

Horrifying loan interest in the imf and world bank

[Finance](#), [Banks](#)



First of all, the article is studied about the IMF and World Bank offer the loan which consists of horrible loan interest that cause the particular country unable to pay back the principle of the loan. Besides that, some country even cannot afford to cover the high interest rate charge by the IMF and World Bank. The loan that offered by the IMF and World Bank to poor country is considered as the debt trap because most of the countries made the IMF and World Bank loan is unable to pay back their debt. Besides that, the debt trap will limit the future earnings capacity because next generation needs to bear the loan if the past decade is unable to finish pay the debt.

Next is IMF and World Bank dominate the world's poor majority in developing and third world countries by using the economic growing reason to attract the lenders. After that, the loan sharks have hijacked the economies of more than 60 countries because of the loan agreement set by the IMF and World Bank. However, the capacity of the debt trap can claim all surplus production of a society. The compound interest caused most of the countries are unable to finish pay back the loan. The debt trap robs major surplus of the production in the whole society so that the particular country economic will not growth before they settle all the debt.

Due to the bad economic, an estimated 100 million children live and work on the streets in the developing world because they need to work hard to supplement their families' income in order to continue future life. Moreover, there are 25 million children live in the streets with other without family children. Basically, most of the young victims in debt trap countries force to be criminals in order to continue their life and some of them cannot survive

due to the hunger pain and diseases because they have no money to buy the medicine and find medical treatment.

Besides that, the indebted countries are forced to pay their debt interest by reducing the budget on the public facilities. In fact, most of the poor African countries spend most of the government budget on debt repayment instead of spending on healthcare and education and then the rich countries will become more and richer after absorbing debt repayment from the indebted countries. The consequences are that in some countries such as Kenya, Botswana, South Africa and Zimbabwe citizens are dying because of the HIV and AIDS infection spreading very fast among each other due to the not enough money on medical treatment. The results are that wealthy people will be richer and poor countries will not be able to repay their loan interest. However, five hundred billionaires in the world have too much wealth while around three billion people are considered as poverty. The fact is that most of the income from the third world will go into the debt service payments and be absorbed as banks profit so that the five hundred billionaires actually gained their profit from the poverty. An example in Nigeria debt was that the government borrowed up around \$5 million dollars but the amount was compounded to \$16 billion only in one year period because of the high compound interest charge by the IMF and World Bank.

Last but not least, the Global Exchange website suggests ten ways which require dedication and persistence that can democratize the global economy and overcome the "terrorism of debt". As we all know that, the most of us know about the debt burden of the third world but they don't know about the rich country like United States is one of the indebted countries. The details

are USA the debt compound to more than 2.5 trillion and the developing countries such as India, China and Brazil owe exact amount of 2.5 trillion. This means that three hundred million of USA citizens owe can compare with the five billion people in the developing countries. The consequence is US and European banks issue out \$500 billion and \$1 trillion illegal money which is called "dirty money" flow into the market and half of the money enters the account of America banks. Besides that, the dirty money came from the illegal activity such as the drugs importation between the US states. The main purpose of "Group of thirty" is formed to control the third world debt and to deepen understanding of international economic. Normally, the group is formed by major national banks, universities, former politicians, and global consultancies which have the most powerful and effective in influencing the financial world. Unfortunately, the group of thirty failed to overcome the terrorism third world debt because the group lack of wealthy people to support them. In addition, the current level of the debt in the worldwide is unsustainable and most probably leads to the global economic crisis. The Universal Declaration of Human Rights formed by United Nations General Assembly in 1948, to protect the human living rights for every person in the world. The conclusion is our expectation, lifestyle, wealth make us become one part of the terrorism of debt in the third world and cause slaves of children in those poor countries.

The impact of the Terrorism of Debt:

The first serious impact of the compound loan interest by IMF and World Bank is majority of the indebted countries are not able to repay back their loan and then the debt is become higher from year by year. The debt trap

cause the collapse of the economy in each indebted country because of the production surplus in the whole market of the particular country will be absorbed by the IMF and World Bank to repay back their debt. However, the collapse of the economy affects the income of the country and also the unemployment rate becomes higher. The unemployment rate and the low income group lower down the living standard of the society. In third world, majority children come from the low income family need to suffer the hunger pain because they are poor until no money to buy food eat and then million of children die in every year because of they are too poor to buy food and medicine to treat their diseases.

In addition, most of the children in third world countries are forced to live and work hard in the street such as streets begging, shining shoes or washing cars to gain more money to append their families' income as well. Those children work every day and no chance to receive any education during their childhood so that the next generations of indebted countries are unable to develop their countries due to the lack of knowledge and technology. Hence, the third world countries are outdated because the world is changing day by day and the innovation of technology is more and more creative.

The second impact of the terrorism of debt is the indebted countries are forced to reduce their government budget to pay the mounting interest on debt loan. The government will try to lower down the expenses on the development of medical, education, utilities, and public transportation in order to lower down the burden of the government loan debt. After government spends most of the budget on paying back the loan debt, the health care and education

short of money to provide the service to public. Therefore, most of the HIV and AIDS patients are died in the Africa countries because most of government spends most of the money on the debt repayment instead of using the money in healthcare to solve the HIV and AIDS infection.

Thirdly, United States is a heavily indebted country in the whole world compare with other developing countries such as China, Indian and Brazil. The effect is lead to the growing of the illegal money which is called " dirty money" because United States need the money to bear the burden for high amount of debt loan. The dirty money came from the illegal activity such as the drugs importation in the New York, Florida, Texas and California which are four largest states for the drugs importation. The money earned from the illegal activity mostly will transfer into the America banks account and then transform into clean money. From other point of view, the government seems like encourage the illegal activity because of the profit gained from the drugs importation can help to solve the loan debt.

In a conclusion, the loan shark offers by the IMF and World Bank had caused many countries fall into the debt trap and unable to repay back the loan debt forever as the high compound interest rate charge by the IMF and World Bank.

THE HUNGER PAIN IN AFRICA:

Shining shoes in the street:

Streets begging:

Confessions of an Economic Hit Man: How the U. S Uses Globalization to Cheat Poor Countries Out of Trillions

Summary:

The interview is between John Perkins, who works as part of the international banking community, and AMY GOODMAN, representative from Firehouse Studio. The conversation is about how the U. S cooperates with the World Bank and IMF to cheat poor countries and make them fall into the debt trap. The U. S government, in combination with the IMF and World Bank, lends large amounts of loans to them, making it impossible to repay the entire loan. If they are unable to repay the loan, the U. S government will dominate their economies to absorb their main resources in that country. Firstly, Perkins called himself the economic hit man hired by the government to cheat the countries around the globe more than trillions of dollars. The definition of an economic hit man is one of the jobs that have the responsibility to develop the American empire. The empire is built up through activities like cheating, seducing people, controlling other countries' economies, and more through the economic hit man. Basically, the potential economic hit men work for the U. S government as CIA and NSA agents, but most of them will be assigned to private corporations like engineering firms, construction companies, and business firms so that their identity will not be exposed even though they were caught by others. The advantage of economic hit men is the way they used to solve political problems like overthrowing governments without any bloodshed and military intervention.

Besides that, the U. S government will provide huge loans to poor countries that they couldn't possibly repay. The indebted countries need to repay around 90% of total loan back to a U. S government if not U. S will take over their main economic resources such as oil field in Ecuador. Hence, the U. S government will use the reason like Ecuador unable to repay back the accumulated large amount of debt so force them give up the Amazonian rain forests in Ecuador as one of the condition to return back the interest loan. Most of the loan will flow back to the U. S government without any loss but the indebted country will bear the debt burden and high compound interest rate and loss the main economic income. The author of Confessions of an Economic Hit Man, John Perkins accepted a half a million dollar from a major construction engineering company as bribe not to write the book that contains issues relate to economic hit man. In addition, Perkins will join the economic hit men because of the most attractive subjects in our life like of sex, drugs, money. Most of the people hard to resist seduce of sex, power or money so Perkins is one of them. Conversely, Perkins felt not regretted to work as economic before because he had the chance to let public understood what is economic hit men, how their corporations work, what is the tax charge to the foreign countries by them and so on. Moreover, economic hit men try to deal with Saudi Arabia whereby the Royal House of Saud agreed to transfer most of their petro-dollars back to the U. S and invest them in the government securities so that the U. S government can control the situation in Saudi Arabia. After that, Treasury Department will use the interest from the securities to invite U. S companies to build some new infrastructure, new town and develop the country. As returned, House of

Saudi would agree to maintain the oil price for U. S within the limit set by the U. S government. However, US also guarantee that the power for House of Saudi will be remained as long as they did this. If the economic hit men tactic failed, the next step is jackals. Jackals are C. I. A sanctioned people that come in and try to foment the revolution in the specific country. The last line of defense is call young men and women, who are sent in the country to die and kill the target as US done in Iraq. Obviously, the World Bank is the main sponsor of economic hit men because most the money used by economic hit men is provided by the World Bank.

Impacts of U. S Uses Globalization to Cheat Poor Countries Out of Trillions.

The first impact is economic hit men caused the collapse of economic in the Ecuador. U. S government purposely lend the huge loans to Ecuador that they couldn't possibly repay back the debt even the compound interest charge from the big amount of loan. Obviously, the poor citizens in those countries would not able to bear the debt burden that they impossible to repay so U. S government will take the chance to take over their economic main income to repay back their debt.

Nowadays, Ecuador spends around fifty percent of its national budget to repay back their debt . When U. S government not enough oil; they will offer the deal like dominate the natural resource in Amazon rain forest because the Amazon rain forest in Ecuador rich of oil. The deal is forced Ecuador to give up their Amazon rain forest to U. S government because they accumulated too much of debt. Therefore, the country is left only the debt and lots of interest that government unable to repay back because of the oil

<https://assignbuster.com/horrifying-loan-interest-in-the-imf-and-world-bank/>

field had been owned by the U. S government caused their economic collapse. The effects of economic collapse are citizens need to face hunger pain, corruption, criminals increase and so on.

Secondly, the impact like war is happened on the Iraq caused most of the people died in the strike of the war between US and Iraq. The war is occurred because Saddam Hussein refuses to accept the same policy which is implemented in the Saudi Arabia by US government. The policy is the oil price is constant within the acceptable limits to US government so that US can buy the oil with cheaper price compare with other countries. Besides that, the US government also wishes to control the oil price in order to demand oil at lower price with large quantities.

In my opinion, US government should not hired economic hit men to cheat other countries and set debt trap to those poor countries by lending huge loans that they couldn't possibly to repay. Hence, the poor countries can develop their own new infrastructure and new cities by its own without any burden of debt.

-Despite Ecuador richness in natural resources like oil but the government bear highly debt and the repayment of debt will become one part of the country expenses.

-The picture shows US soldiers landing on Iraq while the war is started.