

IMF lending undermined healthcare provision in Ebola-stricken West Africa

December 22 2014

Writing today in the journal *Lancet Global Health*, researchers from Cambridge University's Department of Sociology examine the links between the International Monetary Fund (IMF) and the Ebola outbreak in West Africa.

According to the authors, joined by colleagues from Oxford University and the London School of Hygiene and Tropical Medicine, IMF programs over the years have imposed heavy constraints on the development of effective [health](#) systems of Guinea, Liberia and Sierra Leone - the cradle of the Ebola outbreak that has killed more than 6,800 since March this year.

The researchers say that economic policy reforms advocated by the IMF have undermined the capacity of health systems in these three nations - systems already fragile from legacies of conflict and state failure - to cope with infectious disease outbreaks and other such emergencies.

"A major reason why the Ebola outbreak spread so rapidly was the weakness of healthcare systems in the region, and it would be unfortunate if underlying causes were overlooked," said lead author and Cambridge sociologist Alexander Kentikelenis.

"Policies advocated by the IMF have contributed to under-funded, insufficiently staffed, and poorly prepared [health systems](#) in the countries with Ebola outbreaks."

By reviewing the policies enforced by the IMF before the outbreak - extracting information from the IMF lending programs between 1990 and 2014 - the researchers were able to examine the effects on the three West African nations, and identified three key policy impacts that led to the weakening of the already fragile healthcare systems in these countries:

Firstly, the IMF required economic reforms that reduced government spending. "Such policies have been extremely strict, absorbing funds that could be directed to meeting pressing health challenges," write the researchers. Although the IMF responded to concerns raised about the impact of these policies by incorporating "poverty-reduction expenditures" that aimed to boost health budgets, the researchers found these conditions were often not met.

"In 2013, just before the Ebola outbreak, the three countries met the IMF's economic directives, yet all failed to raise their social spending despite pressing health needs," said Professor Lawrence King, co-author and Cambridge sociologist.

Secondly, the IMF often requires caps on the public-sector wage bill, directly impacting the capacity of these nations to hire and adequately pay key healthcare workers such as doctors and nurses. An independent evaluation of the IMF in 2007 stated that these limits are "often set without consideration of the impact on expenditures in priority areas".

"Wage limits set by the IMF have been linked to a 'brain drain' of health workers in countries that need them most. For example, the IMF imposed restrictions on wage spending in Sierra Leone over the 2000s. At the same time, the number of health personnel in the country plummeted," said King.

Thirdly, the IMF campaigns for decentralised healthcare systems. While

the idea behind this is to make healthcare more responsive to local needs, the researchers say that in practice this makes it difficult to mobilise coordinated responses to outbreaks of deadly diseases such as Ebola.

However, in recent months, the IMF has announced \$430m of funding to help combat Ebola in West Africa, leading IMF Director Christine Lagarde to say it is "good to increase the fiscal deficit when it's a matter of curing the people [...] The IMF doesn't say that very often."

"The IMF's recent change of heart about prioritising public health instead of fiscal discipline is welcome, but this is not the first time we have heard such rhetoric from the IMF leadership. It remains to be seen whether this time is different," said Kentikelenis.

The authors of the *Lancet* article point to that journal's own Commission on Investing in Health, which calls for increases in public health spending and attention to hiring and training health workers. "The experience of Ebola adds a degree of urgency to the implementation of its recommendations," they write.

Provided by University of Cambridge

Citation: IMF lending undermined healthcare provision in Ebola-stricken West Africa (2014, December 22) retrieved 18 April 2024 from <https://medicalxpress.com/news/2014-12-imf-undermined-healthcare-provision-ebola-stricken.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.