



WORLD BANK

World Bank in South America

By Courtney Dagher

Introduction and Summary of the Problem

Historically, the World Bank has been extremely involved in the development of Latin America. Despite extensive investment in the region, on average, Latin America has failed to achieve United Nations' target development goals. This trend has prompted many critics to question the World Bank's true role in the region. According to some parties, the World Bank is more concerned with influencing the policies of the region than with encouraging development. In particular, it is asserted that the World Bank is in truth a front for the United States' meddling in the region. Concerns over the World Bank's motives have contributed to its declining prestige in Latin America. Before relations become too strained, the World Bank's position in Latin American must be reviewed.

Focus of the Debate

Agenda

In general, critics question the World Bank's influence in Latin America. Many people feel that it has too much control over the policies and programs of the region. Furthermore, there are concerns over existing policies because people feel as though some programs are actually detrimental to development. Beyond questioning its motives, critics assert that the World Bank is too simplistic in its goals for the region. Instead of constructing development programs that fit the individual needs of every nation, the World Bank is said to promote programs that are structurally ill-suited to solving the specific problems of each country.

Structure

Current dissatisfaction in Latin America with the World Bank is in part due to the surprising structure of the organization. According to most people, the United States simply holds too much power. They assert that the current structure gives the United States too much influence over programs and recipient countries. Within the present system, the president of the World Bank always has to be an American. Furthermore, the United States is currently the largest shareholder of the World Bank. In order to help the World Bank's reputation, many critics are calling for a complete structural overhaul.

Recent Developments

The Economic Crisis

In 2008, the global economic crisis completely halted the recent economic growth trend in Latin America. The World Bank predicts that regional growth will be at 3% for 2010, down from the average of 5.3% before the crisis. Despite the negative effects of the crisis, the World Bank anticipates a relatively quick recovery for the region due to its stricter economic policies. Even though Latin America is comparatively less affected by the global economic crisis, international philanthropic efforts are extremely limited. Future investment in the region will undoubtedly decrease until the global economy fully recovers.

Haiti

Recently, an earthquake struck the Caribbean island country of Haiti. On January 12 the earthquake devastated the capital city of Port-au-Prince. At last count, over 200,000 people died in the disaster. The destruction of the capital and the surrounding area only contribute to the currently desperate situation of the Haitian population. The World Bank is actively involved in both the relief and reconstruction of Haiti; however, its questionable reputation in the region will most likely lead to policy disagreements in the future.

Questions a Resolution Should Address

In order to ensure the continued support of the World Bank, its current structure and influence must be evaluated. In Latin America, as well as other regions, critics are demanding a reexamination of current policies. One possible solution to the debate would involve the lessening of its loan requirements. Redefining loan standards could help with the World Bank's image, but changing the requirements could possibly lead to dangerous loans.

In terms of structure, the World Bank could potentially become more universal if it was restructured to reduce American influence. For example, a resolution could propose the addition of representatives from other countries. Furthermore, redefining the requirements of the presidency would alleviate certain fears about the World Bank's influence.

Conclusion

The World Bank's involvement in Latin America has resulted in extensive criticism of its programs and policies. While the World Bank

has promoted growth and development in the region, its motives have recently been questioned. The World Bank's relationship with Latin America must be reevaluated to ensure its continued success.

Bibliography

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