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The Influence Of The International Monetary Fund And The World Bank On Peru's Economic Development And Its Impact On The Environment

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Abstract

The International Monetary Fund and the World Bank are two of the most important international financial organizations today, which is due in large part to the large amount of resources available to them, their internal policies, their functions in relation to to international trade, as well as their position or presence that they have in the international market.

As we well know, the emergence of these financial organizations occurred after World War II, in a meeting that took place in Bretton Woods, New Hampshire, due to the need to find a balance between the economies of different countries. around the globe in an international market that guarantees stability and prosperity in the economies of member countries through a framework of mutual support and cooperation.

Keyboards: *World Bank, international market, Bretton Woods.*

Development

Since the Bretton Woods meeting, the functions of these financial organizations have changed over time, as established by Diego Villafáñez (2015) who tells us that the main functions of the International Monetary Fund, hereinafter IMF, initially consisted of protecting a series of rules regarding changes in parities, guaranteeing free trade conduct, consisting of the abolition of exchange controls and discriminatory practices, the management function of an international order agreed upon in the Bretton Woods System, and the financial functio[1]n relating to the assistance of underdeveloped countries that require liquidity to balance their balances of payments. These functions would be carried out until the 1970s, when Richard Nixon proclaimed the inconvertibility of the dollar into gold, overthrowing the previously established Bretton Woods system, which has also generated a clear violation of the real value of the currency, whose counterpart is part of a bubble that, if it burst, would generate a global crisis never seen before. Especially in states that are beginning to dollarize their economy.

In 1976, the Jamaica Accords were established, establishing a flexible exchange rate regime, which would be known as floating exchange rates, in addition to amending Article IV of the IMF's Articles of Agreement, relating the objective of exchange rate stability, seeking to achieve greater stability in economic and financial variables (National

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Autonomous University of Mexico, The International Monetary System, 2001). In this way, the function of taking care of fixed exchange parities became obsolete.

In the same way, the World Bank, hereinafter WB, is made up of a group of institutions such as the Bank for Reconstruction and Development, the International Finance Corporation and the International Development Association, whose main functions consist of financing countries with high rates of poverty and critical conditions, whether they are political situations or health crises or consequences of natural disasters. For this reason, the World Bank has to adapt its way of operating according to the changes that not only the society of the different member countries is undergoing, but also the changes in their economy. For this reason, a series of reforms took place between 1995 and 1997, involving an increase in the resources used by the World Bank and the criticism of these in the form of the Choice of projects and how they are financed, which we will discuss later.

At present, we can define the functions of these organizations as follows: The International Monetary Fund is responsible, broadly speaking, for promoting international monetary cooperation, in addition to providing advice and technical assistance to those countries that need it to achieve economic stability that usually requires loans, for which the IMF makes a preliminary study. Depending on both the economic and political situation of the country prior to the granting, these loans are short and medium term, financed by the quotas contributed by member countries. With regard to the World Bank, it is responsible for promoting the economic development of member countries, and thus achieving poverty reduction, providing technical and financial support for the execution of projects whose main objective is social development, seeking to improve the quality of life of its citizens, while protecting the environment.

Therefore, this research will focus on the aforementioned functions and especially on those conditions established by the Bretton Woods System, not only in the criticism of them, but also in how the deficiencies of their application can affect the development of a third world country when the political interests of these organizations overlap in the choice and financing of projects whose objective is the pursuit of a stable development of the region. economy and society at the same time.

At the same time, we will evaluate the role that these organizations have played in the economic development of our country and their impact on our environment.

The conditions that applicant countries must follow for the granting of loans by the International Monetary Fund are based on those imposed by the Bretton Woods System and the principles of the Washington Consensus. It is understandable that these conditions for loans are met so that the repayment of the resources by the countries to which the credit is granted can be guaranteed, so that these resources can be made available to other countries in turn that need them. But as mentioned above, these conditions can often be thought of as harmful.

The Bretton Woods Project, as defined by its website, is a network facilitator, information provider and informant to the press, with respect to the functions established for the IMF and the World Bank, taking care of the necessary diligence to conduct economic growth on a global level based on an economic policy inspired by the ideology of John Maynard Keynes.

This proposal was based on four pillars, consisting of the construction of a world central bank that would stabilize the global economy through the management of liquidity and support for exporting countries to enter an international market; the creation of a fund for reconstruction and development, in order to grant credit to low-income countries; the establishment of an international trade organization that would be responsible for the implementation of the economy; and the creation of a global central bank to stabilize the global economy. stabilization of prices of export goods; and an institutionalized soft aid programme linked to the United Nations, on the non-refundable grants that should be awarded.

The Bretton Woods system collapsed in 1960. Being based entirely on an international monetary regime that had the U.S. dollar as the exchange rate standard, the U.S. dollar was unable to continue fulfilling this function as a result of the financial demands of the Vietnam War. It officially ceased to function in 1973 with the failure of the conversion of the dollar into gold, leading to the simple application of concepts sustained by this system today, maintaining the policies established for each financing agency.

On the other hand, the Washington Consensus, according to the Observatory of Multinationals in Latin America, hereinafter OMAL, is the set of economic policy measures applied since the 1980s in order to reduce the rate of profit of North American countries in the face of the economic crisis of the 1970s. Hence the macroeconomic conditionality imposed for the financing of South American countries in order to be able to face the foreign debt acquired.

At first glance, these pillars or functions do not appear to be anything more than beneficial for those countries that seek a loan to finance their projects, but the conditions for this that would depend on them affect not only the economy of the applicant countries, but also the development of their society and their role in the market.

For example, the Washington Consensus was characterized by guiding its fight against the public deficit through the reduction of expenditures through reforms that reduced tax progressivity through the privatization of public enterprises, the liberalization of trade and capital markets at the international level, the deregulation of domestic labor markets, and the decentralization of domestic labor markets. in addition to reducing the obstacles that could arise in the face of foreign investment.

This does not mean that it is entirely detrimental to the countries requesting credit, as has been established in the current economy, since it is preferable to have a liberal market untied from the ropes of state policies that hinder the development of a fluid and balanced international market with the same possibility of opportunities for everything. and thus a balance may be reached between the economies of nations.

It has been established that having the private sector as the engine of the economy, minimizing the role of the state through the liberalization of markets as a goal of reinsertion into the world economy is not the problem, it arises when these policies do not follow only the objective of seeking economic and social prosperity of the country committed to the payment of a debt. rather, it seeks to benefit the entity that provides this credit through the orientation of these economic policies, and thus contribute significantly to the creation and consolidation of the currently dominant pattern of neoliberal globalization, highlighting investments in infrastructure and industrialization as the main objectives.

This occurs when a single analysis is used for the study prior to granting such credits and for the application of the same economic policies for all the requesting countries, without taking into account the specific situation of each nation or its particular context, whether economic, political or social.

How, then, is it possible to establish the same loan conditions for whether they are developing countries or not, since they are not likely to share the same context? As a result, in the mid-1990s, both the Washington Consensus, the IMF and the World Bank, as institutions that promoted these principles, have been harshly criticized for the serious social effects on the most vulnerable sectors of the population and the scant results of their reforms in failing to achieve the proposed objectives. These include stimulating economic activity and achieving development in the applicant countries.

Consequently, what would become known as the post-Washington Consensus phase began because of the criticism issued by the United Nations and the sectors of civil society in the affected countries. These changes were reflected in the World Bank, through its proposal for a Comprehensive Development Framework, which currently, together with the International Monetary Fund, is working to achieve the Millennium Development Goals, hereinafter the United Nations MDGs, hereinafter the UN, which basically consist of reducing extreme poverty and guaranteeing access to fundamental rights for the citizens of each country. However, the presence of these principles and neoliberal policies are still very much latent in the application of their functions.

According to the IMF's website, when requesting and obtaining credit, the government of a country must commit to adapt and adjust its economic policy to the points established by this financial organization, which consists mainly of overcoming the situation that leads to requesting financial assistance. In addition to having fundamental economic variables and firm institutional frameworks for economic policy.

The conditionality regime, as established by David Enríquez (2007), consists of a substantial reduction in the national budget, a vigorous correction of the deficit in the balance of payments, a generalized increase in interest rates, a drastic reduction in inflationary levels, a commitment to privatize state assets, a profound reduction in trade barriers; as well as some kind of strict regulation on capital flows to and from the country.

In 2009, the conditions imposed by the IMF were simplified as a result of a series of reforms aimed at improving the situation of countries through sound and effective policies in order to prevent and resolve crises, since, as we know, IMF loans have always been subject to political conditions. The main change that took place in the reform was the abolition of the structural implementation criteria that required a formal waiver, in addition to the structural reforms, focusing on the adaptation of policies to the economic reality of each member country, this analysis being an initial part of the reviews prior to the granting of the loan. In 2014, these policies were adapted due to the need for reforms in their design in the face of the changing scenario of the needs that they may present in low-resource countries in the face of a changing global financial landscape.

The World Bank calls these conditions accompanying measures, which are framed within a philosophy of good governance, these conditions vary depending on the political-economic situation of the applicant countries, but broadly speaking, they facilitate the privatization and development of small and medium-sized enterprises, hereinafter SMEs through the liberalization of trade and the reform of public financial management.

Unlike the IMF, the World Bank works through agencies that are spun off from it, such as the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD), among others, which have their own conditions that must be met before a loan can be granted. Referring to those required by the IBRD are the inclusion of the currency, the repayment schedule, the margin of the loan, etc. As can be seen in the World Bank's Borrower Lending Handbook, (2017).

Both the World Bank and the IMF link their credit allocations to very harsh conditions, which hurt the stability of the international economic system, thereby speaking out against state interventions in the economy. The influence of the Bretton Woods System and the Washington Consensus is still present in the political sphere of the loan requirements of the two aforementioned organizations, although these have been revoked by social changes over time, leading to unfavorable consequences for many of the less favored countries.

By way of criticism, we can point out that when we refer to a double agenda on the part of the financing agencies, we are not only talking about the application and consequences of the conditions for obtaining a loan, since the ethical issues that arise from the approved projects are questioned, as Villafáñez indicates. D., (2015). Likewise, the aforementioned author highlights the existence of a partnership between the World Bank and the private sector, in this case, the International Finance Corporation, which results in the replacement of the role of the State as the main provider of essential goods and services, such as health and education, causing a lack of these services in the countries most in need.

By eliminating all kinds of obstacles to foreign trade thanks to the imposition of these conditions described above, it entails a mechanism of market domination by large companies seeking to establish themselves in underdeveloped countries and cover their market, both internal and external, in its entirety.

When the IMF provides financing to a country, it does so for a price. As we have already described in the previous point, it is usually the conditions that are generally responsible for imposing restrictive economic policies, such as: the reduction of public spending, in the aspect that instead of directing these to cover expenses required by society, they should be guided to the payment of the foreign debt; the prohibition of hiring public employees, directly affecting the internal economy of citizens by hiring only workers from the private sector, forcing inhabitants to seek new opportunities outside the community, and including from the country of origin; and the decentralization of competencies from lending countries as well as to more developed countries, resulting in negative consequences for countries that do not have the same level of social or economic progress.

A clear example is reflected in an article published by Forbes Mexico at the end of the year in 2014, where the International Monetary Fund is attributed partial responsibility for the Ebola crisis that affected three West African countries such as Guinea, Sierra Leone and Libya because its policies hindered health spending in these states after their internal conflicts. As a result of a study carried out by the British journal The Lancet Global Health, one of its authors, Alexander Kentikelenis, established that it was the policies proposed by the IMF that contributed to underfunded, poorly prepared and underserved health systems in countries where there was a higher percentage of Ebola outbreaks.

The impact was due to the fact that the payment of debts and the construction of foreign exchange reserves in past decades were prioritized over the health expenditure that was required to face this disease, in addition to the slow response by the IMF to this crisis that by then, would have claimed more than eight thousand lives. Heavily indebted as a result of the respective external conflicts, these three African countries were partially dependent on IMF loans for the operation of their government services, including health centres.

In view of this, the IMF was pressured to reduce restrictions on deficit spending, in addition to the forgiveness of debts with millions of dollars, in addition to the payment of supplies and financing for health services and the hiring of personnel needed for the response to the number of infected patients. This resulted in the contribution of 430 million dollars by the IMF to the fight against Ebola in the three affected countries.

In this way, we can appreciate the violation of human rights by the World Bank and the IMF, through neoliberal reforms, the ignorance or the little importance given to the social and ecological conditions of the affected countries with respect to fundamental rights such as education. health, food, housing, employment and the environment; as well as the modifications to treaties, international and constitutional norms to adapt to the internal regulations of the funding agencies. As indicated by Hernández and Ramiro, (2015).

If we want to delve into the distortion of the execution of the IMF and the World Bank's own human rights functions, we must focus on the main consequences of using their requirements in order to obtain a loan, such as reductions in the social budget, especially in areas such as health, education, infrastructure, etc. job opportunities, among others. Enriquez, D. (2007).

That is why in the course of the last decades, specifically since the 1980s, the lack of political will and legal instrumentation to carry out its established functions has been questioned, giving more importance to the participation of civil society in matters of an international nature, than to the development of the member countries themselves.

Enríquez also states that the conditions imposed by these organizations not only affect the economy of the countries that submit to them, but that their policies influence the increase of social and inequitable distributive injustice, ignoring the social aspects of the well-being of each country, affecting society itself, the environment and the values of each individual. whether they are moral or social.

Although there are many negative aspects on which we can focus, we must also highlight the actions that have been taken as a way of combating those harmful aspects of each financial institution, such as the IMF's own Poverty Reduction Strategy Paper, which is an instrument used by the least favoured countries in the fight against poverty. as they are unable to meet the conditions required for loan approval.

This document is based on the change in approach or policy that the IMF has found it necessary to adopt, such as giving the reins to the country itself to exercise its course of development based on five essential principles: the comprehensive approach to development, rapid and sustained economic growth, implementation of the goals imposed by the State itself, common collaboration of the nation and the approach of results for the fulfillment of the objectives imposed.

This is due to the fact that the IMF's conditions may result in a loss of authority on the part of the State to direct its own economy, since its economic policies must be adjusted and adapted to those imposed by the IMF, especially in the case of third world countries, where they do not have a say in decisions that will directly affect their society.

There are also criticisms regarding the internal governance structure of these bodies, since they belong to a globalized and industrialized sector, whose role in the market is completely different from those countries they are going to advise, in addition to not suffering from the problems that developing countries have to face. Therefore, the capacity for identification in this type of situation is almost non-existent, since their policies, the way they make decisions, the plans for participation in the market are made by and for countries with the characteristics presented above, as well as the donations or funds they have, which are made by countries that are powers or similar. that do not have information or carry out studies on these third world countries.

The IMF and the World Bank have been a large part of our country's economic policies, as they have done in most Latin American countries, although this does not always mean that they play a positive role in this development. Especially since the IMF declared Peru ineligible to obtain new loans in the face of the disaster of administration and the great economic crisis that occurred during the first government of Alán García.

During the period of Fujimori's government (1990-2001), together with the World Bank, the then president applied the principles of the Washington Consensus, leading to the privatization of public companies, which was considered by many as an auction of public companies, since, based on these principles, he achieved the sale of state companies at embezzled prices for his own benefit.

In the course of ten years of Fujimori's rule, 228 sales, concessions or liquidations of public companies were made, whose profits did not enter the Public Treasury in full, since debts had to be covered consisting of the payment of consultancies, investment banks and the cleaning up of accounts of private companies. In addition to the fact that the money collected was not used to invest in health, education, road infrastructure, security, poverty eradication and pacification as had been established in Legislative Decree 674, on the contrary, the money was used for the acquisition of weapons, the payment of the foreign debt and to supply the fiscal deficit.

Nor did the objectives of increasing and improving the quality of employment as a result of this privatisation be met, since the vast majority of the workers belonging to the public companies sold were not reintegrated or welcomed. Similarly, it was not complied with to promote free competition in public services, due to the existence of large companies that enjoyed a monopoly such as Telefónica and the electricity companies of Edelnor and Luz del Sur.

The most outstanding feature of the Toledo government (2001 – 2006) was the continuation of privatization; the reduction of labour rights, which began in the Political Constitution of Peru in 1993 with the elimination of job security; and the huge profits of natural resource companies.

It was Alán García, in his second term (2006 – 2011) who signed the letter of intent with the IMF, which, according to the Ministry of Economy and Finance, is the express will of a country to subscribe to meet the goals established by the IMF's own economic policy. It also contains quantitative and qualitative targets set by the government itself in order to ensure that its objectives are met.

Faced with the crisis that Peru experienced during his first government and the prohibition of credits by the IMF in 1985, Alan García was forced to sign a memorandum of understanding to begin the cancellation of debts in monthly installments in 1989.

This second government was characterized by the priority of promoting foreign investment in order to accelerate the process of Peru's insertion in the major world markets. It is in this period that the different Free Trade Agreements would be signed. Privatizations would continue, as well as the decrease in labor rights would be accentuated and the profits of natural resource companies would increase, which would result in the great inequality gap that would be seen in our country.

With respect to the Humala government (2011 - 2016), faced with a recessive period of the Peruvian economy characterized by the fall in international prices for the minerals that Peru exported and their demand, President Humala decided to group a series of measures that would be responsible for boosting and reactivating the economy.

It is in 2014 when Law No. 30230 was issued: Law that establishes tax measures, simplification of procedures and permits for the promotion and dynamization of investment in the country, promoted by the World Bank, which favored foreign private investment and curtailed the oversight powers of the Environmental Assessment and Control Agency. hereinafter OEFA, it would promote disorderly economic growth, eliminating the participatory nature and downplaying the importance of the processes of Territorial Planning and Economic and Ecological Zoning, in addition to minimizing the functions and powers of regional governments to decide on their territories.

This law weakened environmental institutions and affected the few channels of communication between indigenous groups in our country and their fundamental rights related to life, health and the enjoyment of an adequate environment, since it threatened the environment and health through the reduction of deadlines for environmental impact studies that required to be carried out prior to any project or investment; It also limited the functions of the Ministry of the Environment on the creation of reserved areas, preferring economic aspects to technical ones, since they were not subject to limitations that affected public health.

Although in recent decades a purely economic development was favored and prioritized through privatization and the insertion of our country in a globalized market, achieving an increase in our production and notable enrichment compared to the first government of Alan García, – in addition to the reduction of poverty by a percentage of more than two percent since his second government – these measures also seriously affected our environment and the use of our finite natural resources.

As we have been mentioning up to this point, the greatest impact that our country has suffered from the execution of projects by the IMF and the World Bank is seen in the repercussions that these have had on our environment and natural resources, and these organizations have not been oblivious to the knowledge of these consequences. since our country has not been the only one affected by it, as was the loan to Pakistan in 2008 that forced it to cut expenses to cover the electricity tariffs imposed, or the participation of the World Bank in the development of the offshore oil field in Ghana, or the facilitation of the expansion of one of the most polluting South African energy companies such as Eskom.

These financings increased in the area of projects related to fuels, coal or mining, which have serious and irreversible consequences in the countries in which they are financed, such as the emission of greenhouse gases and the impact on peoples affected by mining, which we will describe later in the Peruvian case.

In 2009, a confederation of 300 environmentalists distributed around different towns and cities, called Ecologists in Action, conducted an independent study in which they attribute to the IMF and the World Bank, not only the massive destruction of jobs, and the fact that countries are prevented from feeding their populations, in large part to the privatization of basic public services as we have already discussed at the beginning of this essay, This led to a deregulation of the financial industry and therefore the acquisition of exorbitant foreign debts, but also attributed responsibility to the extraction of non-returnable resources, playing a very important role in among the causes of poverty in these countries.

Thanks to Law No. 30230, it was allowed to reduce and freeze fines for a period of three years to companies, for which the forgiveness of debts and fines for serious environmental infractions was given for the benefit of mining and oil companies, among them PetroPerú, which achieved an exoneration of up to 55 million soles between July and March 2015. In the same way, a large number of companies have benefited from the cancellation of these debts, as well as the filing of environmental supervision reports that allowed the preparation of their projects regardless of the environmental damage that could occur.

In October 2015, the World Bank's representatives in China held meetings to review the second draft of what would become the Environmental and Social Framework, which would contain the Environmental and Social Standards that countries requesting credit would have to comply with in order to obtain financing. This proposal was aimed at those governments benefiting from the loans and that would have to face certain environmental and social risks, in order to reduce or mitigate the damage caused.

In view of this, the World Bank became more involved in the flexibility to grant its credits, leaving the evaluation, development and implementation of the projects themselves to the requesting State; than to take measures to prevent environmental damage in those countries.

The World Bank's environmental conservation policies are vague enough to achieve environmental damage and economic benefit for these companies without having to pay consequences. The MAS established the responsibility of the state to prevent the release of pollutants, but at the same time established that if this was unavoidable, the impact should be minimized "using the levels specified in national laws or in the World Bank Group Environment, Health and Safety Guidelines. Livise, A. (2015). It should be noted that the World Bank does not get involved in the supervision of these regulations to conclude that they are demanding enough to protect fundamental human rights from violations that may occur as a result of these projects.

In our country, more than a thousand people were displaced from their lands in order to carry out three different projects financed by the World Bank between 2004 and 2010. The World Bank rejects forced evictions, unless they are carried out in accordance with the requirements of national law, the provisions of the Bank itself, and the principles of due process are respected. Faced with this, the most affected people are the native and peasant communities, who have to leave their homes or are even affected by environmental contamination carried out by these companies or as a result of the projects.

Between December 2016 and January 2017, Pedro Pablo Kuczynski issued one hundred and twelve Legislative Decrees, of which 65 focus on economic reactivation following the policies established by the World Bank.

These Legislative Decrees are based on respect for the rights of indigenous peoples and the protection of beliefs so that they are not affected in any way by the presentation of a project that requires financing, as well as the regulation of informal mining and the flexibility of mining regulations. transparency and free access to information on these projects, territorial security, and the right to water.

In relation to Peru, the World Bank Group established the Partnership Framework with the country, which consists of a support program aligned with a State modernization plan projected for the year 2021, taking into account and including civil societies, the private and public sector, as well as public agencies to take advantage of the country's development opportunities. This project encompasses three strategic pillars: productivity for growth, access to basic services, such as drinking water and sanitation, by citizens throughout the territory, and environmental management, through natural resources, and the risks arising from climate change, as a result of the damage caused by the El Niño Costero weather phenomenon.

The Environmental and Social Framework was finally launched this year, 2018, establishing better management of environmental and social risks in projects in order to obtain a better result in the development of borrowing countries.

According to the WB website, the MAS offers broader and more systematic coverage of environmental and social risks, containing the World Bank's vision for sustainable development, the World Bank's policy and social policy for the financing of investment projects, which specifies the requirements that must be met when making a loan application, and the ten Environmental and Social Standards, which establish the responsibilities of the borrower in relation to the assessment, management and supervision of environmental risks and impacts related to each stage of the projects supported by WB through their financing.

Currently, both the International Monetary Fund and the World Bank estimate Peru's economic growth at 3% in relation to previous years, deducting an even higher percentage for the coming years, establishing recommendations on monetary and fiscal policy in the financial sector, in addition to recommending structural reforms as established in the annual report for 2017 issued by the newspaper La Gestión.

This growth has been based on the macroeconomic stability that our country enjoys at this time, in addition to improvements in the area of communication, greater flexibility in the exchange rate and an increase in public investment, which has occurred mainly in the area of reconstruction associated with the damage caused by floods and landslides caused by the heavy rains caused by the El Niño Costero phenomenon that They hit our country, mainly affecting the cities on the coast.

It is therefore necessary to change and adapt the policies of the financial institutions, as well as an internal restructuring with environmental conservation as a central axis in order to avoid further irreversible damage to natural resources not only in our country, but to any country requesting a loan. By committing themselves to promoting the economic development of nations and achieving a balance in the market, the IMF and the World Bank acquire a social and environmental responsibility among their different faculties, since we have been able to appreciate the harmful consequences that their intervention in internal policies can entail.

Conclusions.

Both the Bretton Woods System and the Washington Consensus have as their central axis the economic development of nations through a series of interventionist policies in the management of each country inclined towards the privatization of public enterprises, establishing a series of invariable conditions for any type of requesting country, without taking into account the political situation. It is the social or economic nature of each state, which has been detrimental to these nations over time.

Although the main purposes of the IMF and the World Bank vary between the fight against poverty and promoting the sustained economic development of third world or developing countries, offering technical and political assistance for their insertion into the market, many times when financing the requested projects, they have a double intention: favoring multinational companies and applying excessive conditions to ensure the payment of the established quotas, thus affecting the satisfaction of essential needs of the citizens of each nation.

The financial institutions have undergone many reforms and modifications in order to adapt to the needs of each country and offer financing that truly helps the economic and social development of its member countries, not only benefiting those powers in charge of donations, but also on the other side of the equation. who are the recipients and those who are obliged to incur a debt.

This financing has had a great impact on the environmental quality of life in borrowing countries, damaging entire communities, and even contributing to global pollution that largely accelerates the climate changes that have been experienced in recent decades. Peru, being a country rich in raw materials and natural resources, is seriously affected by the lack of diligence in the matter offered by the financial organizations, which is why this change of policies for more favorable ones with the environment is urgently required, finding it as a new source of economic income.

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