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**Follow-up to the World Summit for Social Development and
the twenty-fourth special session of the General Assembly:**

**Priority Theme: Socially just transition towards sustainable
development: the role of digital technologies on social
development and well-being of all**

Statement submitted by the Association for Supporting SDGs for the United Nations non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.



Statement

The Role of Digital Technologies on Social Development and Well-being of All

A statement of the Association for Supporting SDGs for the United Nations
to the 59th session of the Commission for Social Development

The 17 Sustainable Development Goals, an urgent call for action by all countries, has become a greater challenge amid the COVID-19 crisis.

The International Labour Organization reported approximately 500 million job losses worldwide from this April to June alone when the pandemic had been most pervasive. The World Bank has also analyzed that the population living in extreme poverty, struggling to survive on an average of \$1.90 a day or less per person, has increased by 8.8 million-14 million since the beginning of COVID-19. Such statistics display the biggest leap since the World Bank began its research on the global poverty status in 1990.

With the highest number of reported cases in the world, the United States implemented a mass stimulus package in response to COVID-19, resulting in the federal budget deficit to reach 3.1 trillion dollars. Such a staggering rate is over twice as much as that of the global financial crisis in 2009 (1.41 trillion dollars).

In the past decade, the world has experienced severe conflict and climate crises. COVID-19 has made matters worse with a vast financial crisis due to factors such as increasing unemployment. Meanwhile, private lenders are charging high-interest rates to the low-income low-credit working class, generating loan-dodging financial exclusion. As this group struggles to receive aid through monetary policy, poverty increases exponentially and so do social welfare expenditures. The more constrained they are from opportunities of improvement through financial aid, the less likely they would be to escape extreme poverty and the more likely to impart said poverty to the next generation. Furthermore, in the current climate, the financially disadvantaged are being deprived of access to face-to-face consultations with social distancing regulations, exacerbating the efforts to extricate the financially vulnerable.

South Korea possesses the world's most advanced digital system, and the inclusive financial institutions of the South Korean government, namely the Korea Inclusive Finance Agency and the Credit Counseling and Recovery Service, have demonstrated exemplary responses to the aforementioned crises by promptly establishing and distributing a digital finance model. It is notable to point out that with a single leadership of the current chief executive officer with expertise in global financial affairs, the two institutions - the Korea Inclusive Finance Agency that provides financial loans to the working class and the Credit Counseling and Recovery Service that recovers liability- are capable of a more efficient and accessible provision of the services from providing loans to recovering liabilities in cooperation of each other.

The Korea Inclusive Finance Agency and the Credit Counseling and Recovery Service currently operate financial support and debt settlement programs for the working class in order to pursue the eradication of income bi-polarization and poverty. They also provide low-interest loans, financial education, and consultation on credit/liability management to aid the working class in gaining financial independence. Furthermore, they have created a finance model that contributes to achieving the Sustainable Development Goals through vocational competency development and employment assistance services.

Above all, in January of 2020, the Korea Inclusive Finance Agency and the Credit Counseling and Recovery Service have developed a chatbot software and mobile app that provide 24 -hour consultation and registration to extend financial access and convenience to the working class with busy occupations. Such developments have proven to be successful with 52 thousand low-income/low-credit individuals introduced to the most beneficial custom loan plan in 2020, a 201% increase from the first half of the preceding year through innovative policies.

The app launched by the Korea Inclusive Finance Agency and the Credit Counseling and Recovery Service has been downloaded 510 thousand times in the span of eight months in late September, and the chatbot software has administered 459 thousand engagements. Moreover, the institutions have provided 2.2 trillion won (2 billion USD) to 263 thousand individuals as support for policy finance in the first half of 2020. Such outcomes demonstrate an exemplary contribution to not only the social development and well-being of all but also achieving the Sustainable Development Goals through digital technologies.
