

# UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL



# STUDY GUIDE



**SLRMUN '26**

Sri Lanka Rotaract Model  
United Nations VI

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# **SRI LANKA MODEL UNITED NATIONS 2026**

## **Economic and Social Council (ECOSOC)**

### **Study Guide**

#### **MANDATE OF ECOSOC:**

The United Nations Economic and Social Council (ECOSOC) is one of the six principal organs of the United Nations, established in 1945 under the UN Charter. ECOSOC is responsible for coordinating the economic, social, and related work of the UN and its specialized agencies, functional commissions, and regional bodies.

ECOSOC serves as the central platform for:

- Fostering international economic and social cooperation
- Advancing sustainable development
- Promoting human rights and social inclusion
- Coordinating the implementation of the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs)

It has 54 member states, elected by the General Assembly for three-year terms, and operates through:

- Functional Commissions (e.g., Commission on the Status of Women, Statistical Commission)
- Regional Commissions (e.g., ESCAP, ECA)
- Expert bodies and forums (e.g., High-Level Political Forum on Sustainable Development)

ECOSOC plays a critical role in addressing global challenges such as poverty, inequality, employment, education, health, gender equality, and international financial stability.

## PRACTICE DEBATE TOPIC

### The Macroeconomic and Social Impacts of Sovereign Debt Distress in Developing Countries

#### Topic Background:

Over the past two decades, developing countries have increasingly relied on external borrowing to finance infrastructure, social programs, and economic development. While debt can be a powerful tool for growth, it becomes dangerous when mismanaged or accumulated under unfavourable conditions. Sovereign debt distress arises when a state is unable to meet its debt obligations without exceptional financial assistance, restructuring, or default. In recent years, a combination of global shocks, including the COVID-19 pandemic, rising interest rates, climate disasters, geopolitical instability, and commodity price volatility, has pushed many developing economies into severe debt vulnerability. According to the United Nations and World Bank, over half of low-income countries are currently at high risk of or already in debt distress.

Sovereign debt distress is not merely a financial problem. It directly affects a government's ability to provide basic services, protect vulnerable populations, and invest in long-term development. When debt servicing takes priority, essential spending on healthcare, education, food security, and social protection is often reduced. As a result, debt crises frequently result in humanitarian crises, political instability, and long-term developmental drawbacks.

#### MACROECONOMIC CONSEQUENCES OF DEBT DISTRESS

When a country enters debt distress, its entire macroeconomic framework becomes strained. High debt servicing obligations reduce fiscal space, limiting the government's ability to stimulate growth or respond to crises. This often leads to reduced public investment, particularly in infrastructure and social services, which are essential for long-term economic productivity.

Currency depreciation is another common consequence. As investor confidence declines, capital outflows increase and the local currency weakens, making imports more expensive and fuelling inflation. Rising inflation disproportionately affects low-income households, as food, fuel, and essential goods become less affordable. At the same time, higher interest rates imposed to stabilise the currency further suppress economic activity and private investment.

In many cases, debt distress also leads to credit rating downgrades, which increase borrowing costs and make access to international capital markets more difficult. This traps countries in a cycle of low growth, high debt, and limited fiscal flexibility, undermining their ability to recover independently.

#### SOCIAL IMPACTS AND HUMAN DEVELOPMENT

The social consequences of sovereign debt distress are often severe and long-lasting. As governments struggle to meet debt obligations, budgetary cuts frequently target sectors such

as healthcare, education, housing, and social protection. This weakens public service delivery and reduces access to essential services, particularly for low-income and marginalised communities.

Health systems may face shortages of medicine, staff, and equipment, while education systems experience overcrowding, reduced quality, and increased dropout rates. Social safety nets are often scaled back, leaving vulnerable populations exposed to poverty, hunger, and insecurity. Women and children are disproportionately affected, as they are more reliant on public services and more vulnerable to economic shocks.

Debt distress can also exacerbate inequality. As the cost of living rises and public support declines, wealthier segments of society are better able to cope, while poorer households face declining living standards. This deepens social divisions and weakens social cohesion.

### **AUSTERITY MEASURES AND POLITICAL STABILITY**

Many debt restructuring programmes, particularly those involving the International Monetary Fund, are accompanied by austerity measures. These typically include subsidy reductions, tax increases, public sector wage freezes, and cuts to social spending. While intended to restore fiscal discipline and investor confidence, austerity policies often have serious social and political consequences.

Reduced subsidies on fuel, food, and electricity increase the cost of living and trigger public dissatisfaction. Cuts to public sector employment and wages affect large segments of the middle class. When combined with rising inflation and unemployment, these measures can lead to widespread protests, strikes, and political instability.

In several countries, including Sri Lanka, Ecuador, and Lebanon, austerity measures implemented during debt crises have contributed to mass demonstrations and, in some cases, the collapse of governments. This highlights the delicate balance between fiscal consolidation and social stability.

### **DEBT AND THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT**

Sovereign debt distress poses a direct threat to the achievement of the Sustainable Development Goals. Countries burdened by high debt are often forced to divert resources away from poverty reduction, education, healthcare, gender equality, and environmental protection in order to meet external obligations.

This undermines progress on goals related to eradicating poverty, reducing inequality, promoting decent work, and ensuring quality education. In many cases, years of development progress can be reversed within a short period due to a debt crisis. As such, addressing debt sustainability is not only an economic necessity but a moral and developmental imperative.

### **CASE STUDIES:**

#### **Sri Lanka (2022)**

Sri Lanka's 2022 debt default demonstrated how rapidly a financial crisis can evolve into a humanitarian and political crisis. Severe foreign reserve shortages led to fuel and medicine shortages, food inflation, school closures, and widespread public protests. The crisis highlighted the social cost of delayed debt restructuring and weak fiscal governance.

### Zambia (2020)

Zambia's default in 2020 illustrated the challenges of negotiating debt relief in a complex creditor environment. With large obligations to Chinese lenders and private bondholders, restructuring efforts were slow, delaying economic recovery and prolonging social hardship.

### Argentina

Argentina's repeated debt crises reveal the long-term consequences of unsustainable borrowing and weak institutional credibility. Chronic inflation, currency instability, and capital flight have increased poverty and social inequality, demonstrating how debt distress can become a structural problem rather than a temporary setback.

### **Points to Consider:**

- The role of international financial institutions (IMF, World Bank)
- Fairness and effectiveness of debt restructuring mechanisms
- Private creditors vs bilateral lenders ( e.g China, Paris club)
- Protection of social spending during fiscal consolidation
- South - South cooperation and regional safety nets

### **Further Reading:**

1. [World Bank – International Debt Statistics](#)
2. [UNDP – Avoiding Too Little, Too Late: Debt Relief for SDGs](#)
3. [IMF – Debt Sustainability Framework for Low-Income Countries](#)
4. [UN Secretary-General's Report on Debt Relief \(A/75/164\)](#)

## **Conference Topic**

***“Global gendered labour inequality”***

### **Topic Background:**

Gender based inequality in the global labour market is still one of the greatest barriers to inclusive and sustainable development. Even though women and gender minorities are becoming more prevalent in education and entering into formal employment, they continue to endure exclusion from fair access to jobs, fair pay, jobs that are stable and secure and decision-making posts. The existing barriers are further supported by persistent social norms, unequal distribution of unpaid care and domestic responsibilities and Gender Discrimination within the workplace, where there are little or no institutional means for enforcement of gender equality.

Additionally, in an increasingly globalised economy and the growing interconnectedness of the economies within the developed world through global supply chains, export-oriented industries and the growth of labour migration, exploitation of gender based labour has been enhanced by Globalisation.

Exploitation of women and gender minorities within labour markets, especially in Developing and Least Developed Countries (LDC), is detrimental not only to individual women's autonomy but also serves to limit economic development for the entire world. It will take a Global Response to finally address the issues of Gender Based Inequality within the Labour Market as it relates to Social Justice and Economic Development.

### **Topic Breakdown:**

1. Inequality
2. Pay Gaps
3. Labour Rights

### **Inequality:**

Inequality refers to the unequal distribution of resources, opportunities and power between different groups within society. It starts when certain groups consistently have systematic advantages, while others face structural barriers that limit their ability to achieve similar economic, social, or political outcomes.

Inequality is not just an issue of individual differences and their efforts, it is shaped by;

- Institutions
- Social Norms
- Historical Patterns

### **Pay Gaps:**

A pay gap refers to the difference in the average earnings between different groups of workers. It reflects issues of systematic inequalities in how labour is valued and rewarded, rather than the differences in individuals' efforts and abilities.

### **Labour Rights:**

Labour Rights are the legal and moral protections that ensure workers are treated fairly and safely in the workplace. They define what employers must provide and what workers are entitled to, regardless of gender, nationality or job type.

### **Case Studies:**

#### **Bangladesh**

The Ready-Made Garment (RMG) industry accounts for over 80% of the country's export revenue. The challenges encountered are deeply rooted in systematic and cultural issues. Many factories lack basic facilities like safe and accessible toilets, menstrual products, etc. They also face issues in terms of union access and labour rights i.e: paternity leave.

#### **Middle East**

70% of the women migrant labour in the Middle East is domestic workers, many of whom have reported human rights abuses. Many domestic workers have faced various forms of abuse, including passport confiscation, physical and sexual abuse, excessive working hours, restriction of communication, inadequate living conditions, denial of wages. The Kafala Law allows these abuses, the UAE's visa sponsorship ties workers to individual employers, granting employees significant power over employees often leading to exploitation.

### **Points to Consider:**

- Key drivers to gendered inequality
- Occupational Segregation
- Working Conditions and Rights
- Accountability
- Legislature

### **Further Reading:**

1. <https://webapps.ilo.org/infostories/en-gb/stories/employment/barriers-women#intro>
2. <https://unric.org/en/global-gender-gap-report-2024-it-will-take-134-years-to-reach-gender-parity/>
3. [https://www.oecd.org/en/publications/gender-equality-in-a-changing-world\\_e808086f-en/full-report/persistent-gender-gaps-in-paid-and-unpaid-work\\_cb137837.html](https://www.oecd.org/en/publications/gender-equality-in-a-changing-world_e808086f-en/full-report/persistent-gender-gaps-in-paid-and-unpaid-work_cb137837.html)
4. <https://www.un.org/en/observances/equal-pay-day>

## MESSAGE FROM THE CHAIRS

Dear Delegates,

Welcome to the Economic and Social Council of SLRMUN 2026. ECOSOC is a space where economics meets human reality, where statistics translate into livelihoods, and policies shape the dignity of millions. The topics selected for this session reflect some of the most urgent structural challenges facing the international system today.

We urge you to treat this study guide as a foundation, not a substitute for research. Your responsibility is to go beyond surface-level solutions and engage with the political, economic, and social complexities of these issues.

Be bold in your solutions, analytical in your approach, and diplomatic in your conduct. We look forward to intense debate, creative policy, and meaningful collaboration.

Best of luck,  
Chairs of ECOSOC – SLRMUN 2026