

Example of life and debt essay

[Technology](#), [Development](#)



The main message by the director in the video life and debt is that the international monetary fund and the World Bank were not meant to benefit the developing countries. Instead, they have made the developing countries to be dependent on the developed countries. Generally, the director argues that developing countries like Jamaica have continued to suffer due to the actions of the two institutions even though the institutions were meant to help them.

The video ‘ life and debt’ is about the economic issues of Jamaica. It describes how Jamaica suffered because of the interference by outside corporations and other financial institutions. When Jamaica was facing financial difficulties in 1970s, the financial banks in the country failed to finance the activities of the country. As a result, Jamaica turned to international monetary fund for assistance. This was a financial institution that was formed to finance developing countries so as to stimulate economic growth. The international monetary fund lends the money to Jamaica at a very high interest rate. This meant that the country was required to pay a lot of money back to the institution at a given period of time.

The situation in Jamaica made Jamaica to obtain a huge amount of loan. However, the institution put a lot of conditions on the lending activity. Jamaica was required to change its trade policies. It was to encourage globalization, privatization and deregulation. The film criticizes the actions of the international monetary fund since these policies interfered with the autonomy of the country. It means that the country was not to make its own policies of regulating its own economy.

The film shows how disadvantageous the restrictions were to the Jamaican

economy. In the first place, the Jamaican agriculture could not feed the population and still benefit the farmers. Particularly, the film addresses the dairy sector. Considering the fact that low trade barriers were put in place, competition in Jamaica was very unfair. Countries like America exported dairy products that were very cheap to Jamaica. The subsidy was about 130percent. This means that the Jamaican citizens found it cheaper to import the daily products. As a result, the production in the country declined and hence the debt could not be repaid with the reduced output in the country. This situation shows how individual producers are suffering due to lack of market for their products.

Once the producers stop producing and depend on cheap imports, the developed countries have increased the prices of products and this affects individual consumers in the country. Therefore people suffer due to the high prices of products in the country. Generally, the major cause of this is the restrictions by the World Bank and international monetary fund.

I accept the major message by the director of the film. In the first place, when issuing loans the international monetary fund does to evaluate the needs of the developing country to determine the best strategy that should be used to solve the current situation. In addition, the loans offered have high interest rates and various restrictions are put in place. Generally, the loans result to loss of sovereignty of the developing countries. It is the developed countries that benefit by exporting their products to the developing countries after the institutions make a requirement that there should be low trade barriers.

References.

<http://www.oneworld.cz/ow/2002/en/index.php>