

Connecting Youth for Global Justice



# WebSight

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## WebSight Simulation Games

- ▶ *Global Debt - The Story of the Debt Crisis*



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## *Global Debt – The Story of the Debt Crisis*

### **Goal**

To share information about global debt and the impact of debt on the lives of people in less developed countries

### **Group Size**

One facilitator and five or more participants.

### **Materials Needed**

- Flip chart paper
- Markers/crayons/paints/pens/magazines, scissors, and glue
- Masking tape

### **Time Frame**

One hour (approx.)

## *Synopsis*

Sheets of flip chart paper are spread on the floor, covering a fairly large area. The sheets can be taped down—just enough to keep them from moving around. A facilitator invites the participants to create a society/country, one that includes everything its people could need or want. The facilitator invites participants to use different media (e.g. words, drawings, symbols, pictures cut from magazines) to "create" their new country. Participants take time to view their society together. Then the facilitator narrates a brief history of the debt crisis. As the story is told, the facilitator (or another person) tears away pieces of the floor mural to illustrate the impact that debt has on the society. Participants may be prompted to protect their land by standing on their mural.

## ▶ **Part One: Building the Country** (15 min)

Lay sheets of flip chart paper across the floor, covering quite a large area. Tape the sheets to the floor, just enough so that they will not slip while participants are drawing/writing.

Invite participants to create a society/country that has everything its people could want and need, by drawing or writing or making symbols or gluing pictures of elements which represent the essentials of a "just society."

Encourage creativity. Participants might include abstract concepts in their pictures (e.g. "happiness," "justice"), but remind them that such concepts will be even more effective if participants concretize them by depicting or describing the elements that enable the happiness and justice (e.g. education, health care, adequate food, strong family supports, recreational facilities).

During this part of the activity, it is important to allow the participants to feel impassioned about their new society/country. Music playing in the background as they create might be helpful, depending on your group.

## ▶ **Part Two: Looking at the Country** (10 - 15 min)

Take a few moments to step back and observe what the society looks like.

Gather around the floor mural and discuss:

- What do we see?
- Is this somewhere we would like to live?
- What is missing? Ask a volunteer(s) to add additional elements.

Other questions may be needed to complete the "country," depending on your group.

### **More Ideas**

*This simulation game is one possible component of an overnight event for youth. See **WebSight: A Facilitator's Guide** for more suggestions for ways to engage youth in economic justice and global partnership—in an overnight event and/or life beyond. To obtain copies of **WebSight**, contact United Church Resource Distribution (UCRD): phone: 1-800-288-7365 or 416-253-5456; fax: 1-888-858-8358 or 416-253-1630; e-mail: [ucrd@united-church.ca](mailto:ucrd@united-church.ca).*



## Part Three: *Recounting the Story of Debt and Structural Adjustment* (15 min)

Now the facilitator recounts a brief history of the debt crisis (see below). S/he might choose to ask a second facilitator to take on this role, as it requires someone to play the scene with dramatic flair, and it might be more effective if this "bad guy" is viewed as a separate identity from the facilitator.

As s/he tells the story, s/he begins tearing away pieces of the floor mural (to demonstrate the effects of structural adjustment and its impacts). The participants might not know what to make of this, so they might need to be prompted to protect their land by standing on it. For the most part, though, they remain "victims" of the debt crisis as the facilitator tells the story and ruthlessly tears away "pieces" of the happiness.

**The facilitator may read the following script, or use his/her own words.**

In the 1970s, oil-producing countries made a great deal of money after raising prices. This led to a huge supply of money (commonly called "petrodollars") in circulation. Most of the money was deposited in Western banks.

Then the banks had too much money. They had to do something with it, so they encouraged leaders of countries in the developing world to take out loans on very easy terms. Your country was one of these borrowers.

Up until that point, you had many of the services and things shown on your drawing (but likely not all). Your leaders wanted to provide these things for you, so they borrowed money. However, sometimes they borrowed the money for military spending, apartheid, and ill-conceived "development" projects.

Interest rates increased dramatically in the late 1970s, and the large amount of money that your country borrowed suddenly became expensive.

Not only that, the world prices of raw materials produced in your country went down, so your income earned from exports went down accordingly.

Now, you are paying more than ever for your money. Your country cannot meet the interest rate charges, so you have to borrow more money from the International Monetary Fund (IMF) and The World Bank. These new loans (borrowed to make payments on previous debts) have strict conditions called structural adjustment policies (SAPs). "Foreign bodies" dictate these conditions. You cannot get the loans unless you agree to their conditions, which are:

- Cut education. (*Facilitator rips away the "education" related pieces of the "country" on the floor.*)
  - Cut health care budgets. (*Facilitator takes away the appropriate sheets of paper.*)
  - Cut all social spending. (*Facilitator takes away more pieces.*)
  - Export all your crops at competitive ("cheap") prices to earn foreign exchange with which to repay the Western banks that loaned you the money. With that food gone, you must import food from other countries. (*Facilitator takes away other sections of society.*) Then you need more foreign exchange to pay for food bought on the world market.
  - Ignore people protesting your new rules, by force if necessary. (*Facilitator rips away more parts of the country.*)
- (*Consider other items on the floor mural and take them away, as appropriate.*)

This leads to a population that is impoverished and hurting:

- Huge numbers of people are unemployed or underemployed.
  - Teachers and professionals are not getting paid and must find informal work to survive.
  - Farmers who used to grow food for consumption are now growing crops for export.
  - Child poverty and exploitive child labour is on the increase.
  - People cannot afford medicines or proper health care.
  - Women are caring for family members in increasing numbers as health care and social spending is cut back.
  - Children, especially girls, are forced to leave school in order to help their families survive.
- (*Add more examples as fits your group and time.*)

Your government continues to be in debt and must look for even more ways to obtain the funds needed to repay previous foreign loans. It tries to renegotiate its loans and then becomes more and more tied to the restrictions imposed by the IMF and The World Bank. Your government grows less influential (or almost irrelevant) in international, multi-country trade negotiations and other meetings. The wealthiest countries create the rules that work best for them, such as the General Agreement on Tariffs and Trade (GATT), the North American Free Trade Agreement (NAFTA), and the World Trade Organization. Your country has virtually no voice at these gatherings; indeed, the people gathered there are thinking about new ways to "solve" your problems.



## Part Four: Reflection (15 min)

1. Invite the participants to come together and share reflections on the following questions:

- What is your reaction to how the Western banks, the IMF, and The World Bank treated your country?
- How did you feel about its attack on your way of life and your values?
- How are these issues related to us in the North?
- What does this mean to you, personally?

*(Did you know that all of the financial aid that Nicaragua received in the aftermath of Hurricane Mitch (fall 1998) was returned to Northern banks in the form of debt servicing in just 20 days? That money that you "donated" came back, not to you, but to a Northern bank.)*

- What does this mean to us as a church?

*(The church has not been silent in promoting debt forgiveness. The worldwide Jubilee 2000 campaign that called for the cancellation of unpayable debt from the world's poorest countries had millions of people participating; over 600,000 Canadians signed a petition to ask the Canadian government to cancel unpayable debt.*

*Scriptures recognize inequality and poverty in society. (Lev. 25, Deut. 15) The Jubilee call is God's call to address this inequality every 50 years...the Jubilee year. For every dollar that is sent "South" in the form of aid, many more dollars return "North" in the form of debt servicing. The cost to the individuals in the South is enormous; it represents life and death for millions of people.)*

2. Still as a group, discuss what can be done. Brainstorm ideas for action or further education. Include time for personal reflection and prayer. (For ideas, refer to **WebSight: A Facilitator's Guide** and other parts of this Web site.)

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*Global Debt - The Story of the Debt Crisis was adapted from a Jubilee workshop conducted by Andre Bernard and based on "The Village Game," a simulation created by Karen Ridd. Karen notes that her inspiration came from a Thai environmentalist named Pom, who led a group through a three-minute exercise, which Karen has since built upon. Used with permission. January 2003.*