

Activity 3

Who owes what to whom?

Guessing game



20 minutes



5-30 people



moderate

Materials:

- 3 exactly 1-metre-long paper strips with the following labels:
Total external debt /
Debt service /
Public development cooperation

What it's about

- Based on predetermined statements on the debt of private individuals and states, participants can take a stand and reflect on it.
- The participants tackle popular arguments about debt.

How to play

At the beginning of the activity, the concepts of total external debt, debt service and public development cooperation are explained.

Firstly, the first paper strip is shown to the participants. It represents the total external debt of

all developing and emerging countries. On a second strip labelled debt service, the participants are now invited to estimate how high the annual debt service of these countries is in relation to total debt. Participants can mark their estimate on the strip with a pen. The same process is now repeated on the third strip for public development cooperation.

Finally, shorten the strips to the appropriate length and give the actual values.

Total external debt

(100 % entspricht 100,0 cm)
6.876.978.000.000 US-Dollar



Debt service

(13,3 % entspricht 13,3 cm)
915.338.500.000 US-Dollar



Public development cooperation

(2,0 % entspricht 2,0 cm)
142.600.000.000 US-Dollar

Source: World Bank: „World Development Indicators“ und OECD: „ODA Preliminary Data 2016 - Press Release“, last updated: 2016. The current values can be obtained from erlassjahr.de.

Definition of terms

External debt is the sum of all debts of a country (state and private debtors) to foreign lenders.

Debt service is the repayment of loans plus interest due in one year.

Public development cooperation is the term used to describe measures by rich countries to support poor countries in order to promote their economic and social development. Financial development cooperation can be granted through donations or in the form of loans on especially favourable terms (long-term, low interest rates).