



GOMUN 2025 OFFICIAL DOCUMENT

Study Guide

The Economic and Social Council

Vera Motrenko & Teddy Brown

Released October 2025, 1st Edition

COMMITTEE INTRODUCTION:

ECOSOC was one of the 6 original branches of the United Nations, when it was first established in 1945 following the second world war. It is described as the “heart of the United Nations system to advance the three dimensions of sustainable development – economic, social and environmental” (United nations, 2025). It is a hub for intergovernmental discussions of global challenges, a key in establishing a global framework and understanding of topics within its scope, and a funding distributor that commits to creating positive change around the world. It is important to note, resolutions adopted by the ECOSOC committee are not legally binding, this means that member states are not legally required to abide by the resolution, although it is symbolically important as a representation of international democracy. Besides member states, ECOSOC also allows NGOs to participate by obtaining a "consultative" status, the first of the UN bodies to implement this system.

In addition, ECOSOC also contains many subsidiary bodies, which they help govern and regulate. Most notably these include the regional financial commissions, Standing commissions such as CSTD (commission on science and technology for development), CND (commission on narcotic drugs), and many others, a list of which you can find [here](#).

ECOSOC hosts several sessions throughout the year, both in general annual meetings, as well as on specific topics. The scope of the committee's work and such meetings ranges from artificial intelligence, to narcotics, to environmental concerns, based on the most impactful issues of the time.

First topic: The Impact of Global Cryptocurrency on Financial Stability

Vera Motrenko

TOPIC INTRODUCTION

Since the popularization of the internet in the 2000's, opportunities for the modernization of global financial systems have been ever increasing. A mere 10 years ago it was still impossible to pay simply by tapping your phone, and a century ago credit cards were non-existent. That is to say, the world of finance has developed rapidly. Cryptocurrency, as we know it today, has existed as a concept since the 1980s, sparked by David Chanum, an American cryptographer who conceptualized a digital currency transferred directly by individuals. Chanum realised this idea by creating a currency, eCash, at his company DigiCash. By 1998 the company went bankrupt and eCash was largely disfunctional, however, many of the technologies have inspired or helped develop the systems that operate cryptocurrency today. Several other attempts at digital currencies were made following eCash, however none were as prominent as Bitcoin. Created out of frustration by a somewhat anonymous creator during the 2008 financial crisis, Bitcoin would grow to be the newest financial technology of the 2010's. Its first major publicity came from a 2011 Forbes article, which pushed the value of bitcoin up to 9 USD. However, as many people were excited by this new prospect, many others were weary of its security.

KEY TERMS

Crypto Currency: Digital currency, secured through cryptography, and exchanged through computer networks, with no physical form. Cryptocurrency is exchanged from “peer to peer”, meaning that it is not traditionally influenced by central banking systems.

Blockchain: A blockchain is a digital ledger database that holds information about cryptocurrency exchange. It cannot be altered or erased.

Stablecoin: Like Cryptocurrency, stablecoin operates on a blockchain. However, a stablecoin in its design minimises volatility of value. This can either be by being backed by a traditional currency, or by a commodity, making it an “off chain” currency. They can also be backed by a crypto currency, making them an “on chain” stable coin. Cryptocurrency’s value depends on the demand for it at any given time, allowing people to game its value by investing during lows and cashing out during highs. On the other hand, stablecoins operate on a more centralized system, while also avoiding traditional financial structures, however their stable value is more suitable for professional financial transactions.

Wallets: Key in crypto trading: Act as the storage for cryptocurrency. May also have other functions.

Development: Development is a key concept of the ECOSOC committee. Simply, it can be defined as positive change, however the scope of what development means to the committee includes economic, social, and environmental development. When researching this topic further, try and link back to these concepts to deepen your argument.

TOPIC OVERVIEW

General Issue

Global governments are worried. Cryptocurrency is the exact antithesis to the centralized and government controlled currency that our current financial systems are dependent on. Central banks control most of the financial flow globally. Their role however isn't just to store money, they also have the abilities to (at least towards some extent) control monetary factors, exchange rates, commission rates, and inflation. While this method is

preferred by many governments worldwide, both for its controlled nature, but also traditionally tighter security and stability. The ways governments choose to address their concerns with cryptocurrency varies wildly based on the country. However, the general consensus is that it is a very difficult issue to approach. Dissatisfaction over cryptocurrencies' decentralized structure and peer to peer transactions raise safety concerns to banks and governments. However, that is exactly what it was always intended for. Certain people view the associated risks as consolation for keeping their transactions more private. However, the bigger international concern may lie more with the fact that cryptocurrency has been a large enabler in online illicit purchases. Here, the decentralized structure, blockchain technology, as well as peer to peer transactions work together to largely anonymise spending with cryptocurrency, making it increasingly more accessible to use cryptocurrency for illegal purchases.

For many people, the anonymous and decentralized qualities of the digital currency became associated with digital criminal activity, such as the darknet marketplace “The silk road” (2011-2013). During this time, millions worth of the digital currency was used to trade drugs, weapons, as well as other illegal goods and services. Although this was a small percentage of the total usage, it is without a doubt that its rapid development, and increasingly underadapted security capabilities allowed this to flourish. Bitcoin also faced many security breaches. While its main blockchain has not been compromised due to its individual block encryption, intermediaries, or wallets, were at the time also new technology, and were susceptible to digital robbery, causing on several occasions bitcoin owners to lose their revenue. However, crypto scams are not just a thing of the past. As reported by the BBC, 3 of the 5 largest cryptocurrency hacks (by estimated USD amount), occurred after 2020.

Timeline

Mt Gox 2014: Mt Gox operated as a platform for cryptocurrency exchange, originally started as a platform for enthusiasts of the card game "magic the gathering" between the years 2010 and 2014 based in Tokyo. As one of the earliest technologies of the time, it at one point accounted for a large majority of all BitCoin exchanges. Its popularity made it a prime target for malicious attacks. In 2011, hackers were able to get ahold of the identity of the auditors for the site, and use it to change the price of bitcoin on the site to one cent. This way they were able to quietly skim small amounts of currency from users while remaining largely undetected.

Throughout its short history, the buildup to the company's large-scale hack and bankruptcy in 2014 was extremely preventable. While security oversights and risks were the downfall of the company, mismanagement and poor handling of customer complaints also played a role in allowing issues to fester. For example, only 1 person had access to approve changes to the site's source code, leading to bug fixes taking weeks to be approved. Additionally, the lack of version control software often made it difficult for colleagues to communicate with each other, causing potential problems within the code leaving the website susceptible to danger.

An amalgamation of these factors caused the company to file for bankruptcy in 2014, after they reportedly lost 450 Million USD (value at the time) worth of bitcoin. Currently, the company is still under legal proceedings within Japan. Around 200,000 Bitcoin have since been recovered, which was around 20% of what was lost. Following this scandal, the price of bitcoin dropped to nearly 50%, as its reputation was damaged by this hack. It took nearly 2 years for its value to return to what it was prior to the incident.

Poly Network 2021: The Poly Network Hack in 2021 led to nearly 610 million USD's worth of cryptocurrency being stolen. The Poly Network operated as a Cross-chain decentralized finance (DeFi) platform, meaning that it was able to exchange one type of cryptocurrency to another by allowing different blockchains to "communicate" with each other. The network contains "master

wallets” that store amounts of a specific cryptocurrency, and allows users to exchange x amount of currency a to currency b via “smart contracts”.

Traditionally, the currency exchange worked by having multiple sectors agree to alter the state of a blockchain. By publishing a wallet address (a public verification key), and by validating the transaction, the protocol binds the currency to your digital wallet, all recorded by publishing metadata on a blockchain.

Initially used by the Ethereum application, smart contracts record the "internal state state" of the machine on the blockchain, by sending a transaction from a wallet with machine readable code. Then the code to exchange currencies is executed by altering the blockchain, which is authorised by the digital signature of the contracts owner, and validated by the consensus protocol. Smart contracts work in the same way that code functions do, with the main difference being enhanced security mechanisms to ensure that the correct amount is transferred by the people who have the correct key by assigning different sets of permissions to users.

According to Poly Network, on August 11'th 2021, an undisclosed attacker was able to transfer around 610 million USD worth of cryptocurrency (mainly bitcoin, Ethereum, USDC) to external wallets. What allowed this to happen was an extremely important oversight regarding permission management by the networks most important smart contracts. The first EthCrossChainData, was a high privilege contract that was not meant to be accessed by anyone on the network besides its owners, as it was responsible for assigning and managing public keys for other users, essentially controlling who was able to move large amounts of funds throughout the network. Importantly, this contract had the function “putCurEpochConPubKeyBytes” which assigned which public keys (users) are assigned as transaction authenticators, called keepers. The second, EthCrossChainManager, was also a high privilege contract that was able to conduct cross chain transactions. This allowed users to call cross chain events that when invoking a specific function within the contract, to call the cross chain event with a target contract to execute. There were limitations to this, as only functions that were coded in a specific format, such as a 32-bit ID.

In combination, the attacker was able to exploit that EthCrossChainManager was actually an owner of EthCrossChainData, allowing it to execute high value functions within it. The second had to do with the structure of the 32-bit ID functions (note from chair: I stopped taking CS 2 years ago so I'm a bit out of my depth when it gets super technical, sorry guys :(). The attacker created a 32-bit string, created a malicious method code snippet (a part of the function of the EthCrossChainManager that was user defined) which would give the same 32-bit value as the ID, called for a cross chain transaction on EthCrossChainManager, passing the string as _method, triggering EthCrossChainManager (this worked because as a reminder, EthCrossChainManager is an owner of EthCrossChainData (which controls largescale transactions)), which allowed the attacker to be granted an "Keeper" status of ethereum based contracts on PolyNetwork, granting privileged control over Poly's smart contracts that manage cross-chain transfers, allowing them to authorize transactions as if they were a Keeper.

Despite the seemingly catastrophic loss, this issue was resolved very quickly. Digital security forces were able to within a couple hours identify the attacker although not being able to uncover their real life identity. By tracing the blockchain and communication, it is commonly believed that this was done by a single person. In the following 48 hours, the attacker would directly communicate with Poly Network, expressing that they never intended to keep the funds, most of them being returned within the same month. When questioned as to what motives they had, since they had really not kept most of the stolen funds, the attacker, referred to as "Mr. White Hat", admitted that it was for fun and to test their skills out. (If you read this far, email me your favourite band! Those who don't will face a committee punishment for not reading the guide carefully)

Ronin Bridge 2022: Ronin bridge is the hit game "axie infinities" blockchain. Operating as a play to earn, users can earn real life money by playing the game. Invented officially to bypass the scalability limitations of Ethereum, Ronin bridge

became a cross chain network to facilitate exchange between the 2 networks, by communicating with the different blockchains.

Ronin Bridges' network relied on a 9 node centralized authentication system to validate exchanges, with a minimum 5, 9 needed to validate transactions. By compromising a privileged private key through a series of weak authentication measures, the attacker was able to gain access to the 4 nodes, producing 5 signatures needed to validate transactions. With this approval, the attacker was able to approve 2 withdrawals that were undetected by the network for a week. The total amount stolen by the attacker even out to be worth around 620 Million USD at the time. The backlash was immediate, as the value lost was a significant amount, landing the ronin bridge attack as the top 5 most valuable hacks. The parent company was able to raise around 150 million USD to compensate the affected individuals, and immediately tightened their security to include 21 nodes rather than 9, as well as by decentralizing it in a way to make it more difficult to gain access.

When looking back on the incident, the security flaws were always present. But why is it all so common for such major oversights? One reason may be the company's inability to keep up with demand. In Ronin's case, the massive popularity of the Axis game was difficult to manage, problems with loading times etc. To quickly resolve these issues, and save on costs to maximise the selectivity of the platform, security became less of a priority.

UN Past Actions

The body of the UN that has done the most work with cryptocurrency is the UNCTAD, the United nations convention on trade and development. Its opportunity to reach unbanked populations also has positive impacts on equality of financial distribution. However, it is also linked to malicious online activity. The ever developing digital and technological landscape requires non-traditional approaches, and experimental resolutions in order to address the issues surrounding cryptocurrency. One such issue that the UNDP also considered is the environmental impact of crypto mining, which uses a lot of energy, and

produces e-waste via discarded hardware and technology. On the other hand, stablecoins seem to be favoured, for their non volatile nature and financial stability, stemming from the stable value tied to governmental financial assets, acting as a sort of intermediary between traditional financial schemes and the modernized cryptocurrency.

As a large IGO, the UN is seemingly more hesitant to quickly adopt new and rising technologies, remaining risk averse. However, branches of the UN have embraced blockchain technology, such as the UNICEF crypto fund, which is an ongoing experiment to make cryptocurrency more transparent. Using the funds, UNICEF has launched projects in 8 countries to continue supporting their causes. Alternatively, the UN also sees the opportunities that the transparent blockchain technology has in uplifting communities with weak institutions and high levels of corruption. Such as the findings of the WFP (world food program) in Pakistan, found that by using crypto based assets there was no need to go through local banks, which would have taken them more time, additionally allowing them to publicise every transaction to display their transparency.

Stakeholders

USA: The United States is sometimes dubbed as the land of crypto, it dominates the global market, with nearly 15 % of US citizens in 2023 owning some crypto assets. It is also strongly regulated by the government, with commissions such as the Securities and Exchange Commission, as well as Commodity Futures Trading Commission managing a system of regulations to ensure the transparent usage of cryptocurrency. These restrictions are implemented via large fines to companies who are found to be non compliant with current regulatory standards.

On September 12th 2025, American company Tether announced plans to launch a new USD backed stablecoin, USA₹. - Please keep yourself updated with news surrounding this currency closer to the date of the conference. In mid 2025, the Genius act was ratified by congress, passing stricter requirements for safety of users in trading of crypto. Considering restrictions and security measures, US

citizens are free to engage with cryptocurrency.

China: In 2017, China suddenly heavily restricted access to cryptocurrency platforms within its nation, despite it being the frontrunner of the market. At the surface, crypto was able to help provide cheaper electricity in some regions of China, and its massive influence on the market also made China weary of the technology. Firstly, the permanence of the Blockchain and its ledger-like functions posed a threat to national sovereignty, by side stepping traditional banking structures, and being tied to illicit activities. Additionally, the volatility of cryptocurrency poses a threat to financial stability, and therefore social stability, especially considering the monumental scale of potential fraud that can more easily occur via crypto currency.

However, while it doesn't allow cryptocurrency within its mainland, it still aims to play a part in the market. The special administrative region Hong Kong has suffered economically in recent years, especially following the COVID-19 Pandemic. To reinstate it as a global economic power, China announced its e-CNY, the world's first digitalised central bank currency. While keeping restrictions tight within the mainland territory, cryptocurrency is expected to thrive within Hong Kong, putting it in rivalry with American dominance over the market.

Japan: With Mt. Gox being based in Tokyo in 2014, the country has been a long standing player in the crypto currency market. Current trends are also showing a rise in relevance within the country, with more businesses turning to it as an alternative to central banking. The concept of a digitilised Japanese yen has also risen in popularity. However approaches still differ, from common hacks on crypto providing websites causing reputational backlash. Additionally, worries over illicit activity taint the cause. Despite this, revisions to regulatory requirements have recently been made in the form of simplifying reserve amount requirements for stablecoins, as well as increasing regulation on cross border exchanges. The Japanese central throughout this is still in discussion about digitization or a Yen Based Stablecoin, running research and pilot

programs with some urgency, due to a surge of popularity of cashless paying systems.

European Central Bank: The European central bank shows a concern over the safety of widespread usage. The message published as part of their financial stability review in May 2022, the joint statement voiced concerns over its financial stability, energy value, as well as legitimacy: “Crypto-assets lack intrinsic economic value or reference assets, while their frequent use as an instrument of speculation, their high volatility and energy consumption, and their use in financing illicit activities make crypto-assets highly risky instruments. This also raises concerns over money laundering, market integrity and consumer protection, and may have implications for financial stability.” (Hermans et al., 2022). Laws and regulations, as well as relevance and popularity differ by country within Europe.

Questions a resolution must answer

When writing your resolutions, please take into account all of the information provided within the study guide. Aim to address a wide range of topics, with pointed and focused approaches. Of course, we understand that there are limitations to your understanding of the topic, meaning that you will not be expected to come up with anything technical. Please refer below to what we recommend you to consider, and tangents that you can avoid to save time:

Topics to include:

- *Discussion of enhanced cooperation with cryptocurrency systems.*
- *Integration or separation of cryptocurrency within the wider financial world.*
- *Possible limitations to be placed on cryptocurrency.*
- *Security expectations/developmental plans (theoretical).*
- *Responsibility over security and who it should be assigned to.*
- *Future opportunities for development and its limitations.*
- *Wider implications and how they should be addressed (think back*

specifically to the ECOSOC mission!!!)

Tangents to avoid:

- *Education of the public- Public education programs tend to not be as effective in this scope.*
- *Inventions of new software- We don't have the understanding or time to be able to accomplish this. Alternatively you can suggest improvement/development to what already exists.*

Bibliography:

- Blockchain Today. "The Dark Side of Bitcoin: A History of Hacks, Scams and Cybercrimes Involving the Cryptocurrency." *Medium*, Coinmonks, 6 Nov. 2023, medium.com/coinmonks/the-dark-side-of-bitcoin-a-history-of-hacks-scams-and-cybercrimes-involving-the-cryptocurrency-78cb816b7e62. Accessed 16 Sept. 2025.
- Bohannon, John . "Why Criminals Can't Hide behind Bitcoin." *Www.science.org*, 9 Mar. 2016, www.science.org/content/article/why-criminals-cant-hide-behind-bitcoin.
- "China and America in a Stablecoin Race That Could Reshape Global Finance | Lowy Institute." *Lowyinstitute.org*, 2025, www.lowyinstitute.org/the-interpreter/china-america-stablecoin-race-could-reshape-global-finance.
- "Cryptocurrency Regulation in the US: A Guide for 2025." *KYC Hub*, 27 Dec. 2024, www.kychub.com/blog/cryptocurrency-regulation-in-the-us/.
- "ECOSOC Sessions | Economic and Social Council." *Un.org*, 2024, ecosoc.un.org/en/meetings/ecosoc-sessions.
- "ECOSOC Subsidiary Bodies | Economic and Social Council." *Ecosoc.un.org*, ecosoc.un.org/en/about-us/ecosoc-subsidiary-bodies.
- European Central Bank. "Financial Stability Review, May 2022." *European Central Bank*, 25 May 2022, www.ecb.europa.eu/press/financial-stability-publications/fsr/html/ecb.fsr202205~f207f46ea0.en.html.
- Fahad Hossen Akash. "Axie Infinity's Ronin Bridge Hack: A \$600 Million Theft – a Case Study." *Binance Square*, 22 Jan. 2025, www.binance.com/en/square/post/19263408891634.
- FBI. "Ross William Ulbricht's Laptop." *Federal Bureau of Investigation*, www.fbi.gov/history/artifacts/ross-william-ulbrichts-laptop.
- Feyen, Erik, et al. "Crypto-Assets: Unfit for Central Bank Reserves Today." *World*

Bank Blogs, 2024,

blogs.worldbank.org/en/allaboutfinance/crypto-assets--unfit-for-central-bank-reserves-today.

- “Four Ways the United Nations Has Embraced Blockchain and Cryptocurrency.” *Crypto Altruism*, 2025, www.cryptoaltruism.org/blog/four-ways-the-united-nations-has-embraced-blockchain-and-cryptocurrency.
- Frankenfield, Jake. “Mt. Gox.” *Investopedia*, 2019, www.investopedia.com/terms/m/mt-gox.asp.
- Gagliardoni, Tommaso. “The Poly Network Hack Explained.” *Kudelski Security Research*, 12 Aug. 2021, research.kudelskisecurity.com/2021/08/12/the-poly-network-hack-explained/.
- George, Kevin. “The Largest Cryptocurrency Hacks so Far.” *Investopedia*, 17 Nov. 2022, www.investopedia.com/news/largest-cryptocurrency-hacks-so-far-year/.
- Girard, Bonnie. “China’s Cryptocurrency and Blockchain Journey.” *The Diplomat.com*, The Diplomat, 31 May 2025, thediplomat.com/2025/05/chinas-cryptocurrency-and-blockchain-journey/.
- Hayes, Adam. “Stablecoins: Definition, How They Work, and Types.” *Investopedia*, 13 June 2024, www.investopedia.com/terms/s/stablecoin.asp.
- Hermans, Lieven, et al. “Decrypting Financial Stability Risks in Crypto-Asset Markets.” *Www.ecb.europa.eu*, 24 May 2022, www.ecb.europa.eu/press/financial-stability-publications/fsr/special/html/ecb.fsrart202205_02~1cc6b111b4.en.html.
- “History of Cryptocurrency: The Idea, Journey, and Evolution.” *World.org*, 9 Apr. 2023, world.org/learncenter/scroll-through-worldcoin-beginner-guides-to-learn-the-history-of-cryptocurrency.
- IMF-FSB-OCC Crypto Conference. “The Changing Landscape of Crypto Assets—Considerations for Regulatory and Supervisory Authorities.” *IMF*, 23 Feb. 2024, www.imf.org/en/News/Articles/2024/02/23/sp022324-changing-landscape-crypto-assets-considerations-regulatory-and-supervisory-authorities.
- Levy, George. “(PDF) a Brief History of Finance”: *ResearchGate*, Dec. 2016, www.researchgate.net/publication/305727320_A_Brief_History_of_Finance.
- Little, Teri. “Mtgox Hack: Causes, Consequences, and Bitcoin Market Fallout.” *CGAA*, 18 Jan. 2025, www.cgaa.org/article/mtgox-hack. Accessed 16 Sept. 2025.
- Locke, Taylor. “From Bitcoin Hitting \$1 Trillion in Market Value to Elon Musk’s Dogecoin Tweets: 12 Key Crypto Moments from 2021.” *CNBC*, 27 Dec. 2021, www.cnbc.com/2021/12/27/12-key-moments-that-fueled-cryptos-record-growth-in-2021.html.
- Lomazzo, Christina, and Mehran Hydari. “The UNICEF CryptoFund.”

www.unicef.org, UN, 2020,

www.unicef.org/innovation/stories/unicef-cryptofund.

- McWhinney, James. "Can Bitcoin Kill Central Banks?" *Investopedia*, 30 May 2023, www.investopedia.com/articles/investing/050715/can-bitcoin-kill-central-banks.asp.
- Montevirgen, Karl. "Britannica Money." *Www.britannica.com*, 30 June 2023, www.britannica.com/money/what-is-blockchain.
- Nakamoto, Satoshi. "Bitcoin: A Peer-To-Peer Electronic Cash System." 2008.
- Reiff, Nathan. "Were There Cryptocurrencies before Bitcoin?" *Investopedia*, 26 Aug. 2021, www.investopedia.com/tech/were-there-cryptocurrencies-bitcoin/.
- Reuters Staff. "Crypto's Biggest Hacks and Heists after \$1.5 Billion Theft from Bybit." *Reuters*, 24 Feb. 2025, www.reuters.com/technology/cybersecurity/cryptos-biggest-hacks-heists-after-15-billion-theft-bybit-2025-02-24/.
- Röben, Volker. "United Nations, Economic and Social Council (ECOSOC)." *Oxford Public International Law*, Max Planck Institute for Comparative Public Law and International Law, 2018.
- Saleem, Mohamed Nihal, et al. "Decrypting Cryptocurrencies: An Exploration of the Impact on Financial Stability." *Journal of Risk and Financial Management*, vol. 17, no. 5, 30 Apr. 2024, pp. 186–186, <https://doi.org/10.3390/jrfm17050186>.
- "Stablecoins vs Bitcoin: The 3 Major Differences Explained | BVNK Blog." *Bvnk.com*, 2023, www.bvnk.com/blog/stablecoins-vs-bitcoin.
- "Tether Unveils USA\$, Its Planned U.S.-Regulated Dollar-Backed Stablecoin, and Will Appoint Bo Hines as CEO of Tether USA\$ - Tether.io." *Tether.io*, 2025, tether.io/news/tether-unveils-usat-its-planned-u-s-regulated-dollar-backed-stablecoin-and-will-appoint-bo-hines-as-ceo-of-tether-usat/. Accessed 17 Sept. 2025.
- "The History of Bitcoin: How Did Bitcoin Become so Popular? | Shrimpy Academy." *Academy.shrimpy.io*, 2023, academy.shrimpy.io/post/the-history-of-bitcoin-how-did-bitcoin-become-so-popular.
- Tidy, Joe. "Ronin Network: What a \$600m Hack Says about the State of Crypto." *BBC News*, 30 Mar. 2022, www.bbc.com/news/technology-60933174.
- UNITED NATIONS. "UN Trade Body Calls for Halting Cryptocurrency Rise in Developing Countries." *UN News*, 10 Aug. 2022, news.un.org/en/story/2022/08/1124362.
- United Nations. "ECOSOC at a Glance | Economic and Social Council." *Ecosoc.un.org*, 2024, ecosoc.un.org/en/about-us.
- ---. "Sustainability Solution or Climate Calamity? The Dangers and Promise of Cryptocurrency Technology." *UN News*, 20 June 2021,

news.un.org/en/story/2021/06/1094362.

- Website team 05. "Japan's Crypto-Asset, Stablecoin and Security Token Regulations." *Law.asia*, 14 May 2025, law.asia/japan-crypto-stablecoin-regulations-2025/.
- "Welcome to Csonet.org | Website of the UN DESA NGO Branch. At Your Service." *Archive.org*, 2025, web.archive.org/web/20230111170415/csonet.org/?menu=123.
- Wignaraja, Kanni. "Decrypting Crypto." *UNDP*, 2025, www.undp.org/blog/decrypting-crypto.

Second topic: Addressing the Challenges of Tariff Policies in Global Trade

Teddy Brown

TOPIC INTRODUCTION

Tariff policies remain a central, yet contested, tool of trade policy; while tariffs are often justified as ways of protecting domestic industries or work to fix trade imbalances, their use causes challenges that ripple across the global markets and nations. Tariff increases can slow or even stunt economic growth by raising costs for businesses and consumers. In our current ways of global value chains, tariffs can not only affect the costs of final goods but also impose fixed fees along every stage of production; this limits gains for developing economies.

Retaliation is another risk: imposing tariffs frequently provokes counter tariffs, sparking trade wars that reduce global trade and affect ordinary working people. Moreover, tariff-based attempts to improve a country's trade balance (the difference between imports and exports) may backfire should they trigger unintended consequences such as higher input prices or reduced competitiveness abroad.

Recently, tensions within global trade have severely increased; most notably with tariff policies targeting many of the world's largest economies. Such an example took place earlier this year when the U.S. imposed 25% tariffs on imports from Canada and Mexico while also increasing levies on Chinese goods. Due to this, many states such as China responded with counter-tariffs on American exports, triggering a cycle of retaliatory tariffs. The European Union has introduced new tariffs and also threatened retaliatory measures against the U.S.

KEY TERMS

- **Protectionism** - The use of tariffs and other economic penalties to protect and prioritise domestic industries from foreign imports.
- **Retaliatory Tariffs** - measures imposed by states in response to initial tariffs.
- **Trade War** - escalation of retaliatory tariffs and trade restrictions between nations.
- **Comparative Advantage** - the principle that countries benefit by specialising in goods they produce efficiently
- **Global Supply Chains** - a worldwide network of suppliers, manufacturers, distributors, and customers that tariffs make more costly and complex.

Timeline of the topic

1947 – General Agreement on Tariffs and Trade (GATT)

Established a framework for reducing tariffs and promoting multilateral trade following WWII.

1995 – World Trade Organization (WTO) Founded

Created a strong dispute-settlement system to regulate tariffs and trade barriers.

2001 – China Joins WTO

A turning point for global trade, but also acted as preparation for future disputes over tariffs and market access.

2018–2019 – U.S.–China Trade War

The U.S. imposed tariffs on over \$360 billion worth of Chinese goods; China retaliated with tariffs on U.S. exports, sparking one of the largest modern trade wars.

2020 – COVID-19 Pandemic

Disrupted global supply chains; some countries raised tariffs or tightened export restrictions to protect domestic industries and medical supplies.

2021–2022 – U.S. and EU Resolve Steel and Aluminum Tariffs

Reached an agreement to end tariff disputes that had strained transatlantic trade relations.

2023 – Rising Protectionism

Countries increasingly used tariffs and trade barriers to protect strategic sectors like energy, technology, and food security amid geopolitical tensions.

2025 – Renewed U.S. Tariff Measures

The U.S. announced new 25% tariffs on imports from Canada, Mexico, and China, raising concerns about global trade wars.

Past action

General Agreement on Tariffs and Trade

- Its purpose was to reduce tariffs and trade barriers as well as promote free trade between states.
- Key Features:
 - Multilateral negotiations to lower tariffs.
 - “Most-Favored-Nation” (MFN) principle for equal treatment among countries.
 - Only focused on goods, not services or intellectual property.

Marrakesh Agreement

- The Marrakesh Agreement established the World Trade Organization (WTO) while also formalising the rules of global trade.
- Key Features:
 - Incorporated the GATT as the WTO framework.
 - Expanded from simple goods to also services, intellectual property.
 - Strengthened the enforcement of trade rules and tariff reductions.

Maastricht Treaty (1992)

- The treaty established the European Union (EU) and created the single European market.
- Key Features:
 - Economic and Monetary Union (EMU) and coordination of economic policies.
 - Free movement of goods, services, capital, and people within the EU.

- Common external tariffs applied to imports from non-EU countries.

Country positions

United States

- Uses tariffs to protect domestic industries.
- Imposed tariffs on Chinese goods during the U.S.–China trade war.
- Favors bilateral trade deals to secure favorable terms.

China

- Supports lower tariffs but still is a key user in trade disputes.
- Imposed retaliatory tariffs during the U.S.–China trade war.
- Promotes free trade through initiatives like the Belt and Road Initiative.

Germany

- Strong advocate for free trade within the WTO framework.
- Supports multilateral agreements but protects key domestic industries.
- Promotes export-oriented trade policies, especially in manufacturing and automotive sectors.

India

- Protects domestic industries through tariffs.
- Maintains high tariffs on certain agricultural and manufactured goods.

Brazil

- Uses tariffs to protect domestic agriculture and industry.
- Attempts to balance domestic protection with global trade cooperation.

Questions a resolution must answer

- *How can countries work together to identify the most harmful tariffs affecting global commerce?*
- *What strategies can be used to ensure domestic industries are protected while also minimizing negative effects on international trade?*
- *How can a resolution encourage discussion between countries with conflicting tariff policies?*
- *What mechanisms could detect and respond to unfair or sudden tariff changes before they escalate trade disputes?*
- *Could a global framework, similar to the EU's single market, realistically reduce tariff conflicts and promote freer trade worldwide?*

Conclusion

Tariff policies play a crucial role in shaping global trade, in influencing economic growth, and affecting industries worldwide. While they can protect markets, excessive tariffs often create severe tensions and hinder international cooperation. Addressing these challenges requires driven negotiations, and innovative frameworks that balance the interests of states with the interest of the global economy. Learning from historical agreements and working to create potential solutions, all states can work towards finding a solution for this issue.

Bibliography

- American Historical Association. "History of Tariffs – AHA." *AHA*, 12 Sept. 2025, www.historians.org/resource/history-of-tariffs.
- Emediegwu, Lotanna . "How Are US Tariffs Reshaping Global Agricultural Trade? - Economics Observatory." *Economics Observatory*, 16 Sept. 2025, www.economicsobservatory.com/how-are-us-tariffs-reshaping-global-agricultural-trade.
- European Parliament. "Maastricht Treaty." *European Parliament*, 1992, www.europarl.europa.eu/about-parliament/en/in-the-past/the-parliament-and-the-treaties/maastricht-treaty.
- Hansen, Sarah. "Which Countries Have the Highest Tariffs?" *Investopedia*, 27 Aug. 2021, www.investopedia.com/ask/answers/040115/which-countries-have-highest-tariffs.asp.
- Hoffman, Carter. "History of Tariffs: From Ancient Times to the Modern Day." *Trade Treasury Payments*, 18 Apr. 2025, tradetreasurypayments.com/posts/history-of-tariffs-from-ancient-times-to-the-modern-day.
- J.P. Morgan. "U.S. Tariffs: What's the Impact? | J.P. Morgan Research." *Jpmorgan.com*, J.P. Morgan, 25 Mar. 2025, www.jpmorgan.com/insights/global-research/current-events/us-tariffs.
- Levy, Cindy, et al. "Tariffs and Global Trade: The Economic Impact on Business." *McKinsey & Company*, 18 Apr. 2025, www.mckinsey.com/capabilities/geopolitics/our-insights/tariffs-and-global-trade-the-economic-impact-on-business.
- Office of the United States Trade Representative. "United States-Mexico-Canada Agreement." *Office of the United States Trade Representative*, 2025, ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement.
- Ossa, Ralph. "WTO Blog | in a World of Trade Tensions, What Do Tariffs Really Do?" *WTO Blog*, 11 Apr. 2025,

www.wto.org/english/blogs_e/ce_ralph_ossa_e/blog_ro_11apr25_e.htm.

- Sumedh Deorukhkar, et al. "The Impact of Tariffs Is Computed through the Calculation of Effective Tariffs under Different Scenarios A...." *Bbvaresearch.com*, 11 June 2025, www.bbvaresearch.com/en/publicaciones/global-the-impact-of-trade-tariffs-on-the-global-economy.
- The Editors of Encyclopaedia Britannica. "Economic and Social Council | UN." *Encyclopædia Britannica*, 2019, www.britannica.com/topic/Economic-and-Social-Council.
- UN Trade and Development. "Uncertainty Is the New Tariff, Costing Global Trade and Hurting Developing Economies." *UN Trade and Development (UNCTAD)*, Sept. 2025, unctad.org/news/uncertainty-new-tariff-costing-global-trade-and-hurting-developing-economies.
- United Nations. "ECOSOC at a Glance | Economic and Social Council." *Ecosoc.un.org*, 2024, ecosoc.un.org/en/about-us.
- World Trade Organisation. "World Tariff Profiles 2024." *Wto.org*, 2024, www.wto.org/english/res_e/publications_e/world_tariff_profiles24_e.htm.
- ---. "WTO | Legal Texts - Marrakesh Agreement." *Wto.org*, 2017, www.wto.org/english/docs_e/legal_e/marag_e.htm.
- World Trade Organization. "The General Agreement on Tariffs and Trade (GATT 1947)." *Wto.org*, 2019, www.wto.org/english/docs_e/legal_e/gatt47_01_e.htm.