION PAPER - GENERAL

POSITION PAPER - GENERAL

The topics being discussed at the United Nations General Assembly Second Committee are The Future of Digital Currencies and The Economic Impact of SDGs in Combating Climate Change. The People's Republic of China is determined to create feasible resolutions.

I. The Future of Digital Currencies

Following their launch in 2009, digital currencies have become increasingly popular. The three main categories of digital currencies are cryptocurrency, stablecoins, and central bank digital currencies (CBDCs). Importantly, cryptocurrencies and digital currencies do not share a common definition, despite the fact that they are frequently used synonymously. Moreover, CBDCs are being looked into by 100 different countries in one manner or another. While most are conducting research and testing, a small number of these countries are also now selling CBDC to the general population. As they are thought to be excellent short-term investments, possess low transaction costs, and are considered to be more useful than credit cards, cryptocurrencies like Bitcoin, Tether, and Ethereum have seen an enormous rise in popularity in recent years. Nevertheless, simultaneously, there has been a surge in theft, fraud, and scams in the digital realm. Compared to the year 2020, reported financial losses from digital asset frauds increased by about 600% in 2021, according to FBI statistics. The future of cryptocurrencies appears to be uncertain since their prices are unstable and fraught with risk.

At the 16th Shanghai Cooperation Organization Council of Heads of State summit, Chinese President Xi Jinping said, "Vision spurs action and is achieved through action." These sage comments capture China's experience with digital currencies. The digital yuan, which is issued by China's central bank and is a digitized form of the renminbi, the country's official currency, was first released in 2014. This digital currency is categorized as a CBDC since it is a centralized currency that is regulated by banks, making investing safer, more certain, and more stable than with a cryptocurrency. The unregulated nature of cryptocurrencies ran contrary to the Chinese government's vision of a state-controlled economy, which is why China officially outlawed all cryptocurrency use in September of 2021. The Chinese government considers cryptocurrency to be a threat to the country's financial system and a tool for financial crime. The safekeeping of people's assets is "seriously endangered" by cryptocurrency, according to the People's Bank of China. The country also argues that its financial system should concentrate on enhancing the real economy. As a result of China's plans to reduce CO2 emissions by 2030 and achieve carbon neutrality by 2060, cryptocurrency mining has become a significant environmental problem from which the nation's economy derives no added value.

The usage of digital currencies in the future has the potential to alter how people perceive wealth and money; therefore, it is crucial that governments employ them responsibly. China is committed to advancing its own digital currency through investment and promotion. Monitoring the use of digital currencies and encouraging their sustainable use are potential solutions to this problem. The People's Republic of China urges that the GA2 committee members take into account the potential future hazards that could arise from cryptocurrencies.

II. The Economic Impact of SDGs in Combating Climate Change

The Sustainable Development Goals (SDGs) aim to advance society. With the goal of eradicating poverty and injustice, protecting the environment, and ensuring that everyone can live amid peace, justice, and prosperity, they serve as a call to action. While many contend that making investments in the SDGs to address problems like climate change has a negative economic impact, others hold that these efforts need to be made regardless of the costs. Although both perspectives are economically sound, investing in them is of the utmost importance in the long term as doing so would mitigate the detrimental effects of air and water pollution on health, lessen the cost of gasoline, and generate more employment opportunities. A group of 36 executives from industry, finance, civil society, labor, and international organizations called the Business and Sustainable Development Commission (BSDC) showed how incorporating the SDGs into key growth strategies creates new opportunities and considerable efficiency gains for companies. According to the BSDC, the SDGs could create up to 380 million jobs by 2030 and open up economic opportunities worth over US$12 trillion annually.

The People's Republic of China believes that funding the SDGs is crucial to bettering the world and is advantageous to the economy. The three key areas in which China is pursuing its sustainable development are the eradication of extreme poverty, the building of an "ecological civilization," and the advancement of global climate and sustainability governance. According to the United Nations Sustainable Development Collaboration Framework (UNSDCF), the Chinese government and the UN System in China commenced a new cycle of collaboration from 2021 to 2025. Additionally, the UNSDCF aided China throughout the post-COVID-19 period navigate and resolving the new opportunities and challenges presented. The new UNSDCF was focused on three key areas in light of China's development requirements: 1) People and Prosperity: attaining shared, coordinated, and innovation-driven development as well as a life cycle of equitable and high-quality social, economic, and human development for everyone. 2) Planet: pursuing green development to build a more durable and resilient ecosystem. 3) Partnerships: through joint efforts and humanitarian cooperation.

The SDGs strive toward a future where all economic progress is achieved without positioning the natural world at risk or unfairly burdening people. To improve the world for the next generations, it is crucial that all nations unite in order to achieve the 17 SDGs by 2030. The People's Republic of China encourages working collaboratively and investing with other nations to swiftly accomplish the SDGs.

References

Benzmiller, T. (2022, April 19). *China's progress towards a central bank digital currency*. Www.csis.org. https://www.csis.org/blogs/new-perspectives-asia/chinas-progress-towards-central-bank-digital-currency

Georgieva, K. (2022, February 9). *The future of money: Gearing up for central bank digital currency*. International Monetary Fund. https://www.imf.org/en/News/Articles/2022/02/09/sp020922-the-future-of-money-gearing-up-for-central-bank-digital-currency

Grensing-Pophal, L. (2022, November 23). *Cryptocurrency: The opportunities, problems and potential*. SHRM. https://www.shrm.org/resourcesandtools/hr-topics/technology/pages/cryptocurrency-opportunities-problems-potential.aspx

Jiang, X. (2020, February 28). *How China is implementing the 2030 agenda for sustainable development*. UNICEF Global Development Commons. https://gdc.unicef.org/resource/how-china-implementing-2030-agenda-sustainable-development#:~:text=So%2C%20how%20is%20China%20implementing

Principles for Responsible Investment. (2017, October 12). *Macro opportunities: Driving growth*. PRI. https://www.unpri.org/sustainable-development-goals/the-sdgs-will-drive-global-economic-growth/307.article

United Nations. (2022). *Goal 13: Take urgent action to combat climate change and its impacts*. Sustainable Development Goals; United Nations. https://www.un.org/sustainabledevelopment/climate-change/

United Nations in China. (n.d.). *Sustainable development goals*. China.un.org. https://china.un.org/en/sdgs

USC US-China Institute. (2021, September 30). *China bans cryptocurrencies* . Usc.edu. https://china.usc.edu/china-bans-cryptocurrencies

Volpicelli, G. M. (2021, September 29). *This is why China finally killed its bitcoin boom*. Wired UK. https://www.wired.co.uk/article/china-ban-bitcoin-cryptocurrencies

AUS MODEL UNITED NATIONS

MMXXIV
MMXXIV
MMXXIV