



Maryknoll World Productions

Discussion and Study Guide

Banking on Life and Debt

Introduction

Imagine waking up one morning to discover that due to requirements placed upon our nation's economy:

- your earnings have declined by 72%*;
- a loaf of bread costs you a week's wages*;
- you cannot afford antibiotics for yourself or a child.

This scenario—hypothetical for most of us—describes a portion of the economic reality to which citizens of Ghana awoke during the 1980s and to which they continue to awaken today.

Many of these economic conditions and the resulting poverty can be traced to policies externally imposed upon the government of Ghana as a prerequisite to desperately needed loans.

The people of Ghana are not alone. 90% of our planet's population live in countries where sources of loans are integrally linked to the policies and practices of two powerful financial institutions: the World Bank and the International Monetary Fund (IMF).

Banking on Life and Debt, a 30-minute video, explores the impact of World Bank and IMF policies on the people of three countries: Ghana, Brazil and the Philippines. It also traces the history of these post-World War II institutions and raises a pivotal question: Is it time to demand and work toward the creation of a new economic world order?

(*see bibliography of this guide: McCrae, p. 73)

Transcript for *Banking on Life and Debt* is available for \$5.00

Send check to:

Maryknoll World Productions

BLD Transcript

P.O. Box 308

Maryknoll, NY 10545

Tel. 800-227-8523

Before viewing the video . . .

1. What comes to mind when you hear the term "debt"? Is there ever a time when assuming a "debt" is necessary, even desirable?
2. To what "basics necessary for life" do you think each person in the world should be entitled? Why? Who has responsibility for ensuring that these basics are provided? Why?
3. Economists and government leaders often talk about "development in the Third World." What do you think of when you hear the word "development" used in this context?
4. If you think viewers may be unfamiliar with the World Bank and IMF, you may wish to review the following history before viewing the video.

Origins of the World Bank & IMF

1944

United Nations monetary and financial conference held at Bretton Woods, New Hampshire, with 44 delegates from allied and associate countries to help plan for the rebuilding of post-War Europe and Japan. As a result of this meeting two institutions were formed:

World Bank - designed to provide long-term loans to governments for large-scale projects.

International Monetary Fund (IMF) - designed to provide short-term loans to governments.

Each member nation agreed to put a certain amount of money in the World Bank & IMF. Member nations voted on which countries received loans and under what terms.

Voting power was based on the amount of money invested (U.S. invested roughly 20% of the funds, carried roughly 20% of the vote).

1950s

With Europe and Japan in recovery, the World Bank and IMF began to offer loans for Third World development.

After viewing the video . . .

1. Of the images presented in the video, which one is the most powerful for you? Why?
2. What problem(s) would you identify with the type of "development" and "adjustments" which guided World Bank/IMF projects in Ghana, Brazil and the Philippines?
3. In general, what would you state is the goal of each of the following in relation to economic "development" and "adjustment" projects:
 - World Bank/IMF officials?
 - Developing World government officials?
 - transnational corporations?
 - Developing World poor and their activists?
4. What relationships exist between Industrialized World lifestyles and Developing World debt/poverty? What challenges do these relationships present to us as Industrialized World citizens?
5. What do you see as possible solutions to the Developing World debt crisis? Who holds the power to implementing such solutions?
6. In the video, former Brazilian presidential candidate Luis Ignacio Da Silva states: ". . . I believe that people can change if they start to become active citizens." Similarly, Filipino professor and activist Leonor Briones says: "We need to strengthen our voices. We must make louder protests. We need to let them know we do not, repeat, we do not want any more suffering."

What beginning actions will we take "to become active citizens" and "to strengthen our voices" against the suffering related to World Bank/IMF policies and Developing World debt?

Bibliography

The Debt Boomerang: How Third World Debt Harms Us All, Susan George, Pluto Press, 1992.

Beyond Debt: Relieving the Debt Burden on the Poor and the Environment, Christina Cobourn, ed., ***Campaign on Debt and Development Alternatives*** (CODDA). Contact: CODDA; c/o Columban Justice and Peace Office; P.O. Box 29151; Washington, DC, 20017.

Global Economics: Seeking A Christian Ethic, Ian McCrae, Friendship Press. Contact: Friendship Press Distribution Office; P.O. Box 37844; Cincinnati, OH, 45222-0844. Tel. 513-948-8733.

"The World Bank on Trial," WHY Magazine, Summer 1994. Contact: World Hunger Year; 505 Eighth Avenue, 21st Floor; New York, NY 10018. Tel. 212-629-8850.

Videos

The Money Lenders provides an overview of the history of the World Bank and IMF and the impacts of their policies on people. Contact: Robert Richter Productions; 330 West 42nd Street; New York, NY 10036. Tel. 212-947-1395

Adjusting in Nicaragua: The IMF, World Bank, and Community Development offers a brief history of the World Bank and IMF and explores the impact of their policies on Nicaragua and possible effects on the U.S. Contact: Institute for Global Development Initiatives; 94 North Columbus Rd.; Athens, OH 45701. Tel. 614-592-3854.

For further information, contact:

Religious Working Group on the World Bank and IMF
P.O. Box 29132
Washington, DC 20017
Tel. 202-832-1780

This guide prepared by:
NETWORK, A National Catholic Social Justice Lobby
801 Pennsylvania Ave. SE, #460; Washington, DC 20003
Tel. 202-547-5556 • by Michael Culliton, NETWORK Associate