

PASMUN 2026



Committee: ECOSOC

Topic: Economic implications of the Iran War

Chair introductions

Dear delegates,

Welcome to ECOSOC! My name is Fernando Guzman and I'm very excited to be your chair alongside Ines Gonzalez and Hernan Solis. Despite this being my first time chairing, I have been participating in MUN since 7th grade and have 9 MUN conferences worth of experience. I am

extremely eager to lead this committee, learn about chairing and learn about you, my delegates. I hope you are as eager as I am to participate in PASMUN, and I will see you soon.

Sincerely, Fernando Guzmán Melara

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Esteemed Delegates, welcome to ECOSOC. My name is Herna Solis, I will be one of your chairs for this committee alongside Fernando and Maria. I have participated in previous PASMUNS as a chair, making this my second time chairing a PASMUN. As I step into my fourth PASMUN conference, I look forward to serving as your chair and witnessing an excellent debate this November.

Yours truly, Hernan Solis Umaña

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Hello Delegates, and welcome to ECOSOC. My name is Maria Ines and I will be one of your chairs for this committee alongside Fernando and Hernan. I have participated in previous PASMUNS as a chair, making this my third time chairing a PASMUN committee and I have also participated in multiple school MUNS as a delegate. I am eager to be your chair for the duration of my fourth PASMUN conference and cannot wait to see you all debate in November!

Sincerely Your Chair,

Ines Gonzalez

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Committee introduction

The United Nations Economic and Social Council (ECOSOC from now on) is one of the six main organs of the United Nations, the committee focuses on economic, social and environmental issues and formulating recommendations addressed to member states and the United Nations System. There are 54 rotating members and over 1,600 NGOs that have consultative status regarding the aforementioned social and economic issues. Established in 1945, but only meeting until September of 1946; ECOSOC has been an indispensable part of the UN with feats such as: creating and implementing the Universal Declaration of Human Rights, advancing progress in gender equality on a global scale, creating UNAIDS the UN's program specifically touching on the HIV/AIDS crisis, and expanded policymaking to civil society by working with over 6,400 NGOs since its inception.

Topic introduction

The War in Iran, initiated in March of 2026 by the United States and Israel aiming to overthrow the Ayatollah, has caused major economic concern not only for Iran and the countries directly involved in the conflict, but the international community as a whole. After missiles launched by Israel hit Tehran in late February to early March, the Iranian Revolutionary Guard Corps (IRCG) issued warnings completely blocking passage through the strait of Hormuz. Along with the blockade on the strait of Hormuz, the Ayatollah Ali Khamenei of Iran was confirmed to have died from injuries he sustained during the military air strike increasing tensions within the international community amidst this conflict.

History of the Topic

Diplomatic business relations have shaped Iran's politics, government and importance within the fabric of geo-politics since 1973 after nationalizing their domestic oil-reserves following an attempted nationalization in 1951, though this was reversed after a Western-backed

coup in 1953. Before the 1979 Iranian Revolution, Iran was led by Shah Mohammad Reza Pahlavi, who had taken control of the nation after his father, Reza Shah Pahlavi, overthrew the previous emperor of the Qajar Dynasty. The Shah's rule of Iran led to a secular period where the government promoted secular social values, education, and clothing, effectively westernizing Iran. Shah Mohammad Reza Pahlavi established and maintained close business relations with the Western world, particularly the United States and the United Kingdom, favoring diplomacy rather than theocratic intentions. These business relations were based solely on the aforementioned nationalized oil supply kept in Iran, as well as the United States' necessity of a close ally near the Soviet Union in the midst of the Cold War. After negative views of the Western world began to surge, the cultural shift experienced after the revolution and later establishment of the new Islamic Republic of Iran under Ayatollah Ruhollah Khomeini, Iran's business relations with the West completely collapsed after 1979. During the Iran-Iraq War, aid was given to both sides by the United States as a result of the "Dual Containment" Plan to deal with both Middle Eastern Countries. The United States' involvement in the 8-year-long conflict would set a precedent for future operations inside the Middle East, as well as how American diplomats would deal with tensions in the region moving forward.

Current situation

As the war continues and the strait of Hormuz continues to be closed, about 25% of the world's oil trade and 20% of the world's liquefied gas trade that passes through the strait is now at risk. This fact has impacted the global oil market and raised gas prices in the United States by 37%. Something worth mentioning is the fact that the modern economy is a lot less volatile to Oil Market shocks as it was during the 1970s energy crisis; the aforementioned gas prices and the disruption in the oil market cause enough consequences for other countries to be concerned about the conflict. Moreover, the War in Iran has come at a high cost to taxpayer money, which is about \$37.5 billion on the U.S. side, with an additional \$67 billion requested by the administration dedicated to all Middle East operations, especially concerning the current conflict with Iran. Additionally, between 3000 and 6000 people have already died in Iran due to the bombings perpetrated by Israel and the United States. Beyond the economic aspects of the war,

the destruction of cities with bombings from both sides of the conflict has changed people's lives irreversibly. Despite tensions lowering since the conflict started, potential future conflict still looms over the horizon.

Bloc Positions:

Iran: Iran is the main country in this conflict, not only being one of the primary belligerents but also being the namesake for the war. It has control over the Strait of Hormuz and major oil supplies that are being blocked by the United States; who has been imposing a naval blockade alongside international pressure to crackdown on Iran after failed attempts at diplomacy through a mediator.

The United States: The United States is another major actor in the war, as the conflict is based around it and Iran. They were the first to strike with an Israeli-backed air strike in Iran on February 28, 2026. This aggression arises as a preemptive attack on Iran, citing "perceived existential threats" present in Iran as well as acts deemed aimed at destabilizing the Middle East; despite this, the United States-backed conflict has itself destabilized the Middle East, oil prices, and sacrificed parts of the global economy. Specifically, this conflict has cost American households \$2,000 dollars each totalling 265 billion dollars nationally considering rising energy costs and military spending specifically fed into the United State's ventures into Iran.

Israel: Israel is one of the countries most engaged in the conflict, being Iran's primary attacker in the region. Despite their role in killing Ayatollah Ali Khamenei and the previously mentioned airstrikes, Israel's aggression has died down amidst Israeli elections going on, putting a temporary hold on the conflict on their side. Israel is known as a big investor in national defense; this sets up a point of reference to consider the economic implications; they already spend 3 billion dollars a week on the national defense budget as well as 6 billion dollars spent during the 12-day war in 2025.

Saudi Arabia: Saudi Arabia has focused its efforts on self-defense and diplomacy, urging the

United States to pursue some diplomacy with Iran to preserve the Middle East's oil infrastructure. Saudi Arabia has been deflecting Iran's aggression in the form of deflecting drone strikes as well as joining an American operation targeting Pro-Iran paramilitary groups in Iraq. Besides this, Saudi Arabia's GDP saw its GDP contracting by 4.8%, being directly impacted by the Oil crisis.

Possible Solutions:

Amidst the conflict, many solutions have been suggested in order to mediate tensions and put an end to aggression. A commonly offered strategy by the U.S. Secretary of State Marco Rubio is for the continuation of an economic blockade and pressure on Iran by US allies. This solution demands that Iran stop attacks on commercial shipping vessels travelling through the Strait of Hormuz due to the pressure of sanctions imposed by the United States. There are two other possible solutions for the conflict: Iran waiting for U.S. concessions in order not to weaken their own negotiation power, or for both countries to revert to a previous ceasefire deal for the sake of the global economy. Whichever solution that is chosen will heavily impact the global trade economy, while several countries favor specific approaches in order to de-escalate the situation and resume trade in the region.

Aspects to consider:

Some crucial aspects to consider when discussing the future of the U.S.-Iranian conflict is the impact it will have on the global trade landscape. The implications of whichever outcome will most certainly impact the flow of commerce through the Strait of Hormuz for the near future. If sanctions are imposed against either country involved, it could potentially lead to economic turmoil for the region. As tensions escalate, the economic situation risks becoming further unstable, causing oil prices to rise around the world. Not only that, but the US's plan to impose sanctions on Iran threatens its economy greatly, as well as the international community's reliance on the strait.

Questions a Resolution must answer:

1. What further actions will be taken against Iran?
2. What will be the economic regulations put in place?
3. How will a ceasefire be implemented by either actor?
4. What economic sanctions will be imposed or lifted if the situation continues?
5. How will the fallout of this conflict impact the surrounding region and what measures will be implemented to prevent further escalation?

Further Research:

Below are sources we recommend for your research on the topic:

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Closing Remarks:

As your chairs for this 2026 PASMUN conference, we cannot wait to see you all debate the current topic at hand: the 2026 Iran-US war. If you have any questions regarding the information or any issues, please feel free to reach out to any of us via email, and we will answer to the best of our abilities. Thank you, and we cannot wait to see you all on November 7th!

Citations:

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