Sustainable Development & The Global Energy Crisis
(Background Guide)

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“Saving our planet, lifting people out of poverty, advancing economic growth... these are one and the same fight.”

– Secretary-General Ban Ki-moon (Address to the 66th General Assembly, 2011)

“...in addition to our separate responsibilities to our individual societies, we have a collective responsibility to uphold the principles of human dignity, equality and equity at the global level...the central challenge we face today is to ensure that globalization becomes a positive force for all...only through broad and sustained efforts to create a shared future, based upon our common humanity in all its diversity, can globalization be made fully inclusive and equitable.”

Article I, Sections 2 and 5, United Nations Millennium Declaration
General Background:

Sustainable development is a very broad term. It can mean anything from the use of renewable energy to the way cities should be spatially organized to better accommodate rapid urbanization. The best definition is from the Brundtland Report, also known as *Our Common Future*:

> “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Furthermore, there are two key concepts in addition to this definition. First is the concept of needs, in particular the essential needs of the world’s poor, to which overriding priority should be given. This means that the developed countries should yield their needs and assist the needs of developing or underdeveloped countries. The second concept is the idea of limitations, imposed by the state of technology and social organization on the environment’s ability to meet present and future needs. Our planet does not have infinite recourse and the current resources available are seldom easy to extract. For example, it takes decades if not centuries for forests to replenish and oil rigs are limited to wherever there are oil deposits. Furthermore, oil is a finite resource and requires an alternative if fossil fuel consumption increases or even continues at present rate. Therefore, it is up to technology or societal conventions to put regulations in place for current, nonrenewable resources and push for future, renewable resources.

Background: Sustainable Development

There remains a divide in the way the world’s resources are allocated. Two concepts exacerbate this divide, and that is the concept of developed and developing states.

The developed state concept is defined by factors that make up a state’s economic and social wellbeing. Developed states are known for their high Human Development Index (HDI), based on an ascending scale of 0 to 1, which scores a state’s infrastructure, both physical and social. Developed states usually score above 0.750, attributed to a high-income per capita. There are other factors, however that determine whether one is a developed state, such as the structure of one’s economy. Developed states are known for having a service-based economy, where at least 50% of Gross Domestic Product (GDP) is fueled by domestic consumption (both household and business). This is largely attributed to a heavily urbanized population (exceeding 66% of the population). This presents a stable economic environment in which growth and further development can come from within, rather the sole dependence of other states. Countries that share these characteristics are located mostly in the northern hemisphere, North America, Western Europe, Northeastern Asia, with the exceptions of Australia, New Zealand, Taiwan, Singapore and Chile.

In contrast, developing countries can be further categorized into two types, middle-income states and low-income states, which are also referred to as “least-developed” states. Low-income, or least-developed states number the fewest in its category since the founding of the United Nations in 1945. This undesirable class of states is characterized by a low HDI and a GDP per capita not to exceed $1,190. The economic structure is mainly agrarian, with the exceptions of states that manufacture non-value-added goods. Populations are mostly rural, where in some states, urban population only approaches 10.2% (Burundi). Remittances and
foreign aid contribute heavily to economic growth, while factors pertaining to a low HDI pose as hindrances to sustainable growth. States that share these characteristics are located mainly in sub-Saharan Africa along the western coast, Central Africa, the Horn of Africa, with the exception of Laos, Myanmar, Afghanistan, Yemen, Haiti, Bhutan and Nepal.

While this divide remains stark, the major concern regarding sustainable development is with the middle-income developing countries. The majority of the world’s population lives in countries that have advancing economic systems that put them in the middle-income tier. In the last 30 years, populations have grown exponentially in Brazil, China, India, Mexico, Nigeria, and Pakistan, which consist the largest populations among middle-income states. For the exception of resource-rich states Brazil, Nigeria and Middle Eastern countries, the trend to achieve economic growth has been through industry. China remains a remarkable case in which a combination of foreign investment and domestic economic maneuvers facilitated the lifting of hundreds of millions of people from absolute poverty. Manufacturing was the major industry that was responsible for its growth. India and other highly populated middle-income countries are not far behind China, utilizing low labor cost and high supply.

In the process of industrialization, states have taken on many problems including environmental degradation, income inequity, and human rights issues. The goal for most states is to develop its economy with the added benefits of lifting millions out of poverty, therefore improving the quality of living. Education, healthcare and other vital infrastructure are achieved with a stable flow of resources. However, the issues that arise in the process of development hinder a state’s chances of reaching the stage of “developed state.” Upon examining these issues, one must be aware that industrialization may not be a panacea in state development; states must find ways to resolve the need for a sustainable way for states to develop.

Environmental Degradation
In the process of industrialization, manufacturing becomes a priority in investing a state’s resources. The consequences of developing a state’s industry can be fatal to the environment. In China, the rapid rate at which it developed its industry was not without its environmental disasters. In November 2005, a chemical explosion at the Jilin Pharmaceuticals plant discharged 100 tons of a benzene agent in a river that supplies water to over 20,000 residents in the northeastern province of Jilin. Accidents occur frequently, as governments look the other way in the name of quick development.

Air pollution and water pollution remains an immense problem in developing states where the infrastructure cannot support population growth or rapid industrialization. China and India now exceeds the developed world (OECD member states) in carbon and greenhouse gas emissions. Millions of tons of toxic pollutant discharge is released into the air and rivers every year.

Income Inequity
As exists the inequity among high-income and low-income countries, there appears a growing gap between a burgeoning “global middle-class” and the impoverished. Multinational Corporations (MNCs) often leave high-income developed states in favor of lower labor costs. Not only does this cap wages in low-income states by setting a minimum standard on a manufacturing wage, but it causes inequity in high-income states by hollowing out the second-tier economy in those states: industry.
Human Rights

In the name of development, states have often lowered their standards on human rights in favor of a pro-business policy. China presented an infamous example of allowing Walmart to maltreat employees; workers were paid low wages, while given accommodations that caused chronic health problems. Work conditions were not better, as workers often were given 12 to 14 hour shifts with little to no breaks, forced to work in unfit conditions. Today, many development-states see the same conditions. In 2013, a Bangladeshi factory, employing 200 women, caught fire and collapsed, killing almost everyone inside. Cambodia and Vietnam have seen similar incidents on smaller scales.

As states evaluate their development route, these issues are confronted. Whether not a state must endure these challenges can be defined by the aid and guidance ECOSOC can provide to developing states. Aid funds can help alleviate some of the environmental degradation by investing in cleaner and more sustainable energies that can power the growth of manufacturing. Agencies and programs can help guide states to reduce the gap between global rich and poor.

Background: The Global Energy Crisis

The Global Energy Crisis is linked to many factors. Most notably, it was exacerbated by declining available supply of crude oil and rapid increase in demand. Most of the new demand from oil in the 2000s came from China and India, as millions were lifted out of global poverty and able to increase personal consumption. Crude oil, once processed, is a cheap source to fuel automobiles, electricity, and a source of consumer goods.

Beginning in 2003, the price of a barrel of oil hovered around US$32. This allowed for consumer goods affected by oil prices to remain relatively stable. However, the 2000s saw a series of issues that affected the supply of oil and thus, the price. The first is the ongoing Global War on Terror, a U.S. led war in the Middle East. The region has an immense supply of natural crude oil, most of which the world consumes. When the war broke out in 2001, many oilfields were closed or destroyed, particularly in Iraq, the 3rd largest supplier of oil until 2003.

In 2005, a Category 5 hurricane hit the Gulf Coast of the United States, which was also had heavy oil drilling activity. Many wells and drilling operations ceased due to destruction. These two events provided temporary price increases that have caused the oil markets to remain volatile. They also underscored the main issue: oil supply is definite, while demand is not. China, which has seen rapid industrialization, surpassed the U.S. as the number one consumer of crude oil. Despite a weakening demand as of 2015, it will continue to consume millions of barrels of oil a day.

Finally, the global financial markets create an inhospitable environment that can drastically dictate whether consumers will be able to consume the usual amount of crude oil. In 2008, a shock in the markets, which ultimately led to the Global Financial Crisis 2008-09, weakened most of the world’s major currencies, including the reserve currency, the U.S., which is used by every country to purchase oil on the market. This caused a spike in the oil prices, which affected consumption and new supply. Because of the sudden price increase and weakening demand, oil producers saw no incentive to produce more oil, which lowered the supply and demand.
We enter a new era in which crude oil has defined the way in which we live; the overall demand is increasing, while supply is running out. As developing countries lift millions into the consumer class, this demand will only increase. The dependency has not waned.

**Previous and Current UN Statutes/Goals**

**Millennium Development Goals (2000-2015):**

The issue of sustainable development was put on the international agenda with the introduction of the Millennium Development Goals (MDGs). These were eight goals established following the Millennium Summit of the United Nations in 2000. Of these eight goals, the last two targeted sustainable development and energy. These goals are:

**Ensure environmental sustainability**

a. Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.
b. Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss.
c. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.
d. By 2020, to have achieved significant improvement in the lives of at least 100 million slum dwellers.

Protecting rainforests or other wildlife environments not only preserves wildlife from poachers or overhunting, but preserves the resources that come from these environments. Such resources include lumber and even food (fruits, etc.). Deforestation is a major issue with many consequences such as rise in air pollutants, loss of biodiversity, soil erosion, and possible food shortages. The issue of slums is a major problem for countries such as Brazil, Bangladesh, Indonesia, and many African states. Slums are sources of crime, pollution, and diseases. Successful development plans will see improvements in economy and social welfare; economic improvements will lift people out of the poverty class while better social welfare will see the dissolving of slum areas as standards of living and city infrastructure improve.

**Develop a global partnership for development**

e. Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.
f. Address the special needs of the least developed countries.
g. Address the special needs of landlocked developing countries and small island developing states.
h. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.
i. In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.
j. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.
Sustainable Development Goals (2015-2030):

While there have been advancements and achieving some of the goals before the 2015 deadline, there was a significantly uneven progress amongst the countries. Furthermore, some goals were just not making any progression as hoped. For example, many African states still suffer from large spreading diseases such as malaria, Ebola, and HIV/AIDS. Poverty is another issue still affecting many countries such as Bangladesh, Somalia, and Haiti. Therefore, the UN conducted a new summit in 2012. The United Nations Conference on Sustainable Development, also called Rio+20, took place in Rio de Janeiro, Brazil on 20-22 June, 2012. During this summit, member states formulated a new set of development goals named, Sustainable Development Goals (SDGs). These goals are:

1. End poverty in all its forms everywhere
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3. Ensure healthy lives and promote well-being for all at all ages
4. Ensure inclusive and equitable education and promote lifelong learning opportunities for all
5. Achieve gender equality and empower all women and girls
6. Ensure availability and sustainable management of water and sanitation for all
7. Ensure access to affordable, reliable, sustainable and modern energy for all
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10. Reduce inequality within and among countries
11. Make cities and human settlements inclusive, safe, resilient and sustainable
12. Ensure sustainable consumption and production patterns
13. Take urgent action to combat climate change and its impacts
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

These 17 goals are to be accomplished by 2030.
Works Cited


