



WORLD BANK

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POLITICAL ECONOMY - INTRODUCTION

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CONTEXT AND CREATION OF THE WORLD BANK



- **Overview**

- Creation Date: 1944, Bretton Woods Conference
- Official Goal: Reconstruction and economic development

- **Two opposing visions:**

- John Maynard Keynes: A democratic global bank
- Harry Dexter White: A U.S.-controlled bank (and he won)

WHAT THE WORLD BANK WAS SUPPOSED TO DO VS. WHAT IT ACTUALLY DID

- Finance projects to help poor countries
- Provide fair loans without abusive conditions
- Encourage balanced and sustainable development

- Enforced neoliberal policies (privatization, opening to multinationals)
- Structural adjustment programs that worsened poverty
- Massive debt accumulation for developing countries

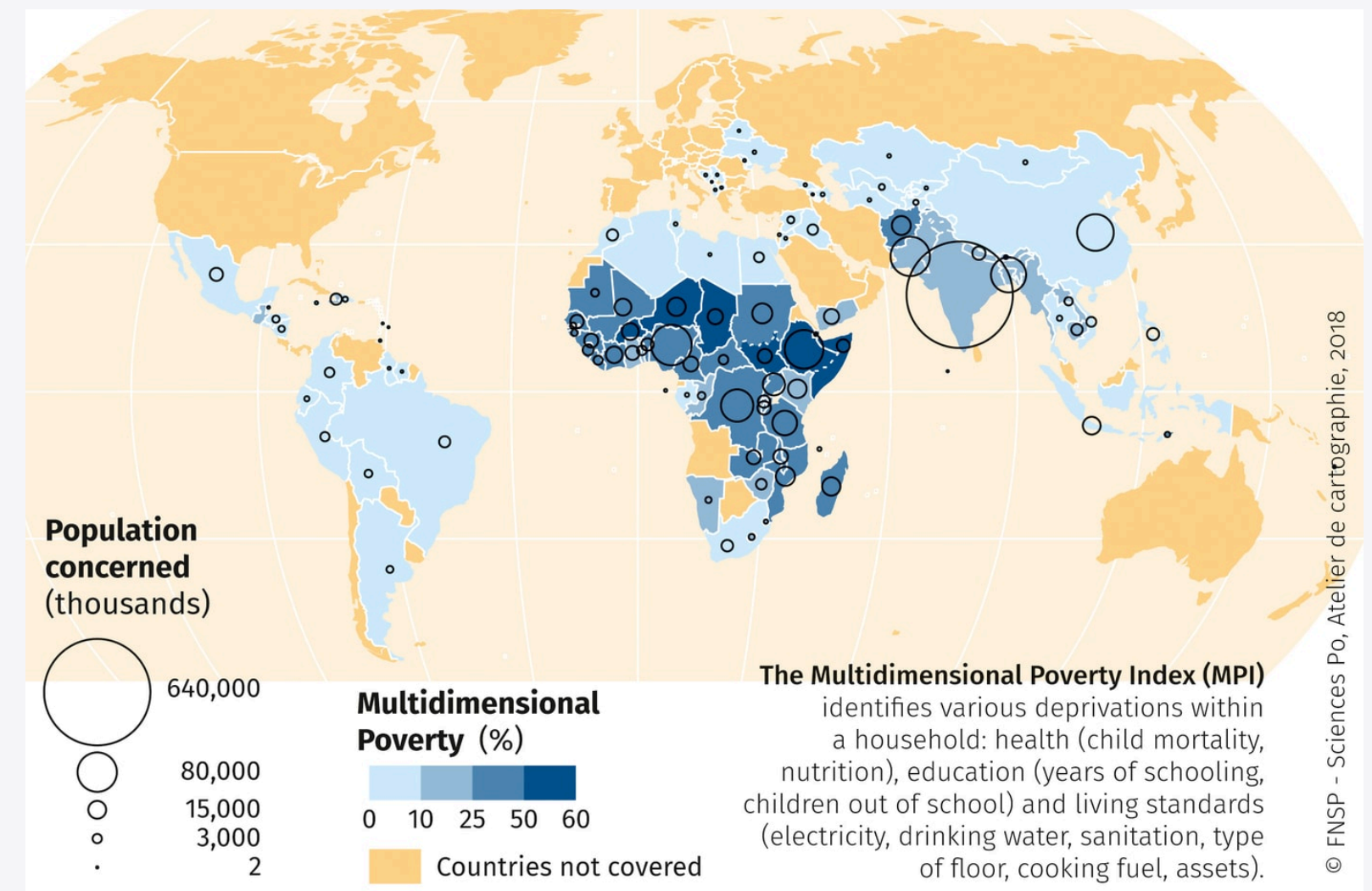
THE WORSENING OF INEQUALITY (1944 VS. TODAY)

In 1944:

Wealthy countries had a GDP per capita about 10 times higher than developing nations.

Today:

This gap has exploded. According to the World Bank itself, developed nations now have a GDP per capita 50 times higher than the poorest countries.

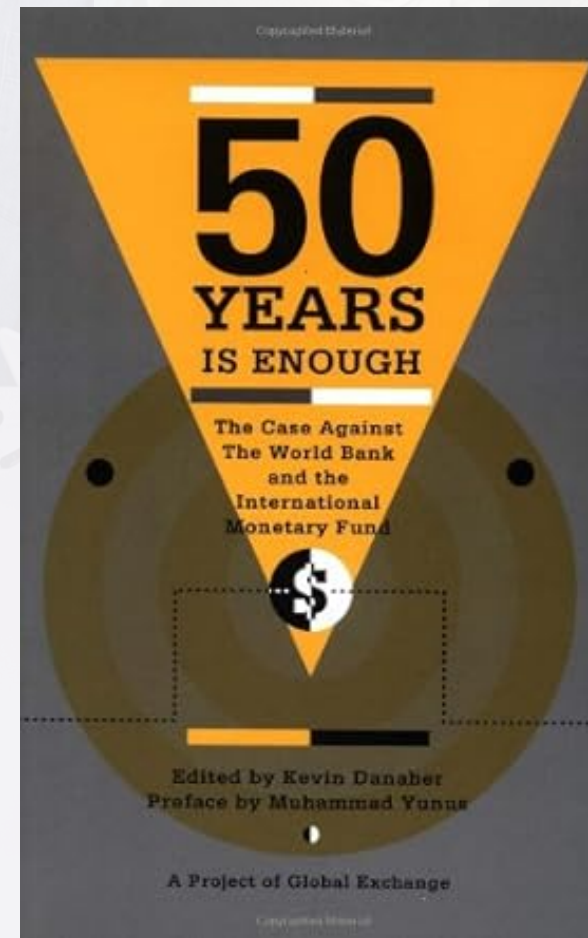


JOSEPH STIGLITZ'S REVELATIONS AND THE IMPACT OF FIFTY YEARS IS ENOUGH



Testimony from Joseph Stiglitz

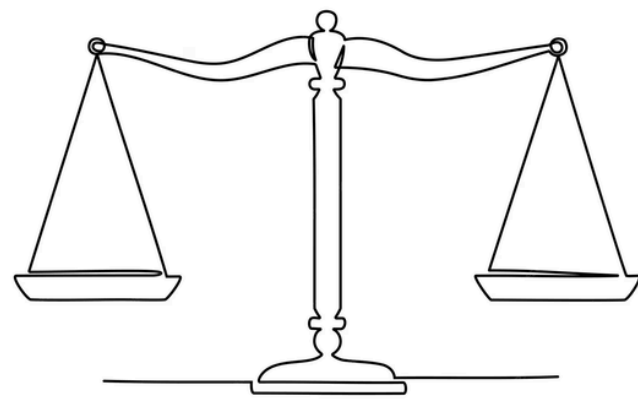
- Who is he? Former Chief Economist of the World Bank
- Why did he resign? "I was ashamed of what we were doing."
- Powerful Quote from Stiglitz about the World Bank



Fifty Years Is Enough – A Shocking Book

- Summary of the book: Criticism of the first 50 years of the World Bank
- Conclusion: The World Bank serves U.S. interests, not the world

CONCLUSION & DISCUSSION



**Should the World Bank be reformed or
abolished?**

**Possible alternatives? (A more
equitable model)**



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