Debt is slavery ... or at least indentured servitude of the worst kind. That looming mortgage, the high-interest credit-card debt, the short-term car loan – these are the forces that keep people from breaking free and taking action.

Ironically, debt begets more debt. According to FinAid, the average U.S. student-loan debt for a four-year-private-university graduate is nearly $36,000, and $24,000 for a public university. Throw in that first car loan and maybe a mortgage, and suddenly you're staring at hundreds of thousands of dollars in demoralizing claims on your future income.

At this point, most people figure: Hey, I'm already in debt up to my nose; might as well get in up to my eyeballs and buy a new plasma screen on credit.

Debt is an enormous psychological burden that influences life's major decisions. It's why so many people stay committed to jobs that are unfulfilling in cities they detest under conditions they find disheartening. Nobody wants to rock the boat too much; take too many risks and you could lose your job, and hence the ability to make those monthly payments.

This familiar story has been playing out across the developed world for years. This is not an ill, however, that exclusively affects individuals and families. Even at the macro level, debt has the power to subjugate entire nations to the whims of their creditors.

Enter the International Monetary Fund (IMF).

In July 1944, world leaders gathered in Bretton Woods, New Hampshire, to be dictated terms of the new global financial system. The U.S. dollar was set as the global reserve currency, and the International Monetary Fund was established to shower the world's nations with the dollars they needed to participate in this system.

Like most governmental and non-governmental organizations, however, the IMF eventually took on a life of its own.

(The CIA is a perfect example of this; formally established in 1947, the CIA was charged with being the “central” agency to coordinate U.S. intelligence. It grew quickly into its own beast, culminating in the creation of the post-9/11 National Intelligence Directorate. Its job? You guessed it: being the “central” agency to coordinate U.S. intelligence.)

Over the years, the IMF became the roving economic police force of the ruling class, coercing developing nations to take enormous loan packages they had no hope of paying off.

As a result, the local IMF (or World Bank) representatives in developing countries became extremely powerful figures. Leaders in poor countries were so terrified of loan default that the IMF was able to shape policy and allocate national resources as the West saw fit.

Clearly the tables have turned.

By 2011, the IMF’s biggest customers have become “developed” (i.e., contracting) countries such as Greece that are relying more and more on the generosity of China. Now with the IMF’s former chief locked up in disgrace for the foreseeable future, the race is on to see who will replace him.

The new order of things is very clear. The Western hierarchy of the past is insolvent, and its capital has migrated south and east. Western leaders refuse to acknowledge this reality and are clinging desperately to antiquated institutions such as the IMF to retain control of a now-defunct financial system.

Newsflash: The IMF is only relevant to Western leaders who live in the past.

China, the world’s second largest economy, is routinely relied upon to bail out the West ... yet it has a paltry 3.65 percent of the IMF’s voting power. Europe, however, is arguably the most insolvent region on the planet, though it insists on remaining at the helm. Ultimately, the market doesn’t care and has been orienting itself toward the developed world for years.

Little by little, we are seeing signs of a revolution in the financial system – grumblings from Zimbabwe about establishing an asset-backed currency, new exchange-traded gold contracts in Asia, more bank wiring routes that bypass New York City, and corporations in the developing world issuing debt on the international market in local currency with ease.

I've written extensively that China's renminbi is being increasingly considered a reserve currency to compete with the dollar and euro. Other developing countries have already entered into swap agreements to accumulate renminbi reserves, and even Western companies are issuing renminbi-denominated debt.

There are signs of more liberalized exchange controls all the time; it's possible for individuals and corporations to hold savings in renminbi through a variety of ways. You can even walk into the New York City Bank of China branch and open an account.

The latest move is American Express's new renminbi-denominated Travelers Cheques – a "cash equivalent" issued by a non-Chinese financial institution. This is a major step, and its implications are far, far more important than whichever white person is jonesing to head an irrelevant organization of the past.

Western leaders simply don't want to accept their loss of primacy; they've become enslaved themselves, not only by the insurmountable sovereign debts they've accumulated, but by their stubborn refusal to acknowledge the simple reality of a new system they can't stop and don't control.

Simon Black, a former intelligence officer turned globe-trotting entrepreneur, makes it his business to put boots on the ground all over the world in places such as Zimbabwe, Bolivia, and Cuba, all to get firsthand knowledge of the chaotic trends that are sweeping the globe and causing turmoil here at home. His writing can be found at SovereignMan.com .