

World Bank
Republic of Guatemala
Wyoming High School

The gap between developed and developing nations is growing, and resources and power are being taken over by a select few developed nations. Amongst other things, hunger has increased in developing nations because of this. Beginning with the Green Revolution in the mid 20th century, new practices resulting from research and development involving making agriculture more efficient were implemented in developed nations that supported such practices mostly involving new technology. Developing nations began to be left far behind. By the late 20th century, structural adjustment programs (SAPs) from the World Bank and International Monetary Fund were imposed on various developing nations. These programs provided funds to nations, but only if they met conditions that essentially forced trade and open markets on them. These had multiple effects. Prominently, they forced local farmers in developing nations to grow different crops for export that often were expensive and couldn't be sustained. Finally, these nations developed a dependency on richer nations that has grown too deep to simply eliminate. All of this led to widespread increases in hunger levels in developing nations.

The Republic of Guatemala has been particularly gripped by this issue. Until about 20 years ago, Guatemala's agricultural production was tailored towards the needs of its people, and the crops grown there were traditional Guatemalan crops. In the 1980s, Guatemala was in debt and accepted SAPs from the World Bank and International Monetary Fund. The ensuing lower wages, increased unemployment, lessened access to health and education, and hunger can be attributed to the SAPs forcing Guatemala to open up of their markets. As trade has increased since, nontraditional export crops became more common in Guatemala. According to Peter Rosset of the Institute for Food and Development Policy, these are estimated to cost between five to fifteen times more than traditional crops. Guatemalan farmers have had to take out credit and loans at great risks from local banks that are built to harm these farmers. Furthermore, Guatemalan soil has been severely degraded because of chemical pesticides and fertilizers that were used to attempt to grow foreign export crops. This has resulted in reverting to local crops becoming extremely difficult. With the remaining successful crops being exported, hunger is continuing to grow at an alarming rate in Guatemala. The value of labor has decreased and social unrest has increased, even though the World Bank claims that SAPs "aim to achieve long-term or accelerated economic growth in poorer countries."

The Republic of Guatemala views the entire premise of SAPs as being extremely flawed. Essentially, the World Bank and International Monetary Fund have single-handedly made poor nations even poorer. In fact, the UN Food and Agriculture Organization stated that "It is now well accepted that a new class of poor has been created by adjustment." The World Bank must first come to the realization that SAPs have not worked in the past and will never work in the future for the reasons and consequences outlined above and eliminate structural adjustment. The World Bank cannot simply provide funds to nations like Guatemala with no specific purpose and use this as a justification to force policy changes that aren't effective. They must allocate funds to specific causes such as supporting small farmers, rehabilitating land, and ultimately making nations like Guatemala more self-sufficient. One way to do this is through microfinance. The World Bank supports this already, but it hasn't done much about it because it is too centralized and large to have its own effective microlending program. However, it can and should fund, support, and monitor private microlenders. This has multiple positive effects. First of all, private microlenders are aware of their unique local economic landscapes and the needs that must be satisfied there. Also, these microlenders can more easily develop mutual trust with local citizens to ease and prevent unrest. Finally, microfinance will make citizens of nations like Guatemala more independent, in turn making their nations more independent and less hungry. In conclusion, the World Bank has essentially used their power to start a downward spiral towards hunger for nations like Guatemala. Now, they must use it more effectively to begin upwards progress again by supporting private microlenders.