



Modelová konferencia – Hospodárska sekcia
The Model Conference – Global Economic Issues

- **Global economic and financial crisis**
- **Diminishing of poverty in the least developed countries, UN Millennium Goals, new impulses of development**

Removing of the tariff restrictions on agricultural products import from developing countries, removing tariff restrictions to stop the increase of the food prices levels, it would provide developing countries vital incomes to spur their progress and at the same time cheaper food developed countries.

CHINA: China is using subsidies very much but they tell it is just because EU and USA do it, so they need to protect their farmers. They will agree with removing tariff restrictions and subsidies but just after EU and USA do it.

- **The brain drain phenomenon, free education**

Brain drain. Forum recommends the adoption of measures that would guarantee the return of funds invested in education of individuals who do not contribute to the gross domestic product. As a possible solution, Forum proposes legal precautions, which would ensure that either the individual or the country of destination would refund the money spent on the individual's education, to be taken.

CHINA: Brain drain phenomenon is for China very big problem.

As China's economy steams toward superpower status, the country has rolled out splashy programs to lure elites back from overseas. One problem: many don't seem to want to return. In 2009 Beijing launched the Thousand Talents program, dangling generous perks for top-level researchers and entrepreneurs willing to go back home. It reeled in some big names, including Princeton biologist Yigong Shi and Northwestern professor Yi Rao. But more than a year and a half on, the numbers have stalled at about 600. Meanwhile, the number of wealthy Chinese essentially buying their way into the U.S. and Canada via "immigrant investor" visas surged to record highs last year.

This may signal that China's "hardware" in the form of top-flight facilities is not enough to attract and retain top minds. Instead, the country must focus on upgrading its "software" basics, such as health care, education, and academic freedom. In May, President Hu Jintao announced a 10-year plan to do just that, calling talent "the most important resource" for the country's continued development.

One current program offers recruits a basic one million yuan (\$147,000) in government funds—plus additional money from their employers and other sources.

The government this year promised even more attractive policies in the future in its bid to close the technology gap with the West.



- **The depletion of conventional sources of energy , economically and ecologically sustainable and more profitable sources of power**

Conventional sources of energy, using financial resources and scientific capacities to further improve efficiency of already existing facilities is substantial. Funding the development of alternative sources of energy. Forum regards reopening the debate on the use of nuclear energy highly essential. Thermal energy, solar and wind energy.

CHINA:

The energy policy in China is the decisions taken by the People's Republic of China with regard to energy and energy resources. The country is currently the world's largest emitter of greenhouse gases. However, China's per capita emissions are still far behind developed countries. In addition, China is also the world's leading renewable energy producer.

The General Work Plan for Energy Conservation and Pollutant Discharge Reduction aims to cut energy consumption per unit of gross domestic product (energy intensity) by 20% over the course of the 11th five-year plan which ends in 2010, as well as cutting the discharge of major pollutants by 10%. The plan was issued in 2007 after the 4% reduction in energy intensity targeted for 2006 was missed, and all companies and local and national government were asked to submit detailed plans for compliance before June 30, 2007.

Implementation involves a variety of measures, including increased use of renewable energy, revised pricing for primary energy sources and electricity, export restrictions on energy intensive and highly polluting products, and tax incentives for pollution-reduction projects. Central and local government switch to low-energy lighting, and will be compelled to purchase only the most energy efficient and environmentally friendly electrical products.

- **Position of US dollar – reserve currency, alternative**

China's long-term trade surpluses and US trade deficits. Yuan – undervalued compared to US dollar, unfair advantage in the world trade. , chinese monetary reserves in US dollars , the forum proposes that China, stop intervening in favour of keeping the exchange rates at artificially low levels

- augmenting of the use of the IMF. SDR currency basket, the return to the gold standard - stabilize the exchange rates, stop widely adopted countries „inflationary policies leading to losing control over their currencies.

CHINA:

China called for the creation of a new currency to eventually replace the dollar as the world's standard, proposing a sweeping overhaul of global finance that reflects developing nations' growing unhappiness with the U.S. role in the world economy.

Chinese officials are frustrated at their financial dependence on the U.S., with Premier Wen Jiabao this month publicly expressing "worries" over China's significant holdings of U.S. government bonds. The size of those holdings means the value of the national rainy-day fund is mainly driven by factors China has little control over, such as fluctuations in the value of



the dollar and changes in U.S. economic policies. While Chinese banks have weathered the global downturn and continue to lend, the collapse in demand for the nation's exports has shuttered factories and left millions jobless.

Chinese officials argued for reducing the dominance of a few individual currencies, such as the dollar, euro and yen, in international trade and finance. Most nations concentrate their assets in those reserve currencies, which exaggerates the size of flows and makes financial systems overall more volatile.

Moving to a reserve currency that belongs to no individual nation would make it easier for all nations to manage their economies better, because it would give the reserve-currency nations more freedom to shift monetary policy and exchange rates. It could also be the basis for a more equitable way of financing the IMF. China is among several nations under pressure to pony up extra cash to help the IMF.

- **International bank system – no relevant control, bubble economics**
- **Finding a way to protect small and economically weaker countries against speculative attacks on their currencies, legal ways of protecting national economies**