



Strengthening Midwifery Globally

Debt cancellation and other economic policies that affect health and safe motherhood

BACKGROUND

During recent decades, standards of health care have declined in those many developing countries that have been affected greatly by the need to meet debt repayments. This has had a negative impact on health, including mother and child health. Debt is inherent in our existing global economic system, which favours rich over poor countries. Recession in the developed world over the last two decades has reduced demand for exports from developing countries, forcing them to borrow money to survive and then imposing high interest rates on repayments. Foreign creditors take priority over payment for public services but, even so, debts have been increasing not decreasing. The International Monetary Fund and the World Bank have stepped in to take over the management of the loans but have imposed conditions which have increased poverty (and therefore ill health). These conditions are Structural Adjustment Programmes (SAPs) which have forced governments to:

- greatly reduce public expenditure on services such as health and education
- reduce subsidies e.g. on food
- increase exports (in so doing often driving people off their own land) and
- increase taxes people cannot afford.

Women and children suffer particularly from poorer nutrition and living conditions, less access to free or cheap health care and family planning. Women and girls also receive less education - a key factor in good health. Women are forced to work harder outside the home, with less time for childcare and breastfeeding, and they experience increased exhaustion.

In the late 1990s, under pressure from international agencies, the focus of SAPs was on ways to reduce poverty and increase citizen participation in conjunction with big debt reductions for Heavily Indebted Poor Countries (HIPC). However this has been insufficient to make any real impact and, in any case, cancelling debt in isolation will not lead to a permanent reduction in poverty. The debts will simply build up again unless there is a fundamental change in the economic order, particularly in the way world trade operates.

STATEMENT OF BELIEF

The International Confederation of Midwives believes that complete cancellation of international debt is required to enhance health, including safe motherhood, as an important part of global economic reforms to reduce poverty and inequality. Health

and safer motherhood are inextricably linked to those economic practices which will decrease poverty and inequality.

POSITION

ICM recognises and deplores the negative impact that payment of debts is having on maternal and child health and health care in many developing countries. It calls for the complete cancellation of debt owed by the 41 most heavily indebted countries as an important part of a wider economic reform programme, which would include fairer terms of trade for developing countries.

GUIDANCE TO MEMBER ASSOCIATIONS

Midwifery associations should join with local organisations active in campaigning for complete debt cancellation.

RELEVANT DOCUMENTS

- Costello A, Watson F, Woodward D. *Human Face or Human Facade: Adjustment and the Health of Mothers and Children*. London: Institute of Child Health. Occasional Paper, 1994.
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- International Monetary Fund. *Debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative*. IMF Fact Sheet March 2008. Available on www.imf.org/external/np/exr/facts/hipc.htm downloaded 31 07 08

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