

*July 21, 2008* — A new study conducted by researchers at Cambridge and Yale Universities shows that tuberculosis incidence and mortality rates in Eastern European and former Soviet countries rose significantly after countries accepted loans from the International Monetary Fund, and dropped after those programs were discontinued.

The study suggests that the conditions the IMF required as part of its loans were associated with decreased investments in critical health programs, and a rise in deaths from TB. These dramatic findings come as the IMF is attempting to resolve its own funding crunch by selling some of its gold reserves in order to fund its administrative costs. Civil society organizations have called on U.S. Congress, which must first authorize the gold sales request, to require the IMF to stop applying conditions which undermine health investments to country programs.

“The findings of this study reveal a reality that many people in affected countries already know — that the loan conditions imposed by the IMF have forced countries to cut their social spending in ways that erode essential health services and cost lives,” said Joanne Carter, Executive Director of RESULTS Educational Fund.

The authors studied 21 countries in Eastern Europe and the former Soviet Union, a region where countries applied for IMF programs at the same time and under similar economic circumstances. They found that IMF programs contributed to a 16.6 percent increase in TB mortality, and that those countries that participated in larger IMF programs experienced bigger increases in TB mortality. This link was consistent regardless of other potentially related factors, such as the strength of a country’s economy. Meanwhile, Slovenia, the only former Soviet country to not participate in an IMF program, saw a dramatic decrease in TB mortality, and had achieved 100 percent coverage of directly-observed treatment programs by 1996. Other countries that participated in IMF loans, such as Russia, still struggle to reach a fraction of that figure.

“It is a powerful indictment of the IMF that researchers have found its loan programs are associated with thousands of additional TB infections and an average 16 percent increase in TB mortality rates in Eastern Europe and the former Soviet Union,” said Robert Weissman, director of Essential Action, a Washington, DC-based public health and corporate accountability group. “Previous studies have shown that IMF policies have unnecessarily limited economic policy choices in developing countries, undermined economic growth, constrained public spending on healthcare and education and the wages of healthcare workers and teachers, and diverted foreign aid from being used for its intended purposes”.

“While this study is focused on one geographic area, we are very concerned African countries that use IMF programs could be similarly affected. These countries have been ravaged by TB and other infectious diseases, and their health systems have been weakened by IMF-imposed restrictions resulting in ceilings on health spending,” said Asia Russell, Director of International Policy at Health GAP. “We hope that this study’s findings are a wake-up call. In Eastern Europe, IMF loans have been linked with worse health outcomes, which in turn undermine economic growth.”