

StamfordMUN I

2026

CHAIR REPORT

[Economic and Social Council]

[Balancing the benefits of foreign investment with the protection of local labor rights and the environment.]

Prepared by: Vian Pujara, Dimitri Gerontinis & Monib Baanani

1. Letter from the Chair(s)

Delegates,

I am Vian Pujara, the Head Chair of the ECOSOC committee. I am a year 10 student at Tanglin Trust School. I have been doing the MUN club for five years as of now, and I have attended approximately 10 conferences, including this one. I believe participating and contributing to the conference is one of the first major steps you'll take to becoming a successful delegate in your MUN future. However, that said, the real work of MUN is not speaking the loudest but listening the quietest.

This topic truly attests to your intellect, debating through the trenches of economics and social considerations; however, all of the chairs strongly believe you have it in you to help solve this complex issue.

To the new delegates, do not fret, we know how it feels to be new to MUN and attend your first conference, but the only way to find your true passion for it is to get up and make that first contribution through many forms, such as POIs, speeches, and even amendments. Overall, you can do it.

We are all looking forward to the conference

vian.pujara@tts.edu.sg is my primary email

Sincerely,

Vian Pujara (Head Chair)

Dear Delegates,

I am Dimitri Gerontinis. I am a student at GESS, 8th grade, and I am 13 years old. I started MUN 1 year ago, and joining has been one of the best decisions I have ever made.

This topic is the ultimate test of global balance. I hope that the delegates will walk away knowing and understanding that economic growth often comes at a human or environmental cost.

For the new delegates, do not worry. I know what it feels like to be at your first conference, not knowing what to do and what to say, etc. My best advice is just not to worry. It is irrelevant if you make a mistake or if you can't answer a POI. Remember, everything that happens in the conference stays in the conference. Please contact me at dimitrios.gerontinis.st@gess.edu.sg if you have any questions.

We look forward to seeing you at the committee!

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Sincerely,

Dimitri Gerontinis

Deputy chair of ECOSOC

dimitrios.gerontinis.st@gess.edu.sg (outlook)

Dear Delegates,

I am Monib Baanani. I am a student at GESS, 8th grade, and I am 14 years old. I started MUN this school year, and joining has been one of the best experiences I've had.

This topic is the ultimate balance of geopolitics, the economy, and the ordinary man. Delegates will hopefully learn how interconnected the world is and how things that seem far from each other are closely intertwined.

For the new delegates, do not worry. I know what it feels like to be at your first conference, not knowing how things work and when to say what. You don't need to perform perfectly or make any mistakes.

We look forward to seeing you at the committee!

Sincerely,

Monib Baanani

Deputy chair of ECOSOC

monib.baanani.st@gess.edu.sg

2. Committee Overview

The Economic and Social Council is a principal organ of the UN. Established in 1945 to address economic, social, cultural, and health issues. Powers of ECOSOC include but are not limited to: Policy recommendations on economic, social, and human rights issues at the UN general assembly, Coordination of 14 specialised agencies, while limitations include but are not limited to: ECOSOC's resolutions are not legally binding to any member nation, Although ECOSOC is tasked coordination, it has limited authority over the 14 specialised agencies.

2.1 Committee History and Purpose

ECOSOC was established in 1945 to address the numerous economic, social, cultural, and health issues left after WW2, and to promote global peace through development.

ECOSOC acts as the central mechanism for the UN development system. ECOSOC also focuses on implementing international development goals.

2.2 Powers and Limitations

Powers of ECOSOC include but are not limited to: Policy recommendations on economic, social, and human rights issues at the UN General Assembly, Coordination of 14 specialised agencies.

Limitations include, but are not limited to: ECOSOC's resolutions are not legally binding to any member nation. Although ECOSOC is tasked with coordination, it has limited authority over the 14 specialised agencies.

2.3 Voting Procedures

A quorum for ECOSOC meetings requires the presence of a majority of member states. Each member has one vote, and decisions are typically adopted by a simple majority of members who are present and voting, meaning abstentions are not counted toward the total vote.

2.4 Legal Foundation of ECOSOC

The authority of ECOSOC is established under Chapters IX and X of the United Nations Charter, particularly Articles 61–72, which define its composition, functions, and relationship with specialized agencies. ECOSOC is mandated to promote higher standards of living, full employment, and solutions to international economic, social, health, and environmental problems through studies, reports, and recommendations to the General Assembly and member states (United Nations, Charter of the United Nations, arts. 61–62).

3. Topic Introduction

Foreign Direct Investment (FDI) refers to when a company invests in a business or project in another country. This can bring jobs, technology, and economic growth, especially for developing countries. However, it can also create challenges. In some cases, companies take advantage of weaker labor laws or environmental regulations to reduce costs. This can lead to low wages, unsafe working conditions, and environmental damage. Governments must balance attracting investment with protecting workers and the environment, making this a key global issue.

This plays a major role in global economic development. According to the United Nations Conference on Trade and Development (UNCTAD), global FDI flows reached approximately USD 1.3 trillion in recent years, with developing economies receiving nearly two-thirds of total investment inflows. While FDI contributes to infrastructure development and employment creation, weak governance structures can increase risks of labor exploitation and environmental harm if regulatory safeguards are insufficient (UNCTAD, World Investment Report).

3.1 Topic Overview

Foreign investment is great for economic growth, but it has significant downsides, mainly that foreign companies may take advantage of weaker labor laws in some countries.

As such, an administration has to balance economic growth with the potential exploitation of its laborers.

During the process of foreign developers investing in a specific country, they bring in capital and opportunities for said country; however, they also bring significant power. In many documented cases, multinational companies have relocated or expanded production to countries with weaker regulations or weaker enforcement to reduce costs, resulting in low wages, unsafe working conditions, or serious environmental damage that would likely be restricted or illegal in their home countries, typically high-income countries. (HIC's) Governments, particularly in the developing world, often feel pressure to keep large foreign corporations happy by maintaining a "business-friendly" environment, which could mean ignoring the exploitation of the local labour and environment to attract more investment.

This creates a difficult balancing act for national governments and the international community. On one hand, rejecting or overregulating foreign direct investment risks slowing economic growth and deterring future investment. On the other hand, allowing multinationals to operate without accountability undermines workers' rights and causes long-term environmental damage that communities bear for generations. Neither extreme is acceptable, and finding a middle ground requires coordinated international action, hence requiring the intervention of this committee.

3.2 Key Terms and Definitions

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Term	Definition
Foreign	Belonging to or connected to a different nation.
Domestic	Belonging to or connected to its own nation.
To stimulate	To encourage something to grow/develop.
Developing nation	A country with lower levels of income, industrialization, and living standards.
Standard of living	The level of wealth, comfort, and access to necessities in a country
Minimum wage	The minimum income in a country.
Environmental degradation.	The destruction of the environment through its exploitation.
Regulatory loopholes.	Legally bypassing a law through exploiting weaknesses in the way it's written.
International frameworks.	systems of rules and agreements between countries to manage global issues
Foreign Direct Investment	An investment made by a company or individual in one country into business interests located in another country.

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Multinational Corporation (MNC)	A company that operates production or services in more than one country.
Supply Chain	The global network is involved in producing and delivering goods or services.
Corporate Social Responsibility (CSR)	A company's responsibility is to operate ethically and consider social and environmental impacts.

4. Historical Background

4.1 Origins of the Issue

In the late 19th and early 20th centuries, when globalization expanded, powerful companies would build their factories in colonies and countries with little to no workers' rights to cut costs.

4.2 Key Historical Events

- Late 1800s – Early 1900s: Industrial Expansion & Colonial Investment

Industrial countries invested heavily in colonies and poorer regions. Workers often faced low wages, long hours, and unsafe conditions with little legal protection.

- 1919 – Creation of the International Labour Organization (ILO)

After World War I, the International Labour Organization was founded to promote fair labor standards worldwide.

- 1944 – Bretton Woods Conference

The World Bank and International Monetary Fund were created to support global economic growth increasing international investment flows.

- 1980s – Rise of Globalization

Many multinational companies moved production to developing countries to reduce costs, raising concerns about sweatshops and weak labor protections.

- 1992 – Rio Earth Summit

The United Nations Conference on Environment and Development connected economic development with environmental protection, introducing sustainable development as a guiding global principle (United Nations).

- 2008 – Global Financial Crisis

The crisis exposed vulnerabilities in global financial systems and renewed debates about responsible investment and stronger regulatory oversight of multinational corporations (International Monetary Fund).

- 2015 – Paris Climate Agreement

Countries committed to limiting global warming are increasing pressure on investors and corporations to adopt environmentally sustainable practices (United Nations Framework Convention on Climate Change).

4.3 Evolution of International Response

After World War I, the creation of the International Labour Organization marked a shift. The focus slowly moved toward setting international labor standards. However, during the 1980s and 1990s, when globalization increased, many companies moved production to countries with weaker labor laws. This led to concerns about sweatshops and child labor. This focus has continued till today.

5. Current Situation

5.1 Present-Day Overview

ECOSOC is currently operating under a “delivering better” mandate, focusing on bridging the gap between massive investment needs and sustainable development protections. The current state is one of urgent realignment, as the Sustainable Development Goal (SDG) financing gap has surged to an estimated 4 trillion annually.

ECOSOC is currently navigating a cycle of high-stakes summits, including the Fourth International Conference on Financing for Development (FfD4) in Seville, Spain (June 30-July 3, 2025), which aims to reform the international financial architecture to be more inclusive of developing countries’ labor and climate needs.

Recent studies show that over 160 million people worldwide are involved in global supply chains connected to multinational enterprises. Reports of labour violations in industries such as textiles, mining, and electronics production continue to raise concerns regarding workplace safety and wage fairness. Environmental incidents linked to extractive industries in regions such as Central Africa and South America demonstrate the ongoing challenge of balancing investment with environmental protection (International Labour Organization; United Nations Environment Programme).

Additionally, climate-related investment standards, including Environmental, Social, and Governance (ESG) frameworks, are increasingly shaping international investment decisions, encouraging corporations to adopt sustainable practices (OECD).

5.2 Key Stakeholders

Currently led by H.E. Lok Bahadur Thapa (Nepal), the ECOSOC bureau (including vice-presidents from Algeria, Armenia, the Dominican Republic, and Spain) sets the “Delivering Better” agenda for 2026.

Countries like India (elected for 2026-2028), China, Brazil, Germany, and the European Union are central to the global financial architecture.

Additional stakeholders that hold key positions also include multinational corporations, international financial institutions such as the World Bank and International Monetary Fund, labor unions, environmental non-governmental organizations, and local communities directly

affected by investment projects. Civil society organizations often monitor corporate conduct and advocate for stronger protections for workers and ecosystems (World Bank).

5.3 Current Challenges

The main obstacles to solving this issue are:

- Weak law enforcement
- Competition between countries
- Complex global supply chains
- Poverty and lack of alternatives
- Limited international enforcement

6. Past International Actions

6.1 UN Resolutions and Declarations

Universal Declaration of Human Rights (1948)

Adopted by the United Nations, this declaration states that everyone has the right to fair wages, safe working conditions, and protection against exploitation. It laid the foundation for modern human rights and labor standards.

ILO Declaration on Fundamental Principles and Rights at Work (1998)

Adopted by the International Labour Organization, this declaration commits all member states to respect core labour rights, including freedom of association, no forced labour, no child labour, and no discrimination.

UN Guiding Principles on Business and Human Rights (2011)

Endorsed by the United Nations Human Rights Council, these principles established that governments must protect human rights, companies must respect them, and victims should have access to remedies.

2030 Agenda for Sustainable Development (2015)

Adopted by the United Nations, this agenda includes Sustainable Development Goal 8, which promotes decent work, economic growth, and the end of child labor and forced labor.

6.2 International Treaties and Agreements

Bretton Woods conference (1944):

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Resulted in the creation of two major international financial institutions: The International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD), now part of the World Bank Group. These institutions were designed to stabilize exchange rates, provide reconstruction loans after World War II, and promote international investment flows through financial stability mechanisms rather than a single binding treaty regulating investment itself. The agreements established rules for monetary cooperation and development financing that indirectly encouraged foreign direct investment by reducing global financial uncertainty (United Nations Monetary and Financial Conference 1944).

The Bretton Woods Conference (1944) brought together mainly Allied countries, including the United States, the United Kingdom, and other partners, to design the post-war international financial system and create the IMF and World Bank. Many other countries, such as Germany, Japan, India, Brazil, and Mexico, joined these institutions in later decades.

General Agreement on Tariffs and Trade (GATT) 1947:

The General Agreement on Tariffs and Trade (GATT) was adopted in 1947 to reduce trade barriers and encourage international economic cooperation. Although primarily a trade agreement, GATT facilitated foreign investment by expanding market access and creating predictable trade conditions. It later evolved into the World Trade Organization (WTO) framework, which significantly influences investment environments by regulating trade practices between member states (World Trade Organization).

The General Agreement on Tariffs and Trade (GATT) was adopted in 1947 by an initial group of mainly industrialised and some developing countries. Over the following decades, many more states, including major economies such as China, India, Brazil, South Africa, and others, joined the GATT/WTO system.

Convention on the Settlement of Investment Disputes (ICSID Convention) 1965:

The Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention) established an international arbitration system under the World Bank Group to resolve disputes between foreign investors and host states. The convention provides legal protections for investors and encourages foreign investment by offering neutral dispute resolution mechanisms. As of today, over 150 countries are contracting parties, though some states have withdrawn or limited participation due to concerns over national sovereignty and labor or environmental protections (World Bank).

As of today, over 150 countries are parties to the ICSID Convention, while a smaller number have chosen not to join, limited their participation, or withdrawn from the system due to concerns over sovereignty and the balance between investor protections and public interest.

ILO Core Labour Conventions (1930–1999):

The International Labour Organization established eight Core Labour Conventions addressing forced labor, child labor, discrimination, and freedom of association. These conventions form the global baseline for worker protections and are widely referenced in investment agreements and

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corporate responsibility frameworks. Nearly all UN member states have ratified at least some of these conventions, making them central to balancing foreign investment with labor rights protections (International Labour Organization).

Nearly all UN member states have ratified several of the ILO's eight Core Labour Conventions, but a smaller group of countries have not yet ratified all of them or face serious implementation gaps.

OECD Guidelines for Multinational Enterprises (1976, updated 2011)

The OECD Guidelines for Multinational Enterprises provide non-binding principles covering labor rights, environmental protection, anti-corruption measures, and responsible business conduct. Governments adhering to the guidelines establish National Contact Points to handle complaints regarding corporate misconduct. While voluntary, the guidelines represent one of the most comprehensive international standards linking investment activity with labor and environmental responsibilities (Organisation for Economic Co-operation and Development).

The OECD Guidelines are formally adhered to by OECD members and several partner countries, mainly high-income economies, while many lower-income countries are not formal adherents and therefore do not operate National Contact Points.

6.3 Assessment: What Has Worked and What Hasn't

These actions have worked in the past:

- ILO Core Conventions – Widely ratified, they set global standards on child labor, forced labor, and union rights.
- OECD Guidelines for Multinational Enterprises – Provide accountability through National Contact Points, used to challenge corporate misconduct.
- Trade Agreements with Labor Chapters (e.g., USMCA, EU deals) – Introduced enforceable labor provisions, leading to real cases (e.g., union rights in Mexico)

What hasn't worked:

- Weak Enforcement of ILO Standards – Ratification without strong monitoring means violations persist.
- Voluntary Frameworks (UN Global Compact, OECD Guidelines) – Raise awareness but lack binding power.
- Investment Treaties (BITs, ICSID) – Prioritize investor protections over labor rights, leaving workers vulnerable.

What needs to be improved:

- Binding labor clauses in trade/investment treaties.
- Stronger monitoring and sanctions for violations.
- Linking investor protections to compliance with ILO standards.

7. Bloc Positions and National Perspectives

7.1 EU/ UK/ Canada/ USA

The EU, including other nations, seeks a balance of expanding their investment into other countries while still protecting the workers of the nations they invest in, with Europe especially emphasizing the need for strong worker protections. This stance extends to the G7.

7.2 African Union

The African Union seeks investment in its countries but is wary of exploitation, for example, in the DC. Thus, they support foreign investment while calling for stronger regulations and enforcement to prevent exploitation.

7.3 Asia-Pacific

Asia has multiple opinions, with large emerging economies such as India and China prioritising rapid economic growth and attracting investment, while facing concerns from international organisations and NGOs about gaps in labour protection and enforcement in certain sectors.

Japan, South Korea, and Taiwan have more developed labour law frameworks and stronger formal worker protections than many developing economies in the region, while still facing challenges such as long working hours and job insecurity in some sectors.

ASEAN member states generally seek to attract foreign investment to support economic growth, while many have begun strengthening labour and environmental regulations and cooperating with the ILO to address risks of exploitation in sectors such as textiles, electronics, and agriculture.

The Pacific is similar to ASEAN, seeking investment without exploitation and strong workers' rights.

Many Arab states prioritize attracting foreign investment, particularly in sectors such as energy and infrastructure. However, approaches to labour protections vary by country, with some states strengthening regulations while others have been criticized by international organizations for gaps in the enforcement of workers' rights.

7.4 South/Latin America, including the Caribbean.

Latin America has a mixed stance. Many Central American countries have historically depended heavily on investment and trade with the United States, sometimes in contexts where power imbalances limited their bargaining position. Mexico, while facing challenges such as security issues and political volatility, remains a major recipient of foreign direct investment, particularly through supply chains linked to the United States-Mexico-Canada Agreement (USMCA).

Many South American countries have been open to foreign investment, with significant differences in labour and environmental standards and enforcement across the region.

The Caribbean is generally open to investment (except Cuba), with the Organisation of Eastern Caribbean States (OECS) being careful regarding the exploitation of labourers and highlighting the need to protect workers and the environment in sectors like tourism and extractive industries.

8. Key Questions for Debate

1. To what extent should foreign investment be allowed in developing nations?
2. Should there be a new international body for investment and workers' rights?
3. Is foreign investment more important than the well-being of the workers?
4. Is China's explosive growth at the cost of the workforce reasonable?
5. How does the environment play a role in regulating the economy?
6. Which options do developing states have to grow without sacrificing their people?

9. Country List

- Central African Republic
- Democratic Republic of the Congo
- Ethiopia
- Ghana
- Nigeria
- South Africa
- Bangladesh
- China
- India
- Indonesia
- Japan
- Philippines
- South Korea
- Vietnam
- Brazil
- Colombia
- Ecuador
- Mexico
- France
- Germany
- Netherlands
- Norway
- Switzerland
- United Kingdom
- USA

10. Resources for Further Research

10.1 Official UN Resources

Link to the official page of ECOSOC

- [Home | Economic and Social Council](#)

Treaty of Bretton Woods conference.

- [Proceedings and Documents of the United Nations Monetary and Financial Conference, Bretton Woods, N...](#)

Official Page of the ILO

- [ILO Homepage | International Labour Organization](#)

10.2 News and Current Events

- [World Investment Report 2025/2026](#)
- [UNCTAD Investment Policy Hub](#)
- [ECOSOC News & Press Releases](#)
- [ECOSOC Events Center: Meaningful Partnerships, Stakeholder Participation](#)

10.3 Accessible Explainers

- [Youth Pulse 2026 Report](#)
- [UN Youth Office Resources](#)
- [UN Web TV: ECOSOC 2026 Highlights](#)
- [2026 Partnership Snapshot](#)

10.4 Country Research Resources

- CIA World Factbook (for basic country information): cia.gov/the-world-factbook/
- UN Member States Portal: un.org/en/about-us/member-states

- Central African Republic: [UNDP SDG Insights Report \(2024-2025\)](#)
- Democratic Republic of the Congo: [2025 Investment Climate Statement](#)
- Ethiopia: [Homegrown Economic Reform Agenda \(HGER 2.0\)](#)
- Ghana: [Ghana Investment Promotion Centre \(GIPC\) Act 865](#)
- Nigeria: [National Development Plan \(NDP\) 2021-2025](#)
- South Africa: [Presidential Speech on Green Hydrogen \(2025\)](#)
- Bangladesh: [Resilient Supply Chains for Sustainable Trade Platform \(2026\)](#)
- China: [2026 ESG Compliance Outlook](#)
- India: [J&K Business Reform Action Plan \(2025-2026\)](#)
- Indonesia: [2026 Economic Outlook \(BCA\)](#)
- Japan: [Green Transformation \(GX\) Investment News \(2026\)](#)
- Philippines: [SEC Mandatory Sustainability Reporting Guide \(2026\)](#)
- South Korea: [South Korea 2026 Renewable Energy Budget - Eco-Business](#)
- Vietnam: [New Investment Law 2026](#)
- Brazil: [BNDES Green Infrastructure On-Lending Facility \(2026\)](#)
- Colombia: [2026 OECD Environmental Performance Review](#)
- Ecuador: [2026 Mining & Energy Reform Law](#)
- Mexico: [USMCA 2026 Review Analysis \(CSIS\)](#)
- France: [French Social Law 2026 Reforms](#)
- Germany: [German Supply Chain Due Diligence Act \(LkSG\) 2026 Update - Fieldfisher](#)
- Netherlands: [NFIA Sustainability Focus \(2026\)](#)
- Norway: [Sovereign Wealth Fund Ethical Guidelines \(2026\)](#)
- Switzerland: [Foreign Economic Policy Strategy 2026](#)
- United Kingdom: [Priorities of the Business and Trade Committee for 2026 - UK Parliament](#)
- United States: [Inflation Reduction Act \(IRA\) Labor Standards Guidance - DOL.gov](#)