

United Nations Economic and Social Council
Background Guide



Contents

- 1. Letter from the Chair
- 2. The Council
- 3. The Impact of Climate Change on the Economy
 - a. Introduction
 - b. Economic Impacts of Climate Change
 - c. Global Trade and Supply Chains
 - d. International Agreements and Cooperation
 - e. Fiscal Policies and Green Investments.
 - f. Bibliography

4. The Ethics of Artificial Intelligence

- a. Introduction
- b. Ethical Frameworks
- c. Privacy and Data Protection
- d. Autonomy and Control
- e. Job Displacement
- f. Regulatory Frameworks
- g. Future of Artificial Intelligence

Letter from the Chair

Greetings Delegates,

I am Haben Easow Robby, and I am honoured to extend my warmest welcome to all of you as the Chair of the Economic and Social Council (ECOSOC). As we gather here for this critical conference, it is my privilege to provide you with some key insights and expectations for our time together.

This background guide is an introduction to the two issues being presented in this council. It shall provide a brief description and links/resources for the issues at hand, but do not limit your research to the info present here! A prepared delegate must consider all aspects of the issue, including (but not limited to) from the perspective of their delegation, as well as their allies' and rivals' views on the matter at hand. As the Chair, I am committed to maintaining a fair and inclusive atmosphere, where every delegate can express their views and contribute to the committee's work. I will ensure that our sessions are conducted with professionalism and respect, adhering to the rules and procedures that govern our proceedings.

I encourage you to prepare diligently, study the background materials, and familiarize yourselves with the topics at hand. It is through your dedication and knowledge that we can hope to find feasible and sustainable solutions. I also urge you to reach out to your fellow delegates and build relationships. Collaboration and compromise often lead to more comprehensive and effective resolutions. Remember that it is not only about winning debates but also about making a real impact on the world.

In conclusion, I have the utmost confidence in the abilities of each delegate in this committee. I look forward to productive discussions and innovative resolutions during our time together. If you have any questions or require clarification on any matter, please do not hesitate to contact me. Let us work together to make this ECOSOC conference a success and bring us closer to a more sustainable, equitable, and prosperous world.

Wishing you the very best Haben Easow Robby – <u>ecosoc.c5@gmail.com</u>

The Economic and Social Council (ECOSOC)

The Economic and Social Council (ECOSOC) is one of the six principal organs of the United Nations, responsible for coordinating the economic, social, humanitarian, and cultural activities carried out by the UN. It was established by the UN Charter in 1945.

ECOSOC is at the heart of the United Nations system to advance the three dimensions of sustainable development – economic, social, and environmental. It serves as a central platform for fostering debate and innovative thinking, forging consensus on ways forward, and coordinating efforts to achieve internationally agreed goals.

ECOSOC links a diverse family of subsidiary bodies and UN entities dedicated to sustainable development, providing overall guidance and coordination. These include regional economic and social commissions, functional commissions facilitating intergovernmental discussions of major global issues, expert bodies establishing important global normative frameworks, and specialized agencies, programs and funds at work around the world to translate development commitments into real changes in people's lives.

Each year, ECOSOC structures its work around an annual theme of global importance to sustainable development. This ensures focused attention among ECOSOC's array of partners and throughout the UN development system.

Agenda 1

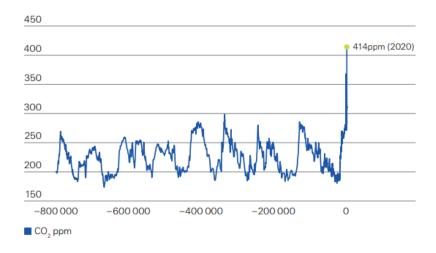
The Impact of Climate Change on the Economy

Introduction

In an era marked by unprecedented environmental challenges, the repercussions of climate change extend far beyond rising temperatures and extreme weather events. Climate change is now undeniably intertwined with our global economy, altering the landscape of industries, financial markets, and policy decisions. This background guide aims to delve into the intricate relationship between climate change and the economy, providing a comprehensive overview of how environmental shifts are reshaping economic paradigms, influencing investment strategies, and necessitating innovative solutions. By examining the economic implications of climate change, we seek to understand both the threats and opportunities that lie ahead, offering a foundation for informed decision-making and a sustainable path forward.

Economic Impacts of Climate Change

Climate change manifests in the trend of rising global temperatures and more extreme weather events. Since the industrial revolution, human activity has continuously driven up greenhouse gas (GHG) emissions, changing the temperature and variables such as precipitation, wind and cloud. In 2020, the concentration of carbon dioxide (CO2) in the atmosphere reached more than 414 parts per million.



Climate change impacts economies systemically through physical and transition risks. Among others, physical risks include property damage, disruption to trade due to climate shocks (e.g., severe weather events such as storms, floods and droughts), and lost productivity due to rising average temperatures. Transition risks result from the adjustment to a low-carbon economy, like changes to how society deploys resources, uses technology and rolls out regulation.

Global Trade and Supply Chains

I. Disruption of Global Supply Chains

Climate change, through extreme weather events like floods and wildfires, is increasingly disrupting ports, highways, and factories worldwide. These disruptions are already being felt and pose a far more serious threat than other factors. For instance, the Texas freeze in February caused major semiconductor plants to close, exacerbating a global pandemic-triggered semiconductor shortage.

II. Impact on Manufacturing

As climate change makes extreme weather more frequent and/or severe, it increases the annual probability of events that are more intense than manufacturing assets are constructed to withstand, increasing the likelihood of supply-chain disruptions.

III. Effect on Trade

Climate change may also negatively affect trade as extreme weather events raise the cost of trade by destroying or degrading transport infrastructure and reducing agricultural production.

International Agreements and Cooperation

International cooperation and agreements play a crucial role in addressing the impact of climate change on the economy.

- I. United Nations Framework Convention on Climate Change (UNFCCC):
 - This is an international environmental treaty negotiated at the Earth Summit in Rio de Janeiro from 3 to 14 June 1992.
 - The objective of the treaty is to "stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system."

II. The Paris Agreement:

- The Paris Agreement is a legally binding international treaty on climate change, adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015.
- Its overarching goal is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and

pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels.

III. Free Riding Factor:

- Because greenhouse gases mix globally in the atmosphere, damage is not necessarily attributed to the country where the emissions came from.
- Conversely, expenditures to reduce emissions may not benefit the country that is incurring them but another unrelated set of countries – the free riders – which could very well not be spending anything on curtailing greenhouse gases.

Fiscal Policies and Green Investments

Green fiscal policies are a critical part of efforts to address global challenges and transition to an inclusive green economy.

I. Carbon Taxation:

- This is a tax on the carbon content of fossil fuels.
- The result is that the more carbon a fuel releases when it's burned, the higher its tax rate. This encourages businesses and individuals to reduce their carbon footprint.

II. Fossil Fuel Subsidy Reform:

- Many countries subsidise fossil fuels, making them cheaper and thus encouraging their use.
- Reforming these subsidies can help to reduce greenhouse gas emissions.

III. Sustainable Water Use and Management:

Some countries have implemented fiscal policies to promote sustainable water use.

For example, in Australia, water pricing policies have been used to encourage more efficient use of water resources.

IV. Addressing Pollution and Protecting Human Health:

- Many countries have implemented taxes on pollution to protect human health.
- For example, Sweden has a tax on nitrogen oxide emissions from energy production.

V. Sustainable Resource Extraction and Green Investment:

- Some countries have implemented fiscal policies to support sustainable resource extraction and green investment.
- For example, Norway has a tax system that encourages oil companies to act environmentally friendly.

Green investments are investment activities that focus on projects or areas committed to preserving the environment. Here are some examples:

I. United States:

- The US is leading the way in green bonds, with \$118.6 billion issued in 2018. Total US-based managed assets using sustainable strategies grew from \$8.7 trillion at the start of 2016 to \$12 trillion at the start of 2018.
- In addition, the US had the second-highest clean energy investments in 2019 at \$55.5 billion.

II. China:

- China has been a leader in renewable energy, with significant investments in solar and wind power.
- In 2019, China had the highest investment in clean energy worldwide, pumping some \$83.4 billion into clean energy research and development.

Why is this controversial?

The impact of climate change on the economy is controversial for several reasons:

I. Economic Growth:

- Some argue that fossil fuels have been essential to driving economic growth.
- Limiting their use could potentially stunt this growth and increase the cost of living, which could disproportionately affect the poorest.

II. Cost-Benefit Analysis:

- Evaluating the economic impact of climate change is difficult.
- The world cannot embark on ambitious attempts to reduce carbon emissions if we are not reasonably confident that the benefits of these actions will outweigh their costs.

III. Uncertainty and Complexity:

- The mapping of many physical impacts, such as sea level rise, extreme weather events, or nonlinearities in the climate system, is complex.
- Climate change evolves relatively slowly, unfolding over decades and centuries rather than over months and years.

IV. Global Externality with Local Impact:

- CO2 emissions are a global externality with local economic impact.
- Emissions from anywhere on the planet lead to changing temperatures across the globe. However, the impact of climate change varies significantly across regions.

V. Disparity in Impact:

- There is a striking contrast in the impact of climate shocks on inflation and growth according to income level, state of the economy, and fiscal space when the shock hits.
- This disparity can lead to differing perspectives on the urgency and methods of addressing climate change.

VI. Policy Disputes:

 There is an ongoing dispute about what policies should be implemented to avoid possible undesirable effects of climate change.

Suggested Moderated Caucus Topics

- Measures to be taken to tackle climate change, and if the proposed measures are being fulfilled.
- 2. Economic challenges and opportunities associated with transitioning to renewable energy sources.
- Allocation of resources between climate adaptation (coping with existing impacts) and mitigation (reducing greenhouse gas emissions) and their economic consequences.
- 4. Economic consequences of extreme weather events linked to climate change, including disaster recovery costs and resilience measures.

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Agenda 2 The Ethics of Artificial Intelligence

Overview

The question of ethics in the realm of Artificial Intelligence (AI) has gained paramount significance in recent years. As we venture further into the age of automation and machine learning, it becomes essential to examine the ethical implications and moral dilemmas surrounding AI technologies. The ethics of AI encompasses a broad spectrum of issues, ranging from bias and transparency in algorithmic decision-making to privacy concerns, job displacement, and the potential for AI to be used in harmful ways. This topic will challenge delegates to grapple with the ethical considerations that underpin AI development and deployment, seeking to strike a balance between innovation and societal well-being. In this background guide, we will delve into these complex ethical dimensions and explore potential strategies to navigate the path forward responsibly.

Introduction to Artificial Intelligence

Artificial Intelligence (AI) is a branch of computer science that aims to create systems capable of performing tasks that would normally require human intelligence. These tasks include learning and adapting to new information, understanding human language, recognizing patterns, solving problems, and making decisions.

Al has a wide range of applications across various industries:

I. Healthcare:

 Al can assist in diagnosing diseases, predicting patient outcomes, personalizing treatment plans, and even performing surgeries with robotic systems.

II. Finance:

 Al is used for algorithmic trading, fraud detection, credit scoring, and automating customer services.

III. Transportation:

 Self-driving cars and intelligent traffic management systems are some of the AI applications in this industry.

IV. Education:

 Al can personalize learning experiences based on individual student's needs and progress.

Ethical Frameworks

Here are brief overviews of two such frameworks: Utilitarianism and Virtue Ethics.

- I. Utilitarianism in Al Development:
 - Utilitarianism is a consequentialist ethical theory that focuses on achieving the greatest good for the greatest number. In the context of AI, this could mean designing systems that produce net positive outcomes or benefits for humanity.
 - However, implementing utilitarian principles in AI can be challenging due to the complexity of defining what constitutes 'beneficial outcomes and the potential for unintended consequences'.
 - For instance, an AI system might need to make trade-offs between competing interests, such as maximizing efficiency versus preserving privacy.

II. Virtue Ethics in AI Development:

 Virtue ethics emphasizes the importance of moral character and virtues. In AI development, this could involve instilling certain 'virtues' in Al systems, such as justice, honesty, responsibility, and care.

- These virtues represent specific motivational settings that constitute the precondition for ethical decision-making in Al.
- The challenge lies in translating these abstract virtues into concrete behaviours that an AI system can exhibit. Moreover, it's important to consider how these virtues can be cultivated within organizations dealing with AI research and development.

Both these frameworks offer valuable perspectives but also pose unique challenges when applied to AI development. It's important to note that these are not the only ethical frameworks applicable to AI. Others include deontological ethics and care ethics.

Privacy and Data Protection

I. Data Privacy:

• Al systems often require large amounts of data to function effectively. This data can include personal information, which raises privacy concerns. For instance, Al applications can be used to identify and track individuals across different devices in their homes, at work, and in public spaces. There's also the risk of reidentification and deanonymization.

II. Data Collection:

The collection of data for AI systems can lead to ethical issues such as discrimination, unfairness, inaccuracies, and bias. AIdriven identification, profiling, and automated decision-making can lead to discriminatory or biased outcomes. People can be misclassified, misidentified or judged negatively, and such errors or biases may disproportionately affect certain demographics.

III. Use of Personal Information:

- The use of personal information in AI systems can lead to ethical issues such as opacity and secrecy of profiling. Some applications of AI can be obscure to individuals, regulators or even the designers of the system themselves, making it difficult to challenge or scrutinize outcomes.
- Moreover, people are often unable to fully understand what kinds of—and how much—data their devices, networks and platforms generate, process or share.

Autonomy and Control

- I. Ethical Dilemmas Around the Autonomy of Al Systems:
 - Al systems can exhibit biases, originating from stereotypical representations deeply rooted in our societies. This can lead to discriminatory outcomes and further entrench prejudices and stereotypes online.
 - The use of AI in judicial systems is increasing, which could potentially improve efficiency and accuracy. However, there are concerns about the lack of transparency of AI tools and the susceptibility of AI-based decisions to inaccuracies and discriminatory outcomes.
 - There are concerns that AI systems may do more societal harm than economic good. With virtually no U.S. government oversight, private companies use AI software to make determinations about health and medicine, employment,

creditworthiness, and even criminal justice without having to answer for how they're ensuring that programs aren't encoded with structural biases.

II. Degree of Control Humans Should Have Over Al Systems:

It's suggested that 3 types of control give designers greater flexibility in their projects and give people greater flexibility in how they accomplish their tasks:

- Degree of Control: More helpful in guiding design than the idea of levels of automation.
- Shared Control: People control certain system features while the computer carries out other tasks.
- Time Frames of Control: Machines have immediate control, but people have longer-term control.

Job Displacement

Artificial Intelligence (AI) is having a significant impact on the job market. It's shaking up the job market by automating certain tasks and processes, freeing up employees to focus on more high-level, strategic work. This can result in a more streamlined and efficient workplace, leading to increased productivity and profitability. In addition to improving efficiency, AI can also create new job opportunities.

Regulatory Frameworks

Al regulations are being proposed and implemented globally to address the risks of Al and to ensure its ethical use.

Existing Regulations:

- UNESCO has led the international effort to ensure that science and technology develop with strong ethical guardrails. In November 2021, all 193 Member States adopted the first-ever global standard on AI ethics – the 'Recommendation on the Ethics of Artificial Intelligence'.
- The OECD has put forth its AI Principles in 2019 and has been working to help member countries put them into practice.
- The UK government has set out proposals for a new AI rulebook to
 ensure that AI is used safely, is technically secure, functions as
 designed, is appropriately transparent and explainable, considers
 fairness, identifies a legal person to be responsible for AI, and clarifies
 routes to redress or contestability.

Proposed Regulations:

- The European Commission is proposing the first-ever legal framework on AI, which addresses the risks of AI and positions Europe to play a leading role globally. The proposed AI regulation ensures that Europeans can trust what AI has to offer.
- In the US, efforts to enact AI-related legislation at the federal level are gaining momentum. The draft Algorithmic Accountability Act (AAA) of 2022 would require developers and users of certain AI systems to conduct algorithmic impact assessments and build regulatory capacity at the Federal Trade Commission (FTC).

Ethical Implications:

Ethical considerations become even more important as AI becomes a
bigger part of the way we work. By learning some basic ethical
standards of AI, you'll be better able to avoid potential biases, uphold
standards for data privacy, and properly regulate the deployment of AI
technology.

Future of Artificial Intelligence

The future of AI ethics is a rapidly evolving field with numerous challenges and opportunities. As AI systems that can learn and reason like humans are now widely used in many real-world applications, the debate around such systems is now pivoting towards their non-functional properties and their impact on society.

As the range of AI capabilities expands, so does our awareness of the ethical issues related to the design, development, deployment, and use of AI systems or their application for the social good. The promise for positive change that AI represents has been challenged by several reports on ethically questionable uses of AI in contexts as varied as healthcare, education, law enforcement, recruitment, risk assessment, and more.

In addition to these ethical concerns, there are also societal implications of Al such as the perception of Al, ageism, and the use of Al for societal interest.

As we move forward, it is crucial to stay informed, engage in open dialogue, and foster a culture of responsible AI development and deployment. By doing so, we can harness the incredible potential of AI while safeguarding against its potential pitfalls. In this rapidly evolving landscape, ethical AI will be a

guiding light, ensuring that technology remains a force for good and a catalyst for positive change in our world.

Suggested Moderated Caucus Topics

- 1. The impact of AI on the job market and ensuring a fair transition for those whose jobs are automated.
- 2. Should autonomous weapons systems be allowed? The ethical implications of using AI in warfare.
- 3. Accountability of AI
- 4. The ethical use of AI in social media.

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