

Excessive Debt Burdens of Developing Countries: With Special Reference to Doctrine of Odious Debts and the Cases of Political Transitions

KA Ranaweera[#]

Faculty of Law, University of Colombo, Sri Lanka

[#]201818212@stu.cmb.ac.lk

The contemporaneous concerns on global affairs emphasize the prominence of humanitarian considerations in international financial practice. In this backdrop, the excessive debt obligations of developing countries that have often resulted from debt mismanagement and misuse committed by their political regimes, hold several serious implications. A humanitarian consideration shall be drawn to prevent grave injustices that could occur in such instances where the citizens of the debtor country are obliged to repay the debts that have been utilized contrary to their interests. The doctrine of 'Odious debts' which assembles a series of equitable concerns to discourage undue debt burdens borne by the State parties play a vital role in this context. Thus, the present paper aims to ascertain the legal competency of the said doctrine to address such instances. As its methodology, the paper has adopted a qualitative research based on doctrinal analysis. By assessing the international legal instruments that acknowledge the existence of the present notion, it finds the evolving nature of the doctrine that holds positive implications in substantiating its legal validity. However, it also analyses the deficits in attributing an inherent recognition to the notion owing to the lack of direct and explicit acceptance through treaties and judicial pronouncements. Therefore, the key findings remark the complexity in utilizing the doctrine as a basis to rationalize non-performance of the debt obligations in the cases of government transitions. Nevertheless, it envisages the competence of applying the present doctrine in future occurrences as it indicates a significant development.

Keywords: *odious debts, legal recognition, government succession, regime debts*