

The Irish Debt Crisis: What Happened?



**Workshop template for
community education settings**



Collaboratively designed by
Debt and Development Coalition Ireland
and
The Spectacle of Defiance and Hope



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About this pack

What is this?

Welcome to the information pack and materials for the role-play exercise '*The Irish Debt Crisis -What Happened?*'

This is everything you will need to organize, carryout and evaluate the workshop with groups of at least 8 people. We hope it can be used with all sorts of groups; adults, teenagers, community workers, activists, volunteers, anyone who wants to understand the banking crisis and particularly the role of Anglo-Irish Bank within this.

Why would I want to run this workshop?

This pack enables you, with other people, to explore the banking debt from a justice perspective. This means taking the particular experience of communities into consideration. The idea is to write the stories of real people into the story of what happened with the banks.

Certain campaign groups (Ballyhea Says No to Bondholder Bailout, DDCI, Anglo: Not Our Debt and others) are campaigning for debt justice in Ireland, and believe that people should not be held financially responsible for the bad investments made by bankers and investors. The Spectacle of Defiance and Hope agree with this and believe it is still possible to prevent many more years of debt repayments leaving the country – money that could be invested in communities who are suffering at the hands of austerity.

How long will it take to run the workshop?

The workshop itself can be done in less than a day, or if you want over 2-3 sessions. This resource provides a five-part structure, which you can adapt according to the group you are working with. However it requires three hours minimum. The intention is that the workshop leads to some kind of positive action within the communities – which once we understand what is happening that we will talk about and think about what it is we can do to stop the injustice we now understand.

What will I need to do the workshop?

You will need a group of eight or more, two facilitators (or optional third facilitator for the time-line activity), this pack, flipchart, markers and a scissors. The optimum

number of people for this workshop is about 20. It is not possible to do it with less than 8 and we recommend that the group does not exceed 30.

Overall aim of the exercise

Aim:

The aim of this workshop is to raise awareness on events that took place in Ireland from 2008 until now relating to the banking crisis. Much of the emphasis is on the Anglo-Irish Bank story and it is framed within an understanding of social justice – we think what happened was unjust and we want to reverse it.

It is hoped that people who complete this workshop will;

1. Have a better understanding of the banking crisis, bank debt and the importance of the role of Anglo Irish Bank.
2. Understand the role of key decision makers and power-holders in Ireland and Europe.
3. Link the banking crisis to the many cuts happening in communities and to community organisations.
4. Understand the banking crisis in relation to other cuts and taxes imposed.
5. Have a better understanding of common terms used when discussing the bank crisis.
6. Have explored ways in which individuals and communities can respond to the banking crisis and austerity to bring about change.

Learning methodology:

Though this pack provides facilitators with information needed to run the workshop, the exercise is designed to be highly participatory. Facilitators are **not expected** to have all the answers or to be the only ones with knowledge to share. The hope is that by participating in a role-play and sharing experiences, each of us in the room will begin to know the language of bank-debt, enabling us to think about working towards change.

In this pack you will find...

1. Workshop template.
2. Guidelines for approaching the workshop, and things to be aware of.
3. Some extra activities for preparation, if necessary (Jargon buster and timeline activity).
4. Role-play activity – core element of workshop.
5. Props to photocopy for role-play activity.
6. Information sheets for facilitator.
7. List moments and a general timeline.
8. An overview of cuts to the community sector.
9. Jargon buster poster for the wall.

Time:

Ideally we recommend one full day for the workshop, though it has been successfully run over a half-day session if this is all that is available to you. Another idea would be to run the workshop over 2-3 sessions through these should not be too far apart.

Workshop Stages

The workshop is designed to take place over five distinct stages. This pack will explain each of these stages detailing how to organize and execute it and explaining the additional materials you will need.

The stages are:

1. Preparation
Essential: Reflecting on Ireland since 2008 – sharing personal experiences.
Optional: Preparation to ensure participants feel ready for role-play (Jargon buster activity).
2. **Role play: This is the crux of the exercise.**
3. Drawing out learning from the role-play and timeline activity.
4. Linking it to communities and the community sector.
5. **Reflecting on the process and next steps: what action can we take?**

Recommended workshop outline, if you want to do it in one day:

1	Ireland since 2008	<i>Suggested 20-30 minutes, but however long is needed.</i>
2	Role-play	<i>1 hour (or split in two half hours over two days.)</i>
3	Exploring Our Learning: Drawing out learning from the role-play	<i>30 minutes.</i>
4	Linking it to communities and the community sector	<i>20 minutes</i>
5	Next steps: What can we do	<i>30 minutes</i>

Requirements:

- Two facilitators minimum
- Eight participants minimum
- Flipchart and markers
- Props (see role-play activity)

General guidelines for facilitators

The following is a list of things for the facilitator to be aware of.

Minding your participants

- Be aware that this work might be very emotive for some people, as the activities focus on life in Ireland since 2008, and for many people this has been a challenging number of years. People might also become angry and feel a great sense of injustice.
- Always allow space to ‘check-in’ and ‘check-out’ at the beginning and ending of each session you do.

Reading out loud

- Some of the roles require a lot of reading, so be conscious of any literacy issues in the group. There is one role in the role-play that has no script and requires no reading (Anglo’s bondholders). There are two roles which require the most reading (Irish government and Irish Central Bank.) For the other roles, make sure you put people who would rather not read out loud with people who are more confident readers. You may need to discreetly talk to participants about this in advance.

What do to if you can’t answer some questions

- This workshop is designed to be participative and draw out collective knowledge, and facilitators are not expected to have all the answers. Still, there might be some very specific questions asked throughout that people would benefit from knowing the answers to. Record all the questions that emerge on a flip chart. You can commit to the group to respond with answers within a week or a fortnight. If you have trouble finding answers, get in touch with the Spectacle of Defiance and Hope or DDCI and we will help you.

Generating knowledge from within the group

- Quite a lot of information can be generated from the discussions within the group. One option is to record this, type it up for the group after the workshop, and give it back to participants at a later date, as a sheet of facts and information generated by the group itself.

Follow-ups

- Because of the complexity of the issues explored in this resource, people may still be having ‘light-bulb moments’ after the workshop itself. We recommend you organise a follow-up session, which might only be an hour, in the weeks following the workshop. Allow people to check-in, reflect on their learning, and speak about anything that have emerged for them since doing the workshop.

Stage 1. Life in Ireland from 2008 to today

Purpose of this stage:

The aim of this stage is to give space for people to reflect on and share their own experiences since 2008.

When this exercise has been done in the past, such things as benefit and wage cuts, unemployment, personal sacrifices (for example not going on holidays), and personal debt have emerged.

It is from exploring and sharing our own stories that we can begin to really feel and re-live the implications of the decisions made relating to the role-play to come.

Be aware that this work might be very emotive for some people.

Instructions for facilitators:

It is important that the facilitator does not tell people what they anticipate; rather enable the group to themselves uncover their experiences. Remember, it might not all be negative, and it is ok to allow a sharing of positive experiences during these years.

1. Photocopy and circulate the reflection sheet provided to each person (next page). If you wish you can design your own reflection sheet with different questions please do so, these are just ideas.
2. Ask people to reflect on the questions posed on their own. Tell them they will be asked to share their reflections with one or two other people. Ideally ask people to write their thoughts though they are welcome to just reflect silently without writing.
3. When people have finished writing, organize them into twos or threes, depending on the size of the group, and invite them to share their stories/thoughts.
4. Finally facilitate a whole group discussion gathering some of the common themes emerging. This should be loosely facilitated rather than rigidly hearing from each group. If you wish these can be gathered on a flip-chart page or wall chart.

Additional Learning Activity: Jargon Busting!

This is a simple activity that you can run with your group in advance of the role-play, as a way to support understanding of some of the difficult words that come up throughout the role-play.

- Photocopy the statements below, and cut up all the statements, making sure to separate the *terms* from the *explanations*.
- Distribute the words and statements to everyone in the group, making sure that everyone has at least one ‘term’ or ‘explanation’. The group then has a set amount of time, maybe 15 minutes, to mingle around and find the person with the corresponding ‘*term*’ and ‘*explanation*’.
- Afterwards you can have a group discussion about what the words mean, which ones are more difficult than others, and where people have heard them before.
- You can decide to exclude some terms if you do not think they are necessary, or can decide a different way of organizing people. You may want to adapt this exercise, if people in the group would rather not read.

[Please photocopy for jargon busting activity]

Terms

Explanations

ANGLO IRISH BANK	A commercial bank that operated from 1964-2011. It was nationalised in 2009, meaning that the people of Ireland owned it through the Irish government.
AUSTERITY	A government policy of lowering spending on services provided by the state, which involves cuts to services or a reduction of state benefits.
BANK GUARANTEE	The promise made by the Irish government to six major Irish banks in September 2008 that it would take responsibility for all deposits and debts held by these banks.
BOND	<p>A legal type of loan, issued by a government, local authority or company to raise money.</p> <p>The person who gives this loan takes a big risk.</p> <p>This type of loan ends on an agreed date and the person who gives the loan get their money back. This might be decades into the future.</p>
BONDHOLDER	<p>An investor who lends a legal type of loan.</p> <p>They are usually a bank, investment company, or very wealthy individual.</p>
CONTAGION EFFECT	The spread of banking disturbance from one county to another because of currency connections, and integrated financial systems
DEFAULT	The failure to repay a debt.

EMERGENCY LOAN	Also called an EMERGENCY LENDING ASSISTANCE FUND (ELA), and is only allowed in exceptional circumstances.
EUROPEAN CENTRAL BANK	The central bank of the Euro. It is responsible for controlling the supply of the Euro currency in the Eurozone. This makes it one of the world's most important and powerful central banks.
IRISH CENTRAL BANK	The financial services regulator of Ireland. It is part of a franchise of Central Banks in the Eurozone, and is governed by the European Central Bank.
MONETARY FINANCING	When a government borrows money from its own Central Bank. This is illegal because a Central Bank could create a limitless supply of money, and governments could take advantage of this.
PROMISSORY NOTE	This is a 'note of promise'. It is just like an IOU, where one person makes an unconditional promise to pay a specific sum of money to the other person.
THE TROIKA	This is the name given to the European Central Bank (ECB), the International Monetary Fund (IMF) and the European Union (EU) combined. Together they loaned money to Ireland and set conditions for repayment that included austerity.

Stage 2. Role-play activity

Purpose of the Stage: The role-play and timeline activity is designed as an experiential exercise to put group members through a staged re-run of the key events that explain the debt-crisis and the role of Anglo Irish Bank within.

Role-play:

The role-play activity is the core element of the exercise and takes at least one hour to act, including breaks. The activity is split into four ‘acts’ with process questions at the end of each act. You can have short breaks between each act. If you feel that the four acts are too much for one session, you can split the activity over two sessions. These should be done very close together, within the same week.

Timeline Activity:

The timeline activity is an additional element of the exercise. It can either be done at the same time as the role-play, by a third facilitator (see point 1). Or it can be as a group exercise after the role-play (see point 2).

1. **As the role-play takes place:** This requires a third facilitator. In advance, stick a few pieces of flipchart paper along the wall horizontally. Draw a horizontal line straight across the middle. Mark ‘2008’ somewhere to the left of the flipchart paper. As the role-play takes place, the facilitator marks the events as they happen, recording names, dates, figures, and events. This does not have to be detailed, it can just be a record of words. Alternatively, you could ask participants to fill it in themselves, when they are reflecting on the process questions between acts, to consolidate their learning.
2. **After the role-play:** You could facilitate a conversation after the role-play, where everyone runs back through what happened, and you, as facilitator, record the moments on the time-line, or ask a participant to help you. Encourage people to ‘write their own stories’ into this timeline, as well as the banking story.

We highly recommend that you include this activity, as it is an extremely helpful visual tool for linking the banking crisis to austerity.

Role-play instructions for facilitators:

You will be asking people in the group to assume characters and to act out events that include negotiations between banks, decisions made in the Dáil and reactions from the general public.

Facilitators will guide people through this process, stopping along the way to check for understanding and inviting a sharing of opinion. Ideally people should stand for the duration of the role-play.

One facilitator acts as narrator (facilitator 1), one as link facilitator (facilitator 2). The job of facilitator 1 is to read the script provided and instruct other characters (played by group members) on when to read from their own script. The job of facilitator 2 is to intervene at key moments to ensure people understand events as they are unfolding.

Preparation:

1. Photocopy or print out two scripts, one for facilitator 1 (the narrator) and one for facilitator 2. Make sure both facilitators are familiar with it before the activity.
2. Photocopy or print out information on characters with scripts on pages 61-82 . Make sure there are enough for each member of each group. Make sure you have all your props ready for everyone. There is a full list of props towards the back of this pack.
3. Make sure the jargon buster poster that comes with this pack is displayed clearly on the wall.

Doing the role-play:

1. *Tell the group:*
 - a. *You are going to perform a staged re-run of the key events during the banking crisis in Ireland, with particular attention on Anglo Irish Bank.*
 - b. *This will be in the form of a role-play.*
 - c. *Everyone will take a role.*

2. *Invite each person in the room to take on a particular role and give them their character information, their script and their props (where relevant).*

Reading:

- The roles of the Irish Government and Central Bank of Ireland both involve the most reading aloud in this activity, so bear this in mind when inviting people to take on the roles.
- **Anglo's Bondholder** has no script. This role might be suitable for people who would rather not read out loud.

The roles are as follows:

- The Central Bank of Ireland (CBI).....1-2 people.
- The Irish Government.....1-2 people.
- The European Central Bank (ECB).....1-2 people.
- Anglo Irish Bank.....1-2 people.
- The PeopleUp to 5/6 people
- Anglo's Bondholders.....1-2 people.
- The Bondholders for the Irish Government Bonds.....1-2 people
- 2038: The Future generation.....Up to 5/6 people.

Give plenty of time for people to read through these roles familiarising themselves with who they are.

3. *The narrator begins by reading through the script inviting the different participants to read from their script as their lines emerge.*

*Text written in **Italics** indicates ‘stage directions’. You do not need to read them aloud, but this is your cue to let characters know what action they will take, or what prop they should use.*

Whilst this is happening the second facilitator should be watching for those who might look like they are not keeping up, inviting questions and clarifications.

4. *The role-play is structured in four acts, as explained below. At designated **pause points** within these acts, facilitator 2 stops the role-play and summarises what has happened to that point using the illustrations provided if they wish.*
5. *At the end of each act, there are process questions, to be discussed within small groups. The groups can elect a spokesperson to repeat back to the larger group what they have discussed.*
6. *It is very important that **both facilitators** keep people ‘in the moment’ of the role-play. Often, as the activity starts to jog people’s memories, participants can begin to detail other aspects or facts that they know about the banking crisis, or about Anglo Irish Bank. Some of this is useful, as it contributes to the collective knowledge in the room, and it is very important that participants feel able to vocalise their feelings. However, the facilitator must be aware that this may also alienate other participants who are struggling to keep up. The best way to deal with this is to keep participants focused in what is happening ‘in the moment’ of the role-play, and not jumping too far ahead or behind.*
7. *Debrief: Once the role-play has ended, invite people to sit down and check with the person beside them how they are. This is to allow people to acknowledge any issues that activity has raised.*

The Four Acts, and their key moments:

ACT ONE: ‘The Very Big Problem’

Key moment 1: The ECB invents the emergency loan (ELA).

ACT TWO: ‘The Very Big Promise’

Key moment 2: The government writes a note of promise that they will pay Anglo’s debt, to the Central Bank.

Key moment 3: The Central Bank destroys the money.

ACT THREE: ‘Prom Night and The Midnight Deal’

Key moment 4: The government closes Anglo, and swaps the promissory notes for bonds.

ACT FOUR: ‘What does the Future hold?’

(OPTIONAL GROUP ACTIVITY) ACT FIVE: ‘Rewrite the script’.

‘The Irish Debt Crisis: What Happened?’
Role Play

Before you begin, remind the group:

- a. You are about to perform a staged re-run of the key events during the banking crisis in Ireland, with particular attention on Anglo Irish Bank.*
- b. This will be in the form of a role-play.*
- c. Everyone already has their roles, and the narrator will invite them to speak at different times.*
- d. Point out the jargon buster poster on the wall for people to refer to.*
- e. Explain there will be pauses throughout to reflect on what is happening, and there will be at least one break.*
- f. It is ok to feel confused, and it is ok to ask any questions throughout.*

ACT ONE: ‘The Very Big Problem’

Narrator:

We begin in early 2009.

Let me introduce our first character, the Irish Government.

[Invite the Irish Government into the scene].

1. Irish Government:

Hi! We are the Irish government. We’re made up of mostly Fianna Fáil TDs, but we also have TDs from the Green Party and the Progressive Democrats. Last year, on the 30th September 2008, we introduced a blanket bank guarantee for the six main banks. This means that we are going to guarantee all the debt that these six banks created in Ireland. So if they do not pay their debt, we pay their debt for them.

Narrator:

Thank you, Irish government. Welcome now, our second guest, Anglo Irish Bank. Anglo, please, tell us more about yourselves.

2. Anglo:

Hello everybody! We are Anglo Irish Bank. We are completely broke!! And we are in loads of trouble because we borrowed huge amounts of money that we were never able to pay back! We need €31.6 billion or we will have to go bust! But, who cares? We know that the Irish government is really scared about us collapsing, because of their blanket bank guarantee. If we go bust, they pay. So we know they’ll give us the money so that we don’t go bust. We have been nationalised by the Irish government, which means that the government owns us.

Narrator:

What do you have to say about all of this, Irish Government?

3. Irish Government:

Oh my God! We don't believe it! Of course, we are afraid of Anglo collapsing. We are afraid because of the blanket bank guarantee that we promised. If any of the banks go bust, we promised to pay out to all the people who have bank accounts and the senior bondholders in the six main Irish banks. We took a big risk, but we didn't really think that we'd have to come up with **THIS** much money. But now we have to, because if Anglo collapses, we have to pay for ALL their debts with the People's money! This would be billions more than just €31.6 billion!

Narrator:

So, the Irish government has to find €31.6 billion to repay Anglo's debt to prevent the bank from collapsing. They have to go to the Central Bank of Ireland (CBI). It's the only place to go to for the amount of money that is needed. What will happen, I wonder...

Let's meet our next two characters, the Central Bank of Ireland (CBI) and the European Central Bank (ECB).

[Invite Central Bank of Ireland and European Central Bank into scene.]

Narrator:

Please introduce yourself, Central Bank of Ireland.

4. Central Bank of Ireland:

Hi, we are the Central Bank of Ireland. We manage all the banks in Ireland and we make sure that everything they are doing is legal. No bank or investor will lend any more money to Anglo. The whole banking system is in chaos and we are the only ones who can save the Irish banking system.

Narrator:

And European Central Bank, who are you?

5. European Central Bank:

We are the European Central Bank. We are in charge of all the Central Banks in Europe, including the Central Bank of Ireland. We are the boss of the banks.

Narrator:

Irish Government, don't you have something you want to tell the Central Bank of Ireland?

6. Irish Government:

We're panicking! We don't know what to do! We could be responsible for Anglo's debt if it collapses, because of the blanket bank guarantee that we made. We have to find the money somewhere to save Anglo and we've checked down the back of all our couches, and we haven't found a penny! Please can we have €31.6 billion to make our problem with Anglo Irish Bank go away?

7. Central Bank of Ireland:

[Say this to the Irish government]

This is a really big mess, why are you trying to get me involved? €31.6 billion? That's LOADS of money! You know, Central Banks are not supposed to lend money to governments. It is like telling the government they can just print new money, instead of getting money through taxes or borrowing. It's illegal, because it's too easy for governments to abuse... But I can see that you're after biting off more than you can chew with Anglo Irish Bank situation, so I'm going to have to talk to my boss, the European Central Bank, about this...

[Say this to the European Central Bank]

The Irish government agreed to a blanket bank guarantee and they've just found out that Anglo Irish Bank needs €31.6 billion to prevent it from going bust... Am I allowed to give them €31.6 billion to save Anglo Irish bank?

8. European Central Bank:

€31.6 billion? That's an enormous amount of money for a country the size of Ireland! How did the Irish government get into such a mess? Who allowed this to happen? Why did you allow this to happen? You're a regulator – what were you doing? You were supposed to be keeping an eye on what all the banks were doing and making sure that everything they did was legal. This is ridiculous – but to be honest, if one bank collapses, it could create a knock-on effect all over Europe and banks could collapse all over the place. This is what we call a contagion effect and we can't have that. No, we can't have that at all! As a central bank you're not legally allowed to lend money to government and you know that!

[Tap your foot and look like you are thinking]

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I know! Let's make a cunning plan. We will give you permission to lend the €31.6 billion to Anglo Irish Bank, but we have to give it a very good name, so that people don't think we are just creating money out of thin air.

Let's call it the...hmmmm...the 'Emergency Lending Assistance' fund (ELA). It will be just an emergency lend... that sounds good, doesn't it?

Now, the only thing is that Anglo Irish Bank is a very untrustworthy bank, so the Irish government have to promise to pay you back, if Anglo don't pay. So tell them to write us an IOU, promising that they will pay you back. When the Irish government writes this IOU, we will allow you to give them the €31.6 billion.

FREEZE ACT ONE

(see Illustration One)

*This is **key moment 1**: the ECB invents the emergency lending assistance fund (ELA), which is referred to here as the 'Emergency Loan'.*

In small groups, reflect on these questions. Encourage people to support each other in understanding, and working it out.

- What has happened in this scene?
- Who is in trouble? Who is in charge?
- What is the solution that they come up with?
- What is the problem with the solution?
- What do they decide to do?
- What did they make the Irish government do?

You can facilitate discussion from the small groups about what has happened, and then run through the bullet points below to remind everyone.

RESUME ACT ONE

Narrator:

Let's run back through what happened:

- Anglo needs loads of money to stay open, because it has made many foolish investments.
- The bank has been nationalised, which means that the government owns it, so the government needs to find a load of money to put into Anglo to keep it open.
- The government turns to the Central Bank of Ireland for the money. But the Central Bank of Ireland cannot legally lend money to governments.
- So the Central Bank of Ireland and their boss, the European Central Bank, come up with another way of making the money available called an 'Emergency Lending Assistance' (ELA) fund. It is a way of giving this loan in an emergency, so we just call it an emergency loan.
- The emergency lending assistance fund (ELA) is like a big loan.
- This has to be approved by the European Central Bank.

If you feel a bit confused at this point, it's ok. It is confusing – even the people who were involved at the time found it confusing! For now, follow the money.

As we have just seen, the **European Central Bank** has given permission to the **Central Bank of Ireland** to give **€31.6 billion emergency loan** to give to Anglo Irish Bank.

So how does this happen? Well, the **Central Bank** 'creates' €31.6 Billion and gives it to Anglo, so that Anglo can pay off its debts to private bondholders. The Central Bank just types €31.6 billion into their accounts on their computers and now the €31.6 Billion exists as 'money' in Anglo. This is like magician creating money out of thin air.

9. Central Bank of Ireland:

PROP 1: €31.6 billion Emergency Loan (ELA)

Allacazam!

Anglo Irish Bank, here is the magic €31.6 billion that I have created for you to pay off your debts that you made from foolish and greedy investments.

10. Anglo Irish Bank:

Phew! What a massive relief – now we can pay off all of our debts to the bondholders who have invested in us. Now we can head home and go off out on our yachts and drink champagne. Gosh, this is just great; it worked out so well for us!

Narrator:

Bring Anglo's Bondholders into the scene.

Please enter Anglo's Bondholders. We won't hear an introduction from you, because we don't know who you are. You are nameless and faceless. And in our story you are silent. But you represent the many bondholders who lent the foolish Anglo Irish Bank lots of money during the boom years. Anglo, please hand over the €31.6 billion emergency lend to your bondholders.

Usher Anglo's Bondholders to take the money and step out of the scene.

Run through what happened in small groups again.

END OF ACT ONE

Take a very brief toilet break for five minutes, and move on the ACT TWO.

ACT TWO: ‘The Very Big Promise’

Narrator:

So here we are, Anglo has paid off their bondholders. They are all a happy bunch, both Anglo and their bondholders. But, do you remember, back in ACT ONE, the ECB said something about a written IOU note? Did you wonder what that was all about? Well, because Anglo’s word is worth less than nothing, and because Anglo now belongs to the Irish government (or more truthfully, the Irish people), the Irish government has to back this deal up with a promise.

They have to write a letter promising they will pay the Central Bank of Ireland. The government and the Central bank call this a promissory note. It is a letter promising the Irish government will pay back the money. It is like an IOU. It’s a written guarantee to pay the money back. But, and this is a big but, the letter promising the Irish government will pay was never brought before the Oireachtas for approval. For something to become law in Ireland, you have to bring a bill to the Oireachtas for them to sign it into law. This never happened. This letter of promise to pay is not legal in Irish law.

Irish government, what do you have to say to the Central Bank of Ireland?

11. Irish government (to Central Bank of Ireland):

PROP 2: THE PROMISE LETTER

[Hand THE PROMISE LETTER over to the Central Bank]

We double-triple promise to repay all the magic money you invented for us to bail out Anglo, cross our hearts, we promise to pay.

Narrator:

Basically, the Irish government received a loan from the Central Bank to repay Anglo's debt. This was to make sure that Anglo did not go bust. But now Anglo owes the Central Bank of Ireland €31.6 billion! So the Irish government is down €31.6 billion.

Let's pause here and look at what has happened.

FREEZE ACT TWO.

(see Illustration 2)

*This is **key moment 2**: The government writes the letter promising they will pay.*

In small groups, reflect on process questions, like last time:

What has happened so far? Ask your own questions here.

RESUME ACT TWO

Narrator:

This money still has to be paid back from somewhere! So who repays the Central Bank of Ireland? This is the scary question. Where are the People? Will you give your money and your children's money to repay this debt?

12. The People:

No, we don't agree with this, but they are going to make us pay it! The Irish government is just taking it from us. They are increasing our taxes and they are making cuts all over the place. They are putting less and less money into our schools, our hospitals and our community centers, the list just goes on and on.

Narrator:

In February 2011 a new government takes power. This government is no longer made up of Fianna Fáil, the Greens and the Progressive Democrats. It is now made up of

Fine Gael and Labour. Why did The People not vote for Fianna Fail, the Greens and the Progressive Democrats in this election?

13. The People

They were robbing us blind!

Narrator:

Why did you vote for Fine Gael and Labour?

14. The People

They promised us before the elections that they would not allow all this money to be taken from us. They told us they would burn the bondholders. We believed them, so we all voted for them.

Narrator:

But in March 2011, the new Irish government gives €3.1 billion of The People's Money to Anglo to repay the emergency loan to the Central Bank, even though they promised they would burn the bondholders.

15. Irish Government (to The People):

[Take PROP 3: 2011 PEOPLE'S MONEY €3.1 BILLION from The People]

We're going to take €3.1 billion from you, from your taxes, from your community services, from your public services, from your pensions, to repay the bank's debts!

16. The People:

[Try to hold onto PROP 3: 2011 PEOPLE’S MONEY €3.1 BILLION. But you have to hand it over to them.]

No you can’t do this! This is a disgrace and completely unfair! We never had anything to do with any of the decisions these bankers made. You can’t punish us for their stupid investments and foolishness! You can’t punish us for the dodgy deals that the banks made!

17. Irish Government:

My people, my people, it might seem unfair to you, but this is a very complicated money situation. We have experts working on it round the clock, and we would not expect simple people like you to understand. We are taking the money.

[Take the money]

Narrator:

The **Irish government** takes the €3.1 billion from the people and gives it to **Anglo**.

Anglo gives the €3.1 billion to the **Central Bank of Ireland** to pay off a small part of the €31.6 billion loan.

The **Central Bank of Ireland** ‘burns’ the €3.1 billion. This means that it is taken out of circulation in Ireland – it just stops existing. Or as the Central Bank calls it, ‘they extinguish the money’.

What this means is that the money is taken from the people and then it is totally destroyed by the Central Bank of Ireland.

[Narrator, ask the Central Bank of Ireland to tear up / throw away The People’s money].

18. Central Bank of Ireland:

“Allacazam!”

[Tear up / throw away the €3.1 billion]

FREEZE ACT TWO AGAIN

(see Illustration 3)

*This is **key moment 3**: The Central Bank destroys the money.*

What has happened so far? Ask your own questions here.

RESUME ACT TWO

Narrator:

And in March 2012... the new Irish government, who promised the people they would burn the bondholders, takes another €3.1 billion from The People and gives it to Anglo.

PROP 4: 2012 PEOPLE'S MONEY €3.1 BILLION

[Narrator, prompt the government to take the money from The People, give it to the Central Bank of Ireland, so that the Central Bank of Ireland can destroy it.]

Narrator:

So far, the government have taken € 6.2 billion from the people, and given it to the Central Bank, who have destroyed it. The People are outraged, and rightly so.

[Narrator, ask The People to march around the room showing their protest at what is happening, making their voices heard. But all the other characters – The

Irish Government, the European Central Bank, the Central Bank of Ireland, and Anglo, watch them silently, and do nothing.]

19. The People:

Damn the government! They promised us they would burn the bondholders. Then they gave €3.1 billion, twice, of our money to the Central Bank to pay this emergency loan. This emergency loan was created out of thin air so that Anglo's debts to those bondholders could be paid. This all happened because of the rotten and greedy decisions made by bankers. None of this is legal, because the Irish government never asked the Oireachtas if they could create the emergency loan. So really, it's illegal that the government is taking all this money from us. It's illegal that the government is taking money from our education and health and community services. We were never asked if we agreed to this. Why is no one doing anything about this? Why is this happening?

Narrator:

Did you see how the Irish government, the European Central Bank, the Central Bank of Ireland and Anglo just watched The People silently and they did nothing?

This was supposed to happen every March for a decade – but it looked really bad for the government to take €3.1 billion from the people every year to repay this dodgy debt. But at this stage, there is outrage in the country. Protest campaigns were making a lot of noise about the letter promising the Irish government will pay back the money; enormous marches and demonstrations were happening all the time all over Ireland. The country was up in arms over it. Fine Gael and Labour were getting really embarrassed and uncomfortable about the letter promising they will pay. They needed to come up with a new cunning plan...

Discuss what happened in this act.

END ACT 2

Either finish up here for the day, or take a ten minute tea break and resume again.

ACT THREE: ‘Prom Night and the Midnight Deal’

Narrator:

So what we’ve seen so far is; the government has promised € 31.6 billion of the People’s money to the Central Bank to pay for Anglo’s debt. Because the Central Bank invented this money out of thin air in the first place, when the Central Bank gets this money bank, it will destroy it.

Now, they have already taken € 3.1 billion two years in a row, so they have taken € 6.2 billion in total. This means that the remaining debt is € 25.4 billion.

But the People have been outraged and protesting in the streets, so the government needs to come up with a new plan.

Let’s move forward to February 2013, to what is now famously known as ‘Prom Night’. You might remember it as the night that the politicians stayed up in the Dáil most of the night and they appeared to be drunk. It is said that the bar in the Dáil sold over 200 drinks that night. On this fun night in the Dáil in February 2013, the **Irish Government does two huge things. Firstly, they voted to close Anglo Irish Bank.** Everyone say goodbye to Anglo.

[Narrator, prompt the Irish government, the Central Bank of Ireland, the European Central Bank and The People to wave goodbye to Anglo].

Secondly, that night the Irish government changed the type of loan they had with the Central Bank of Ireland. It was called a promissory note; we have been calling it the letter promising they will pay. The Irish government, on that night, swapped the

promissory note into another type of debt called **government bonds**. The promissory note, that is the letter promising they will pay, was for €25.4 billion. These government bonds are also worth €25.4 billion. Remember, we've already paid €6.2 billion out of the €31.6 billion, so this means the debt that is left is €25.4 billion.

The government gets rid of the letter promising they will pay and gives the government bonds to the Central Bank of Ireland, which are worth €25.4 billion.

[Narrator, prompt the Irish government to swap PROP 5: € 25.4 BILLION BONDS with the Central Bank of Ireland for THE PROMISE LETTER]

Narrator:

Central Bank of Ireland, please tell us what a bond is?

20. Central Bank of Ireland:

What is a bond? A bond is just a type of loan. We have lots of different types of loans, so we just give them different names. A promissory note, that is the letter promising the Irish government will pay, is a type of loan. An IOU is a type of loan. And you know how when you get a loan from someone, how you have a debt? Well, a bond is a type of debt, but it's a serious debt, it's a **legal** debt, which means whoever holds your debt can sell it on the stock market. This means that any person or business around the world can buy it. 'Bond markets' are like shopping centres where rich people and businesses can just buy up these different kinds of debt. Any vulture can buy your debt. That's not good news for the person who owes the debt. But the reason the Irish government likes the bond type of debt is because they can decide the dates they want to start paying it off and this helps them to balance their books.

FREEZE ACT THREE

(see Illustration 4)

*This is **key moment 4**: The government closes Anglo, and swaps the promissory note for legal bonds.*

What has happened so far? Ask you own questions here.

RESUME ACT THREE

Narrator:

Irish Government, why did you do this?

21. Irish Government:

We did it because we knew that the European Central Bank never liked the promissory note, which is the letter promising that we will pay back the debt. It was too casual a form of debt for them to feel comfortable with it. They were afraid that we could have easily just not paid it back.

The letter promising we will pay was just an agreement between different Irish groups. It was between us, the Irish government, Anglo Irish Bank and the Central Bank of Ireland. The European Central Bank didn't trust that arrangement because they weren't certain that we would repay the money. It was just another promise that could be broken.

By changing the promissory note, that is the letter promising we will pay, into government bonds, we, as the Irish government, could change the dates of the repayments and stretch it over a longer time.

[*PROUDLY*] Because we changed when we pay this debt, we added a whole generation of children onto the payback time. When the debt was a letter promising the Irish government will pay, it would have taken us roughly 12 years to pay it all off. So this means that the letter promising the Irish government would pay would

have been paid back by about 2025. But now this has all changed. With the way the government bond type of debt is made up, Ireland will pay €1 billion in interest every year from now until 2038. This is only the interest part of the loan. Then from 2038 until 2053, we will start to pay on the actual €25.4 billion debt. So we are paying €1 billion each year to whoever buys our debt, just so we don't have to pay the actual full €25.4 billion debt till 2038.

Narrator:

What does the **swap from the letter promising the Irish government will pay to government bonds** mean for the Central Bank of Ireland?

22. Central Bank of Ireland:

Hmm... it means that the Central Bank is now a bondholder. We now own the debt owed by the Irish government. This isn't a very good situation; because the Central Bank is not legally allowed to lend governments money. We, the Central Bank, must get rid of this debt.

FREEZE ACT THREE

In small groups:

What has happened so far?

What has happened in this scene?

Who made what decisions?

How do you think the Central Bank will get rid of this debt?

RESUME ACT THREE

Narrator:

Run through what happened:

END ACT 3

ACT FOUR: ‘What does the future hold?’

Narrator:

Central Bank of Ireland, you were telling us that you are now a bondholder. Please explain some more.

23. Central Bank of Ireland:

So, as we were saying in the last act, we have to get rid of this debt before we are accused of doing something illegal. Luckily we know who to go to, to fix this problem!

Narrator:

Can we please welcome the bondholders for the Irish government bonds?

[Enter the Bondholders for the Irish Government Bonds].

The Central Bank of Ireland sells the debt to these bondholders on the stock market. Stock can be made up from anything. Coffee is a stock, oil is a stock, gold is a stock and debt is a stock. The stock market is the supermarket where all these stocks are sold.

24. Bondholders for the Irish government bonds:

When bondholders like us buy debt, it means that we pay money now – in this case we are paying €25.4 billion to the Central Bank of Ireland – and we hold onto this debt.

It’s a long-term investment you see: in the future we will be repaid all of the €25.4 billion debt. That will happen in 2038 and will go on until 2053. But – here’s the best bit – we also enjoy the €1 billion interest paid each year until 2038. Then from 2038 to 2053 we will get our €25.4 billion loan back, but we’ll also be paid interest during that time too. This might seem nuts, but it’s great for us and we make gigantic

amounts of profit. It's brilliant! We make massive profits all the time, just because of other people's debt!

So starting this year, the Irish government will pay us €1 billion in interest on the government bonds every year until 2038.

Narrator:

So let's look at it another way. The bondholders give the Central Bank of Ireland €25.4 billion. The Central Bank of Ireland writes down on a piece of paper that they owe this €25.4 billion. This piece of paper saying that the Central Bank of Ireland owes this money is called **government bonds**. The Central Bank of Ireland sells the government bonds to the bondholders. The bondholders will babysit the 'bonds' until they get the money back. In the meantime the Central Bank of Ireland pays the bondholders €1 billion each year for babysitting the bonds. So what started out as a promise to pay € 31.6 billion, is turning out to be a real commitment to pay a total of € 49.4 billion over generations!

[Prompt The Irish Government to give the Bondholders PROP 6: € 1 BILLION INTEREST PER YEAR]

FREEZE ACT FOUR

Again, it's ok to feel confused.

Let's work out together what has happened.

What has happened so far? Ask your own questions here.

RESUME ACT FOUR

Narrator:

The bondholders will look for a full payment of the main €25.4 billion loan in the years 2038 to 2053. This is very far into the future. So we have to welcome some very special people, the people who we haven't talked about yet, but who are just as important to this story as anyone else – we must humbly welcome the future generations.

[ENTER FUTURE GENERATIONS]

25. Future generations:

We are little atom-like angles floating around in our parent and grandparent's dreams for their future. We sense the years of stress and worry that they are now living and there seems to be no end to it.

26. Bondholders for the Irish government bonds:

We don't blame us. Business is business. It's not our fault that Anglo Irish Bank was poorly run. It's not our fault that the European Central Bank and your Central Bank of Ireland did some unsafe lending. You now owe this debt and you need to pay this debt. None of that nonsense about you and your families has anything to do with us. A debt is a debt and it must be repaid. We made investments, now we want our money!

27. Future generations:

But, it's not our debt!

28. Bondholders for the Irish government bonds:

We don't care! And your Central Bank of Ireland doesn't seem to care!

29. Future generations:

But we will be born into households that may not be able to afford to feed us properly.

30. Bondholders for the Irish government bonds:

We don't care! You are just a way for us to make profits.

31. Future generations:

But we have will have no community services and we will have no youth clubs.

32. Bondholders for the Irish government bonds:

We don't care! And your Irish government doesn't seem to care!

33. Future generations:

But our families might not have a safe and secure home to live in. Austerity really does kill.

34. Bondholders for the Irish government bonds:

We don't care! And those Anglo bankers don't care!

35. Future generations:

But our parents will not be able to buy us warm winter clothes or have heat in our homes and we will live in poverty.

36. Bondholders for the Irish government bonds:

We really just don't care!

Narrator:

[Prompt The Future Generations to hand over PROP 7: € 25.4 BILLION MAIN LOAN to the Bondholders. As they are handing it over – as both The Future Generation and the Bondholders are touching the money, FREEZE THE SCENE.]

FREEZE ACT FOUR

This is what is going to happen, if this debt is not cancelled.

2038 is in 24 years. If you have children, how old will they be?

How could this scene look different?

ACT FOUR ENDS.

This is the end of the role-play. Thank everyone for participating and doing such a great job, as it is a very tiring piece of work to do. Encourage them to 'shake off' their characters, before moving on to debriefing.

ACT FIVE: ‘What could have happened?’ (Optional)

If you could rewrite some of what happened, how would you do it differently? At what points would you have made the characters take different actions?

If you could affect the future, what would you do?

Stage 3. Exploring our learning

Purpose of this stage:

Now that the role-play is over, this stage is about drawing out and consolidating learning.

Instructions for facilitators

Ask people to work in groups of 2/3 for this element and offer them the following questions to discuss. (These are guide questions only; facilitators should feel free to adapt their own questions).

1. How are you now that the exercise is over?
2. What elements are you still confused about?
3. As your character [the People, the Central Bank, Anglo-Irish], how did your character feel during the role-play?
4. Where do you see power in the story?
5. What are the key points at which something different could have been done?

Take feed-back from each of the groups gathering themes, answering questions and probing for further discussion as is appropriate.

To close this part of the session, the facilitator gives an overview of the main cuts affecting the community sector from 2008. This is provided on the next page.

Overview of cuts to the Community Sector



The first big change to the Community Sector was when power was transferred to the Department of Community, Rural and Gealteacht Affairs (DCRGA) in 2002. From this point forward a lot of limitations were put on the work with strict adherence to work-plans.

In the run up to the general election in 2007 all CDPs received a memo from DCRGA which read “CDP projects funded under the CDP (and associated Exchequer and EU programmes) must operate a strict non party-political bias. Your CDP is funded to deliver government policies and provide services...” This was a taste of things to come.

The Special Group on Public Service Numbers and Expenditure Programmes (or An Bord Snip Nua) produced the McCarthy Report (2009). It stated there were no measurable outcomes from community development programmes.

According to Brian Harvey’s report *Downsizing the Community Sector* (2012) the following broad cuts have affected the work.

- Health services, the largest funder - 4.5% to -29%
- Voluntary social housing, the next largest - 54%
- National supports - 48%
- Local Community Development Programme - 35%
- Initiatives against drugs - 29%
- Family support projects - 17%
- Dormant accounts -87%

The Irish Debt Crisis – What Happened?

In December 2009, 14 Community Development Projects were suddenly closed. The remaining projects (c150) were transferred first into the Local Partnership Structures. This was then consumed into Local Authority Structures. These changes are happening on foot of the *Steering group on the Alignment of Local Government and Community Development*,

This is how CWC describe the cuts,

Organisations operating counselling services, services to women experiencing violence, services to young people and unemployed people have been severely cut; despite increased demand as the impacts of austerity exacerbate the situation of people living in poverty. It is important to recognise the dual and cumulative impact of these cuts, both on the lives of people whose incomes have been considerably reduced and in terms of the critical loss of supports and services to those people as a consequence of cuts to community organisations. Although such cuts are presented as a necessity in the context of austerity, the reality is that their effect is highly regressive for communities already very marginalized and for the wellbeing of society overall (CWC, 2012: 7-8)

Also important is the *Local Government Reform Act* (2014 – section 36). This establishes Local Community Development Committees (LCDCs) within each Local Authority area, committees with both public and private interests represented and where the City and County Managers may hold considerable power in appointing members. The LCDC will report into this.

In 2014 DECLG determined that all contracts to be awarded to LCDC have to be open to competitive tendering from 2015. This is after seeking legal advice on an EU directive. This is being organised through the Social Inclusion Community Activation Programme (SICAP). From 2015 much community sector work will be privatised.



Reference: Community Workers Cooperative (2012): *Community Development Post Alignment: Ensuring Critical Community Work*. Retrieved from <http://www.cwc.ie/wp-content/uploads/2012/05/Alignment-report-final-draft.pdf> [accessed, January, 2012]

Stage 4. Actions for the future

Purpose of this stage:

This exercise is not only about raising awareness in the group, it is also about extending that out to our communities and deciding what it is we can do as a community to address these.

Instructions for facilitators:

This phase of the session can begin with an overview of some of the actions that have happened to date;

Circulate the handout overleaf. Invite people to read it, then to have a chat with the person beside them on their reaction to it.

Facilitator:

Facilitate discussion on what we can do in this community to act on what we have heard.

Handout on actions against the bank debt

Several groups around the country have been taking action against the Anglo debt.



For example, at the time of writing (October 2014) the *Ballyhea Says No to Bondholder Bailout* have been marching each Sunday for 188 weeks in their community against the socialized banking debt payments.

Peripheral Vision:

In 2013, film-maker Donnacha O’Briain made the documentary “Peripheral Vision”. The documentary, filmed over 12 months, chronicles the experiences of some of the groups who have attempted to mobilize the public against the bank bailouts and austerity. Those who took a stand during one of the most momentous periods in Irish history. Including the Dublin-based Spectacle of Defiance & Hope with its French Revolution-inspired ‘Books of Grievance’; the Anglo: Not Our Debt Campaign and the villagers of Ballyhea in North Cork, who started a weekly march against the bondholder payouts.

So far the Irish Government has refused to cancel the Anglo debt. As we have learned, the debt is now in the form of bonds to be sold on the international bond markets. The ECB wants this to happen as once the debt is held by international bondholders, they think Ireland will definitely have to repay them. It is true that if the bondholders get hold of this debt, they could sue for payment in future if we don't pay. That is why the ECB likes this plan.

The *Anglo: Not Our Debt Campaign* is calling for **a freeze on the sale of these bonds so that they can be cancelled.** If the Central Bank of Ireland doesn’t sell them, the debt will stay between the Irish Government and the Irish Central Bank and there is a better chance for them to agree between them to cancel it.



Campaigning groups have:

- Marched in their communities and in Dublin
- Demonstrated and held People's Debates outside the Dáil
- Held community meetings
- Met with their TDs on the issue
- Written to and emailed their TDs
- Written to Patrick Honohan, the Governor of the Irish Central Bank asking him not to sell the Anglo bonds and to cancel them
- Met with Patrick Honohan to ask him to freeze the bonds
- Held protests outside the Irish Central Bank
- Campaigned and gotten media coverage of this issue – kept this issue on the public agenda!



Guide to Illustrations

The next four pages contain illustration that groups might be able to use to emphasis the four key point of the Anglo-debt crisis we are trying to emphasise.

Illustration 1 – this shows a representative from Anglo-Irish Bank along with someone from the Irish Central bank (standing) coming to the table of the European Central Bank for help. The ECB are not allowed loan to Central Banks to they create an emergency Loan for Anglo.

Illustration 2 –this shows Anglo Irish giving a promissory note to the Central Bank, a note that the Irish government must honour if Anglo cannot pay it because of the Bank Guarantee in 2008.

Illustration 3 – this is designed to depict the hardship being felt by many Irish people as a result of austerity which is imposed to pay back bank debt guaranteed though the promissory note. As the CBI created this money from nothing, they are now destroying it – this is why the picture shows someone shredding money.

Illustration 4 - this last key point demonstrates the decision to swap the promissory notes to government bonds, these do not have to paid back until the future meaning the overall debt repayment will probably be less, but they are a harder form of debt than a promissory note, hence ‘the name is bond....Government Bond’.



IS THERE NOTHING I CAN DO FOR MY COUNTRY'S NEW BROKE BANK- ANGLO?

MAIS NON! I CANNOT GIVE MONEY TO IRELAND BUT - VOILÀ

A LOAN TO POOR OL' IRELAND?

EUROPEAN CENTRAL BANK

ELA

AN EMERGENCY LOAN!! FOR ANGLO C'EST OK!

The Irish Debt Crisis – What Happened?





The Irish Debt Crisis – What Happened?



Jargon buster – Some key terms for the facilitator.

There is a Jargon Buster poster in the pack to put on the wall throughout the exercise, and there is an optional Jargon Buster activity that you can do as part of the preparatory work if you wish.

ANGLO IRISH BANK was a commercial bank that operated from 1964-2011. It was nationalised in 2009, meaning the people of Ireland owned it through the Irish government.

AUSTERITY is the word used by governments to describe policies put in place to reduce national debt. It is a policy of lower spending, involving cutback or reduction in the provision of benefits and services provided by the state.

BANK GUARANTEE is the promise made by the Irish government to six major Irish banks in September 2008 that they would honour all deposits and debts held by these banks.

A **BOND** is a financial transaction, it's like an IOU. This IOU is issued by a government, local authority or company to raise money. The investor or holder of a bond (**BONDHOLDER**), loans a certain amount of money, for a certain amount of time at a certain interest rate. The bond expires on an agreed date and the bondholder gets their money back. A government / sovereign bond is a bond issued by a national government. The bondholder takes a risk, because the loan might not be paid back.

A **BONDHOLDER** is an investor who holds this IOU and is usually a bank or investment company.

COLLATERAL is a form of security against a loan; it is a way of guaranteeing the loan will be repaid.

DEBT (GOVERNMENT DEBT) can be owed to private individuals and companies, other governments or international institutions such as the IMF and World Bank. Government debt can be either foreign or domestic.

DEFAULT is the failure to fulfill an obligation to repay a debt.

ECONOMIC / FINANCIAL CRISIS is a situation in which the value of financial institutions or assets drops rapidly. A financial crisis is often associated with a panic or a run on the banks, where investors sell off assets or withdraw money from savings accounts with the expectation that the value of those assets will drop if they remain at a financial institution. A financial crisis can come as a result of institutions or assets being overvalued, and can be exacerbated by investor behaviour. If left unchecked, the crisis can cause the economy to go into a recession or depression.

EMERGENCY LENDING ASSISTANCE FUND (ELA) is an emergency loan granted in exceptional circumstances. It is highly unusual for an ELA to be agreed between a government and their own central bank, as the government could be accused of **MONETARY FINANCING**.

EUROPEAN CENTRAL BANK is the central bank of the Euro. It is responsible for monetary policy in the Eurozone (18 countries), controlling the supply of the Euro in the Eurozone. This makes it one of the world's most important and powerful central banks.

The **EUROPEAN COMMISSION** is the decision-making (executive) body of the EU. The Commission is responsible for proposing EU laws, implementing decisions, upholding the EU treaties and general running of the day-to-day affairs of the EU. Twenty-seven Commissioners run the Commission. There is one Commissioner per member state, but each is supposed to represent the interests of the EU as a whole rather than their home state.

IRISH BANK RESOLUTION CORPORATION (IBRC) Anglo Irish Bank and Irish Nationwide combined.

INSOLVENT is when a firm or institution is unable to meet its financial obligations; in other words, when you have run out of money.

The **INTERNATIONAL MONETARY FUND (IMF)** was set up in 1944 to create global economic stability by giving short-term loans to countries experiencing budget problems or trade deficits. IMF loans come with strict conditions. These conditions often include freeze on wages, cuts in public spending, selling off public services and opening the country up to multinational investors.

The **IRISH CENTRAL BANK** is the financial services regulator of Ireland. It is part of a franchise of Central Banks in the Eurozone, and is governed by the European Central Bank.

MONETARY FINANCING is when a government borrows money from its own Central Bank. This is illegal because in theory a Central Bank can create a limitless amount of money, and governments can take advantage of this.

A **PROMISSORY NOTE** is a 'note of promise'. It is just like an IOU, where one party (in this case the Government) makes an unconditional promise to pay a defined sum of money to the other party (in this case Anglo/INBS), either on specified future dates or on dates to be determined, under specific terms. In this case, the promissory notes were assets of Anglo/INBS which can be used as collateral (security pledged for the payment of a loan).

'**PROM NIGHT**' took place on the night of February 6th/morning of February 7th 2013. The Dáil was in session overnight, approving emergency legislation to close IBRC (the combined Anglo and Irish Nationwide). The promissory notes were scrapped, and the government decided to swap them government issued bonds. The legislation was drafted by Minister Noonan seven months before the session, yet it was distributed to the Dáil only 30 minutes before the debate. It became famous for the footage that emerged from the chamber of Fine Gael TD Tom Barry pulling his colleague Áine Collins into his lap. A number of TDs later admitted they had been drinking before the session, and the bar sales for that night were almost 4 times their average.

The **SIX PILLAR BANKS** were the six main banks in Ireland before the economic crash in 2008. They were: Allied Irish Banks (AIB), Bank of Ireland (BOI), EBS Building Society, Irish Nationwide Building Society (INBS), Irish Life & Permanent, and Anglo Irish Bank.

SOVEREIGN DEBT (also ‘government / public debt’) is money or credit owed by a government. As the government draws its income from much of the population, sovereign debt is really the taxpayer’s debt.

The **TROIKA** is the name given to the three institutions that Ireland made the so-called bail-out agreement with in November 2010. They are the European Central Bank (EBC), the International Monetary Fund (IMF) and the European Union (EU). Collectively they loaned money to Ireland and set conditions for repayment that included austerity.

Timeline of the Irish Bank Debt Crisis

To support facilitator during the role-play and timeline activity.

(Originally written by *Anglo: Not Our Debt Campaign* www.notourdebt.ie)

Before:

- 1995 – 2007: Celtic Tiger in Ireland, a period of incredible growth and development. House prices quadruple. Lots of banks are lending to fund mortgages.
- 1995 – 2007: All of this fuels a construction boom.
- 2004 – 2005: The Irish economy is at full employment.
- 2007: Construction is responsible for 13.3% of all employment.
- 2004 – 2008: Irish banks become increasingly reliant on international bond borrowings.

Crash!

- 2008: CRASH! The global economic crisis freezes lending between banks all over the world. This is bad news for Irish banks.
- 2008: The Irish property bubble bursts
- 30th September 2008: ‘Blanket Bank Guarantee’
 - The bank guarantee is issued by the government.
 - This is a promise by the Irish state to cover all depositors and senior bondholder (creditors/lenders to the Irish banks) costs of the 6 main Irish banks.
 - The six main (‘pillar’) Irish banks at this time are: AIB, BOI, EBS Building Society, Irish Life & Permanent, Anglo Irish Bank, Irish Nationwide.
 - These banks are now so badly off they have been merged, closed or sold off. Anglo Irish Bank is merged with Irish Nationwide Building Society, now called Irish Bank Resolution Corporation (IBRC). EBS has been merged with AIB and is now 99% Government owned.
 - The Government wants to sell it to the European Stability Mechanism as part of a debt reduction deal. Irish Life & Permanent is owned by the Government which is seeking to sell it off.
 - Bank of Ireland is 15% government owned.
- 2008: House prices start to collapse.

Anglo Irish Bank:

- 2009: Financial advisors Pricewaterhousecoopers (PwC) and Merrill Lynch state that “Anglo is financially sound”.
- Later in 2009: Anglo is nationalised by the state. This means that the state owns the bank.

- March 2010: Anglo posts the largest loss in Irish corporate history (losses of € 13 billion).
- March 2011: Anglo breaks its own record (losses of € 18 billion).
- Irish Nationwide building Society (INBS) are proportionally even worse
- Both banks are now insolvent. This means that they can't pay their debts.
- 2012: Anglo Irish Bank and Irish Nationwide were merged and renamed the Irish Bank Resolution Corporation (IBRC).
- If the banks' collapse, the debt falls on the Irish state because of the bank guarantee.
- To prevent Anglo/INBS from collapsing, the government had to get external funding – the Central Bank was the only possible source for the level of funds needed
- Irish Government negotiated a deal with the Central Bank which agreed to the Irish Central Bank giving Emergency Liquidity Assistance (ELA) to Anglo/INBS. This deal required approval from the European Central Bank (ECB).

Promissory Note:

- Anglo/INBS did not have enough collateral to borrow the ELA from the Central Bank. The Irish Government negotiated with the ECB to create a 'promissory note' that would act as collateral.
- The 'promissory note' was a written promise by the Irish Government to Anglo/INBS that it would pay the ELA in the event that Anglo/INBS could not. The promissory note then became an asset of Anglo/INBS and was used as collateral to draw down the ELA from the Irish Central Bank.
- The promissory notes were never brought before the Oireachtas for approval.
- The ELA was worth € 30.6 billion and given to Anglo/INBS mostly to enable them to pay off their lenders (the bondholders).
- As Anglo/INBS could not fund the repayments of the ELA to the Central Bank, the payments were made by the Irish Government through the promissory note agreement. **This essentially means that the Irish government promised € 30 billion of the people of Ireland's money to the Irish Central Bank to pay for Anglo/INBS's bondholder debts.**
- The promissory note payments were scheduled to be annual payments of about € 3 billion up until 2023 and then payments of between € 1-2 billion up until 2031 (excluding interest payments). Once the payments were made, they were to be taken out of circulation by the Irish Central Bank – **i.e.: the money is taken from public funds and then effectively burned by the Central Bank.**
- The first € 3.1 billion promissory note payment was made by the government on 31st March 2011 and paid to the Irish Central Bank via the IBRC.
- In 2012, due to growing pressure on the Government, it changed the way it made the next promissory note payment, by converting the € 3 billion payment due into a sovereign bond (another form of IOU) and sold this debt to the

Bank of Ireland in order to stretch out the repayment period, for at least another year.

Sovereign Bonds:

- In February 2013, under more public pressure about the next promissory note payment that was about to fall due, the Government converted all the promissory notes into sovereign bonds with an extended period for repayment.
- These ‘Anglo bonds’ are a ‘harder’ type of debt because they can be traded on the international debt markets. Once sold on the international markets they will be more difficult not to repay as bondholders will come looking for the money due to them, which wouldn't have been the case with the promissory notes which were just being paid to the Irish Central Bank.
- The Anglo bonds are being held in the Irish Central Bank.
- The Central Bank is due to sell the bonds on the international markets as per this timetable: 2013 to 2017: € 0.5bn per year; 2018 to 2022: € 1bn per year; 2023 to 2030: € 2bn per year; 2031: € 1.5bn.
- **The estimated interest payments on the bonds will cost people in Ireland over € 1 billion per year** not including repaying the principal of the debt
- **The principal of the ‘Anglo bonds’ debt (worth € 25 billion) will be due for payment nearly every second year from 2038 up until 2053.**
- In March 2013, the ECB indicated that it thinks that the Irish Central Bank is selling these bonds too slowly and recommended that their sale to the international markets should be speeded up.
- March 2013: The *Anglo: Not Our Debt* Campaign calls again on the Governor of the Irish Central Bank, Patrick Honohan to freeze the sale of the bonds with a view to negotiating a full write down of this debt with the ECB.

What now?

- March 2013: The *Anglo: Not Our Debt* campaign called on the Governor of the Irish Central Bank, Patrick Honohan, to freeze the sale of the bonds, in order to negotiate a full write-down (cancellation) of this debt with the ECB.
- In total, the collapse of the Irish banks has committed people in Ireland to paying € 64 billion (this figure is including the projected Anglo bonds).
- This is 40% of our national income. The state has recouped € 14 billion of this money through the sale of bank assets, bank fees and Central Bank profits.
- Even so, the cost of direct bank support to the people is over 30% of our national income.
- **The bonds have not all been sold yet – there is still time to stop it from happening.**
- **The people shouldn't pay!**

Key Figures

Activity for comprehending millions and billions: *To put this into context, and help understand how enormous these figures are, here is a little exercise you can do with people before going through the figures. Just ask people the following two questions.*

Q: What is 1 million seconds in days, months or years?

A: 11 days and six hours.

Q: What is 1 billion seconds in days, months or years?

A: 31 years and 8 months.

Key Figures:

€ 64.1 billion: the total cost of the banking crisis since 2008 (including the debts of ALL the six pillar banks).

This € 64 billion was raised through the National Pension Reserve Fund (NPRF) (€20.7 billion), the exchequer (€119 billion), and the Government issues IOUs or ‘promissory notes’ (€31.6 billion).

This activity focuses on:

€31.6 billion: which is clearly the bank debt of Anglo Irish Bank, and Irish Nationwide – the promissory notes.

€3.1 billion: (2011), the first repayment through people’s taxes of the promissory note

€3.1 billion: (2012), the second repayment through people's taxes of the promissory note

So by 2012, **€6.2 billion** had been paid back.

If we deduct €6.2 billion from € 31.6 billion, we are left with **€ 25.4 billion**, (remaining promissory note debt).

€ 25.4 billion: (February 2013), the remaining promissory notes were exchanged for €25.4 billion Government bonds issues by the Central Bank of Ireland. These bonds are considered part of our national debt.

These bonds are now being sold to bondholders as long-term loans, who will look for their money back between 2038 and 2053.

124 %: the government debt-to-GDP ratio in 2013.

€ 24 billion interest: (2014 – 2038) for the next 24 years, until 2038, the government will pay interest to these bondholders, averaging € 1 billion per year.

If we add € 25.4 billion and € 24 billion, we come to a total of **€ 49.4 billion**.

So, by changing the promissory note into bonds, the government has almost **doubled the total costs of the Anglo debt to Irish people**, and has **added an entire generation onto the period of repayments**.

Check-list of props and character information

Props:

1. Character briefs
2. Corresponding scripts for characters.
3. Characters' name cards. (These come with the packs and hung around each participant's shoulders.)
4. Prop 1: € 31.6 EMERGENCY LOAN (CB to Anglo)
5. Prop 2: THE PROMISE LETTER FOR € 31.6 BILLION (From Irish government to CB).
6. Prop 3: 2011 THE PEOPLE'S MONEY € 3.1 billion (from The People to the Irish government).
7. Prop 4: 2012 2011 THE PEOPLE'S MONEY € 3.1 billion (from The People to the Irish Government).
8. Prop 5: € 25 BILLION BONDS (from Government to CB).
9. Prop 6: € 1 BILLION INTEREST (PER YEAR!)
10. Prop 7: € 25 BILLION MAIN LOAN (2038 – 2053; from the Future generations to the bondholders).

Characters:

- Central Bank of Ireland (CBI). 1-2 people.
- The Irish Government. 1-2 people.
- The European Central Bank (ECB) 1-2 people.
- Anglo Irish Bank. 1-2 people.
- The People up to 5/6 people
- Anglo's Bondholders 1-2 people.
- The Bondholders for the Irish Government Bonds 1-2 people
- 2038: The Future generation up to 5/6 people.

If you have other props to make your characters look the part, use them. For example, bowler hats, jackets and ties for bankers, jerseys for the people, and so on.

Print out the following character descriptions and scripts, and give them out to participants with their name cards and props.

Information for character:

European Central Bank

- **Place your name sign around your neck.**
- **Read your character description.**
- **Look over your scrip to see if you are comfortable with it, but don't be too concerned about the timing, as the narrator will let you know when you are to speak.**
- **Try to stay focused on the action happening in the role-play.**

About your character:

- You are the European Central Bank.
- You are in charge of all the other Central Banks in the European Union.
- The European Central Bank and the national central banks together constitute the euro system, the central banking system of the euro area.
- Your number one priority is protecting the Euro currency.

Script for European Central Bank

- *The facilitator will tell you when to read from this script. Any numbered point which doesn't appear in your script will be read by someone else.*
- *If there are a few of you in the group ye can decide between ye if ye want to take turns to reach statements, or the read out loud together.*

[TEXT WRITTEN IN THIS WAY INDICATES 'STAGE' DIRECTIONS. YOU DO NOT NEED TO READ IT OUT LOUD]

5. European Central Bank:

We are the European Central Bank. We are in charge of all the Central Banks in Europe, including the Central Bank of Ireland. We are the boss of the banks.

8. European Central Bank:

€ 31.6 billion? That's an enormous amount of money for a country the size of Ireland! How did the Irish government get into such a mess? Who allowed this to happen? Why did you allow this to happen? You're a regulator – what were you doing? You were supposed to be keeping an eye on what all the banks were doing and making sure that everything they did was legal. This is ridiculous – but to be honest, if one bank collapses, it could create a knock-on effect all over Europe and banks could collapse all over the place. This is what we call a contagion effect and we can't have that. No, we can't have that at all! As a central bank you're not legally allowed to lend money to government and you know that!

[Tap your foot and look like you are thinking]

I know! Let's make a cunning plan. We will give you permission to lend the € 31.6 billion to Anglo Irish Bank, but we have to give it a very good

name, so that people don't think we are just creating money out of thin air.

Let's call it the...hmmmm...the 'Emergency Lending Assistance' fund (ELA). It will be just an emergency lend... that sounds good doesn't it?

Now, the only thing is that Anglo Irish Bank is a very untrustworthy bank, so the Irish government has to promise to pay you back, if Anglo doesn't pay. So tell them to write us an IOU, promising that they will pay you back. When the Irish government writes this IOU, we will allow you to give them the € 31.6 billion.

Information for character:

Irish Central Bank / Central Bank of Ireland (CBI)

- **Place your name sign around your neck.**
- **Read your character description.**
- **Look over your scrip to see if you are comfortable with it, but don't be too concerned about the timing, as the narrator will let you know when you are to speak.**
- **Try to stay focused on the action happening in the role-play.**

About your character:

- You are the Irish Central Bank.
- You are the financial services regulator of Ireland.
- You take orders from the European Central Bank.
- You have been criticized for failing to regulate Irish financial transactions properly.

Script for Irish Central Bank

- *The facilitator will tell you when to read from this script. Any numbered point which doesn't appear in your script will be read by someone else.*
- *If there are a few of you in the group ye can decide between ye if ye want to take turns to reach statements, or the read out loud together.*

[TEXT WRITTEN IN THIS WAY INDICATES 'STAGE' DIRECTIONS. YOU DO NOT NEED TO READ IT OUT LOUD]

4. Central Bank of Ireland:

Hi, we are the Central Bank of Ireland. We manage all the banks in Ireland and we make sure that everything they are doing is legal. No bank or investor will lend any more money to Anglo. The whole banking system is in chaos and we are the only ones who can save the Irish banking system.

7. Central Bank of Ireland:

[Say this to the Irish government]

This is a really big mess, why are you trying to get me involved? € 31.6 billion? That's LOADS of money! You know, Central Banks are not supposed to lend money to governments. It is like telling the government they can just print new money, instead of getting money through taxes or borrowing. It's illegal, because it's too easy for governments to abuse... But I can see that you're after biting off more than you can chew with Anglo Irish Bank situation, so I'm going to have to talk to my boss, the European Central Bank, about this...

[Say this to the European Central Bank]

The Irish government agreed to a blanket bank guarantee and they've just found out that Anglo Irish Bank needs € 31.6 billion to prevent it from going bust... Am I allowed to give them € 31.6 billion to save Anglo Irish bank?

9. Central Bank of Ireland:

PROP 1: €31.6 billion Emergency Loan (ELA)

Allacazam!

Anglo Irish Bank, here is the magic € 31.6 billion that I have created for you to pay off your debts that you made from foolish and greedy investments.

18. Central Bank of Ireland:

“Allacazam!”

[Tear up / throw away the € 3.1 billion]

20. Central Bank of Ireland:

What is a bond? A bond is just a type of loan. We have lots of different types of loans, so we just give them different names. A promissory note, that is the letter promising the Irish government will pay, is a type of loan. An IOU is a type of loan. And you know how when you get a loan from someone, how you have a debt? Well, a bond is a type of debt, but it's a serious debt, it's a **legal** debt, which means whoever holds your debt can sell it on the stock market. This means that any person or business around the world can buy it. 'Bond markets' are like shopping centres where rich people and businesses can just buy up these different kinds of debt. Any vulture can buy your debt. That's not good news for the person who owes the debt. But the reason the Irish government likes the bond

type of debt is because they can decide the dates they want to start paying it off and this helps them to balance their books.

22. Central Bank of Ireland:

Hmm... it means that the Central Bank is now a bondholder. We now own the debt owed by the Irish government. This isn't a very good situation; because the Central Bank is not legally allowed lend governments money. We, the Central Bank, must get rid of this debt.

23. Central Bank of Ireland:

So, as we were saying in the last act, we have to get rid of this debt before we are accused of doing something illegal. Luckily we know who to go to, to fix this problem!

Information for character:

Anglo Irish Bank

- **Place your name sign around your neck.**
- **Read your character description.**
- **Look over your scrip to see if you are comfortable with it, but don't be too concerned about the timing, as the narrator will let you know when you are to speak.**
- **Try to stay focused on the action happening in the role-play.**

About your character:

- You are the Anglo Irish Bank.
- You have made a series of poor investments, mostly to property developers, and you are now heavily indebted.
- You have been nationalized (taken over by the government) in 2009.
- You are hoping the government will dig you out.

Script for Anglo Irish Bank

- *The facilitator will tell you when to read from this script. Any numbered point which doesn't appear in your script will be read by someone else.*
- *If there are a few of you in the group ye can decide between ye if ye want to take turns to reach statements, or the read out loud together.*

[TEXT WRITTEN IN THIS WAY INDICATES 'STAGE' DIRECTIONS. YOU DO NOT NEED TO READ IT OUT LOUD]

2. Anglo:

Hello everybody! We are Anglo Irish Bank. We are completely broke!! And we are in loads of trouble because we borrowed huge amounts of money that we were never able to pay back! We need € 31.6 billion or we will have to go bust! But, who cares? We know that the Irish government is really scared about us collapsing, because of their blanket bank guarantee. If we go bust, they pay. So we know they'll give us the money so that we don't go bust. We have been nationalized by the Irish government, which means that the government owns us.

10. Anglo Irish Bank:

Phew! What a massive relief – now we can pay off all of our debts to the bondholders who have invested in us. Now we can head home and go off out on our yachts and drink champagne. Gosh, this is just great; it worked out so well for us!

Information for character:

Irish Government

- **Place your name sign around your neck.**
- **Read your character description.**
- **Look over your scrip to see if you are comfortable with it, but don't be too concerned about the timing, as the narrator will let you know when you are to speak.**
- **Try to stay focused on the action happening in the role-play.**

About your character:

- You are the Irish government.
- You have made a blanket guarantee to rescue the six main banks in Ireland, no matter what happens.
- In 2009, you told the public that it was “business as usual” in Anglo Irish Bank, and you reassured people that the bank was solvent.
- It then became public that Anglo need € 31 billion not to collapse.

Script for the Irish Government

- *The facilitator will tell you when to read from this script. Any numbered point which doesn't appear in your script will be read by someone else.*
- *If there are a few of you in the group ye can decide between ye if ye want to take turns to reach statements, or the read out loud together.*

[TEXT WRITTEN IN THIS WAY INDICATES 'STAGE' DIRECTIONS. YOU DO NOT NEED TO READ IT OUT LOUD]

[You will be the first person invited to read]

1. Irish Government:

Hi! We are the Irish government. We're made up of mostly Fianna Fáil TDs, but we also have TDs from the Green Party and the Progressive Democrats. Last year, on the 30th September 2008, we introduced a blanket bank guarantee for the six main banks. This means that we are going to guarantee all the debt that these six banks created in Ireland. So if they do not pay their debt, we pay their debt for them.

3. Irish Government:

Oh my God! We don't believe it! Of course, we are afraid of Anglo collapsing. We are afraid because of the blanket bank guarantee that we promised. If any of the banks go bust, we promised to pay out to all the people who have bank accounts and the senior bondholders in the six main Irish banks. We took a big risk, but we didn't really think that we'd have to come up with **THIS** much money. But now we have to, because If Anglo collapses, we have to pay for ALL their debts with the People's money! This would be billions more than just € 31.6 billion!

6. Irish Government:

We're panicking! We don't know what to do! We could be responsible for Anglo's debt if it collapses, because of the blanket bank guarantee that we made. We have to find the money somewhere to save Anglo and we've checked down the back of all our couches, and we haven't found a penny! Please can we have € 31.6 billion to make our problem with Anglo Irish Bank go away?

11. Irish government (to Central Bank of Ireland):

PROP 2: THE PROMISE LETTER

[Hand THE PROMISE LETTER over to the Central Bank]

We double-triple promise to repay all the magic money you invented for us to bail out Anglo, cross our hearts, we promise to pay.

15. Irish Government (to The People):

[Take PROP 3: 2011 PEOPLE'S MONEY € 3.1 BILLION off The People]

We're going to take € 3.1 billion from you, from your taxes, from your community services, from your public services, from your pensions, to repay the bank's debts!

17. Irish Government:

My people, my people, it might seem unfair to you, but this is a very complicated money situation. We have experts working on it round the clock, and we would not expect simple people like you to understand. We are taking the money.

[Take the money]

21. Irish Government:

We did it because we knew that the European Central Bank never liked the promissory note, that is the letter promising that we will pay back the debt. It was too casual a form of debt for them to feel comfortable with it. They were afraid that we could have easily just not paid it back.

The letter promising we will pay was just an agreement between different Irish groups. It was between us, the Irish government, Anglo Irish Bank and the Central Bank of Ireland. The European Central Bank didn't trust that arrangement because they weren't certain that we would repay the money. It was just another promise that could be broken.

By changing the promissory note, that is the letter promising we will pay, into government bonds, we, as the Irish government, could change the dates of the repayments and stretch it over a longer time.

[PROUDLY] Because we changed when we pay this debt, we added a whole generation of children onto the payback time. When the debt was a letter promising the Irish government will pay, it would have taken us roughly 12 years to pay it all off. So this means that the letter promising the Irish government would pay would have been paid back by about 2025. But now this has all changed. With the way the government bond type of debt is made up, Ireland will pay € 1 billion in interest every year from now until 2038. This is only the interest part of the loan. Then from 2038 until 2053, we will start to pay on the actual € 25.4 billion debt. So we are paying

€ 1 billion each year to whoever buys our debt, just so we don't have to pay the actual full € 25.4 billion debt till 2038.

Information for character:

The People

- **Place your name sign around your neck.**
- **Read your character description.**
- **Look over your scrip to see if you are comfortable with it, but don't be too concerned about the timing, as the narrator will let you know when you are to speak.**
- **Try to stay focused on the action happening in the role-play.**

About your character:

- You are the people living in Ireland.
- You might have made more money during the years of the boom, but you also might not have.
- In 2009, the government told you that it was “business as usual” in Anglo Irish Bank, and that there was no reason to worry.
- There are a lot of different sources saying different things about the banking crisis.

Script for The People

- *The facilitator will tell you when to read from this script. Any numbered point which doesn't appear in your script will be read by someone else.*
- *If there are a few of you in the group ye can decide between ye if ye want to take turns to reach statements, or the read out loud together.*

[TEXT WRITTEN IN THIS WAY INDICATES 'STAGE' DIRECTIONS. YOU DO NOT NEED TO READ IT OUT LOUD]

12.The People:

No, we don't agree with this, but they are going to make us pay it! The Irish government is just taking it from us. They are increasing our taxes and they are making cuts all over the place. They are putting less and less money into our schools, our hospitals and our community centers, the list just goes on and on.

13.The People

They were robbing us blind!

14.The People

They promised us before the elections that they would not allow all this money to be taken from us. They told us they would burn the bondholders. We believed them, so we all voted for them.

16.The People:

*[Try to hold onto PROP 3: 2011 PEOPLE’S MONEY € 3.1 BILLION.
But you have to hand it over to them.]*

No you can’t do this! This is a disgrace and completely unfair! We never had anything to do with any of the decisions these bankers made. You can’t punish us for their stupid investments and foolishness! You can’t punish us for the dodgy deals that the banks made!

19.The People:

Damn the government! They promised us they would burn the bondholders. Then they gave € 3.1 billion, twice, of our money to the Central Bank to pay this emergency loan. This emergency loan was created out of thin air so that Anglo’s debts to those bondholders could be paid. This all happened because of the rotten and greedy decisions made by bankers. None of this is legal, because the Irish government never asked the Oireachtas if they could create the emergency loan. So really, it’s illegal that the government is taking all this money from us. It’s illegal that the government is taking money from our education and health and community services. We were never asked if we agreed to this. Why is no one doing anything about this? Why is this happening?

Information for character:

Anglo's Bondholders

- Place your name sign around your neck.
- Read your character description.
- You do not have a script.
- Try to stay focused on the action happening in the role-play.

About your character:

- You are a bondholder.
- You buy up bonds on the market – in other words you lend money to people over very long periods of time.
- You make money by earning interest on the bond (loan) and also receiving the original bond sum back.
- The loans you give are investments – you know you are taking a risk when you give them.
- You see this as a way of doing business and making money.

Information for character:

Bondholders of Government Bonds

- **Place your name sign around your neck.**
- **Read your character description.**
- **Look over your scrip to see if you are comfortable with it, but don't be too concerned about the timing, as the narrator will let you know when you are to speak.**
- **Try to stay focused on the action happening in the role-play.**

About your character:

- You are a bondholder.
- You buy up bonds on the market – in other words you lend money to people over very long periods of time.
- You make money by earning interest on the bond (loan) and also receiving the original bond sum back.
- The loans you give are investments – you know you are taking a risk when you give them.
- You see this as a way of doing business and making money.

Script for the Bondholders of Government Bonds

- *The facilitator will tell you when to read from this script. Any numbered point which doesn't appear in your script will be read by someone else.*
- *If there are a few of you in the group ye can decide between ye if ye want to take turns to reach statements, or the read out loud together.*

[TEXT WRITTEN IN THIS WAY INDICATES 'STAGE' DIRECTIONS. YOU DO NOT NEED TO READ IT OUT LOUD]

24. Bondholders for the Irish government bonds:

When bondholders like us buy debt, it means that we pay money now – in this case we are paying € 25.4 billion to the Central Bank of Ireland – and we hold onto this debt.

It's a long-term investment you see: in the future we will be repaid all of the € 25.4 billion debt. That will happen in 2038 and will go on until 2053. But – here's the best bit – we also enjoy the € 1 billion interest paid each year until 2038. Then from 2038 to 2053 we will get our € 25 billion loan back, but we'll also be paid interest during that time too. This might seem nuts, but it's great for us and we make gigantic amounts of profit. It's brilliant! We make massive profits all the time, just because of other people's debt!

So starting this year, the Irish government will pay us € 1 billion in interest on the government bonds every year until 2038.

26. Bondholders for the Irish government bonds:

We don't blame us. Business is business. It's not our fault that Anglo Irish Bank was poorly run. It's not our fault that the European Central Bank and your Central Bank of Ireland did some dodgy lending. You now owe this debt and you need to pay this debt. None of that nonsense about you and your families has anything to do with us. A debt is a debt and it must be repaid. We made investments, now we want our money!

28. Bondholders for the Irish government bonds:

We don't care! And your Central Bank of Ireland doesn't care!

30. Bondholders for the Irish government bonds:

We don't care! You are just a way for us to make profits.

32. Bondholders for the Irish government bonds:

We don't care! And your Irish government doesn't care!

34. Bondholders for the Irish government bonds:

We don't care! And those Anglo bankers don't care!

36. Bondholders for the Irish government bonds:

We really just don't care!

Information for character:

Future Generations

- **Place your name sign around your neck.**
- **Read your character description.**
- **Look over your scrip to see if you are comfortable with it, but don't be too concerned about the timing, as the narrator will let you know when you are to speak.**
- **Try to stay focused on the action happening in the role-play.**

About your character:

- You are a member of a future generation.
- You have not been born in the time that the role-play begins but you will make an appearance towards the end of the role-play.
- Because of this, you have nothing to do with what is happening in the role-play, and you have absolutely no control over it.
- It will affect you and your life, so pay very close attention.

Script for the Future Generations

- *The facilitator will tell you when to read from this script. Any numbered point which doesn't appear in your script will be read by someone else.*
- *If there are a few of you in the group ye can decide between ye if ye want to take turns to reach statements, or the read out loud together.*

[TEXT WRITTEN IN THIS WAY INDICATES 'STAGE' DIRECTIONS. YOU DO NOT NEED TO READ IT OUT LOUD]

25. Future generations:

We are little atom-like angles floating around in our parent and grandparent's dreams for their future. We sense the years of stress and worry that they are now living and there seems to be no end to it.

27. **Future generations:** But, it's not our debt!

29. **Future generations:** But we will be born into households that may not be able to afford to feed us properly.

31. **Future generations:** But we have will have no community services and we will have no youth clubs.

33. **Future generations:** But our families might not have a safe and secure home to live in. Austerity really does kill.

35. **Future generations:** But our parents will not be able to buy us warm winter clothes or have heat in our homes and we will live in poverty.

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