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EXTERNAL PERSPECTIVES OF THE IMF AND SOCIAL PROTECTION

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ABBREVIATIONS

CSOs	Civil Society Organizations
EXR	External Relations Department (now COM)
ILO	International Labour Organization
IMF	International Monetary Fund
LICs	low-income countries
NGOs	non-governmental organizations
SDG	Sustainable Development Goals
UN	United Nations
UNICEF	United Nations International Children's Emergency Fund

I. INTRODUCTION

1. **The IMF has been criticized for promoting policies that weaken social protection.**

Table 1 lists prominent recent research and opinion pieces published by academics, civil society organizations (CSOs), and international organizations (such as the International Labor Organization (ILO) and the United Nations Children’s Fund (UNICEF)).¹ The following summary is based on a review of these works as well as interviews with several of their authors. It also notes IMF responses to these reports. It does not attempt to judge the merits of either sides’ arguments.

2. **It should be noted that there is no standard definition of social protection or of broader/overlapping terms such as “social security,” “social spending/expenditure,” and “social safeguards” in or outside the IMF.** This has sometimes resulted in the IMF and its critics seeming to talk past each other. For example, in its public communications on protecting the vulnerable, the IMF often refers to its support for “social spending,” which in some cases is defined to be only “public spending on education and health” (e.g., Clements, Gupta, and Nozaki, 2011) but in other cases also includes social protection (e.g., IMF, 2014b).

II. MAIN CRITICISMS AND IMF RESPONSES

A. Fiscal Austerity

3. **Some critics have contended that in the aftermath of the global crisis, countries under IMF-supported programs were required to cut back spending on social protection programs and/or postpone commitments to expand social protection.** Reports from UNICEF and the ILO highlighted fiscal consolidation measures taken by countries around the world in response to the crisis that reduced social protection, such as eliminating or targeting subsidies on basic commodities, especially food and fuel; reforming pensions; and paring down or more narrowly targeting social safety net programs—see, for example, Ortiz and others (2010) and related updates. Research from some CSOs concluded that IMF-supported programs in Europe, the Middle East, and elsewhere did not provide adequate budget flexibility to expand social protection (e.g., Molina-Gallart, 2009; Rowden, 2010).

4. **The IMF has responded that Fund-supported programs provided increasingly flexible policy space after the crisis, particularly in low-income countries.** For example, a September 2009 IMFBlog post stressed that: the Fund was among the first to advocate a global fiscal stimulus as recession loomed; this advice was meant not only for rich countries, as suggested by some commentators, but for all countries that could afford it; beyond urging countercyclical fiscal policy in LICs with fiscal room, the IMF “encouraged governments to safeguard social protection and other core social spending”; and “in most instances programs

¹ CSOs include business forums, faith-based associations, labor unions, local community groups, non-governmental organizations (NGOs), philanthropic foundations, and think tanks.

were able to increase this spending, targeted toward the most vulnerable” (Bredenkamp, 2009).² In an interview with the IMF Survey Online a month later, IMF staff reiterated these points to counter critics’ claims that Fund-supported programs required countries to decrease social spending or cut spending on social programs to meet program targets. Staff emphasized that IMF-supported programs had “placed considerable emphasis on strengthening social protection for the most vulnerable” by “preserving and in most cases increasing social spending” and by “support[ing] countries’ efforts in finding practical solutions for protecting the most vulnerable” in the absence of well-targeted social benefits systems (Gottselig, 2009).³ Some commentators acknowledged the IMF’s additional flexibility in the immediate aftermath of the global crisis, but they claimed it was too short-lived because the Fund reversed its position in 2010 and began supporting fiscal consolidation (Van Waeyenberge, Bargawi, and McKinley, 2010; Ortiz, Chai, and Cummins, 2011).

B. Social and Other Priority Spending Floors

5. Some critics, while noting the recent increased incidence of social spending floors in IMF-supported programs, have questioned the effectiveness of these conditions in protecting the vulnerable.

- Martin and Watts (2012) and Kentikelenis, Stubbs, and King (2016), for example, found that indicative targets for “social spending” in LIC programs were frequently not met, with no repercussions in terms of disbursement of funds. Their conclusion was that “the IMF has not lived up to its own hype of promoting social protection” (Kentikelenis, Stubbs, and King, 2016).
- Ortiz, Chai, and Cummins (2011) pointed out that the coverage of social and other priority spending in IMF-supported programs “raise[d] some questions about the effectiveness of priority setting in safeguarding those areas of social spending that are most essential for directly supporting vulnerable populations.” They noted that “a wide

² In an April 2009 letter to CSOs, the Managing Director stressed that the IMF had been forthright in warning about the impact of the crisis on the developing world and in calling for increased resources to help affected countries, “especially to protect vulnerable groups and priority sectors such as health and education” (Strauss-Kahn, 2009). He noted that about one-third of Fund-supported programs in LICs had “targets to preserve or increase social spending” and that “subsidies and other safety net programs aimed at the poorest members of society [were] supported by the IMF in many countries” (Strauss-Kahn, 2009).

³ The blog post and the IMF Survey Online article did not provide specific country examples. However, the 2009 staff paper on LIC programs (IMF, 2009; subsequently published as Yang and others, 2009) highlighted the case of the Kyrgyz Republic, where the increase in social spending to mitigate the effects of the global financial crisis on the poor took the form of a programmed increase in budget allocations to the Unified Monthly Benefit—a social assistance program that targets poor households with children—over the period 2009–11. IMF (2009) concluded that “programs have placed considerable emphasis on strengthening social protection for the most vulnerable” because 16 out of 19 IMF-supported programs initiated in 2008–09 budgeted higher social spending for 2009, although it acknowledged that the definition of social spending varied across countries.

variety of spending categories—such as electricity, judiciary and, in some cases, defense-related—were included in ‘priority’ social spending to be protected under country programmes” (Ortiz, Chai, and Cummins, 2011).

6. **The IMF, in response, has reiterated the importance of “safeguarding social spending” and recognized the need to “define program targets more explicitly”** (Lagarde, 2017). The recent Board paper on social safeguards in LIC programs (IMF, 2017) reported that more than two-thirds of indicative targets for social and other priority spending were met during 2010–2016. However, it also acknowledged the need for tightening the specification of these indicative targets to better target spending on vulnerable groups.

C. Macroeconomic Framework

7. **Critics have also claimed that the IMF’s macroeconomic framework prevents countries from increasing social protection in the longer run.** Various arguments have been made by academics, CSOs, and international organizations to support this claim. For example, it has been argued that the IMF’s macroeconomic framework insufficiently accounts for: the potential long-run growth effects of social protection by classifying such expenditures as current rather than capital (investment) expenditure (Van Waeyenberge, Bargawi, and McKinley, 2010); the distributional effects of fiscal and monetary policies, often to the detriment of the most vulnerable groups (Ortiz, Chai, and Cummins, 2011; ILO, 2014); and the social costs of inadequate social protection (CESR, 2012; Goulas and Zervoyianni, 2016).

8. **The IMF Managing Director has emphasized that the IMF should pay attention to social protection and distributional concerns.** In a 2012 speech at the Center for Global Development, she concluded that: “At the end of the day, social protection should not be seen as a cost but as an investment—an investment in sustainable development” (Lagarde, 2012). In a 2014 interview with the *New York Times*, she rejected the notion that the IMF did not care about inequality—she stressed that inequality was “also part of the [IMF’s] mandate” and was taken into account “[w]hen a country member asks for help and we design together with that country a program, ... [w]hen we redesign energy subsidies with that country, ... [w]hen we try to put in place a social safety net for the poor, ... [w]hen we recommend better financing of pension schemes” (Porter, 2014).

9. **On the social costs of inadequate social protection, a number of articles have sought to link IMF-supported policies to deleterious health outcomes such as higher prevalence of disease, suicide, and infant and maternal mortality** (see Table 1).⁴ Critics have claimed such outcomes were the result of IMF-supported programs, and more specifically IMF conditionality, that led countries to reduce overall public spending on health. For example,

⁴ This discussion is strictly beyond the focus of this evaluation, since the issue relates to the impact of IMF-supported policies on public spending on social programs more generally, especially health and education, rather than on social protection per se, but it is noted here since such concerns are hard to separate completely.

Stubbs and others (2017) claimed that “IMF conditionality reduced government health expenditures in West Africa, the region with the greatest exposure to Fund programmes in Africa.” The IMF, in response, has provided empirical evidence showing that Fund-supported programs are positively associated with an increase in the share of public spending on health and education in LICs (Clements, Gupta, and Nozaki, 2011; see also Gupta, 2010).⁵

D. Targeted Versus Universal Benefits

10. **On the microeconomic level, some critics have argued that the IMF’s preferred approach of targeting social benefits is inefficient and ineffective in providing social protection.** Defining appropriate eligibility criteria for social protection programs and effectively enforcing them requires substantial time and resources. As a result, “in many cases targeting schemes end up being more expensive than universal ones” (Ortiz, Chai, and Cummins, 2011). The targeting approach “runs a high risk of excluding large segments of vulnerable populations” (ILO, 2014) if eligibility criteria are poorly defined and/or if targeting measures are not implemented in a timely manner when universal subsidies are cut. It has also been argued that targeting ends up marginalizing the poor, as services for the poor tend to become “poor services.” Critics of the targeting approach have also pointed out that targeting social protection is challenging for political economy reasons whereas universal benefit programs are more likely to receive support.

11. **More fundamentally, the UN and its related agencies, as well as many CSOs, oppose targeting and support “universalism” in social policy based on the human right to social security set out in Article 22 of the 1948 Universal Declaration on Human Rights.** ILO Recommendation No. 202 calls upon countries to achieve universal coverage with at least minimum levels of protection and to progressively ensure higher levels of protection. Many in the CSO community also believe that the Fund’s targeted approach is inconsistent with the Sustainable Development Goals (SDGs). For example, Kentikelenis, Stubbs, and King (2016) note that “global policy debates around the Sustainable Development Goals are overwhelmingly focused towards the universal provision of key welfare services.” In their view the Fund’s “targeted safety net” approach contradicts this view and, by extension, its perceived commitment to the SDGs.

12. **While the IMF has acknowledged obstacles to efficient and effective implementation of targeting, it nevertheless considers targeted measures to be more effective for protecting vulnerable groups on a fiscally sustainable basis in most cases.** In contrast to its critics, the IMF has highlighted that universal benefit policies can be regressive. For example, Coady and others (2010) emphasized that most of the benefits from universal energy

⁵ Clements, Gupta, and Nozaki’s (2011) findings were based on data from 1985 to 2009. The 2017 Board paper on social safeguards in LIC programs (IMF, 2017) applied the same methodology to data from 1988 to 2014 and confirmed a statistically significant impact on education spending; it did not find statistically significant evidence that IMF-supported programs in LICs were associated with an increase in public spending on health.

price subsidies accrue to relatively high income households.⁶ In a March 2014 post on IMFBlog on how countries can use fiscal policy to achieve their distributional goals, IMF staff recommended replacing “untargeted [social] benefits, such as energy subsidies” with “more targeted programs” (Gupta and Keen, 2014), as outlined in Clements and others (2013).⁷

III. CONCLUSION

13. **Overall, external commentators interviewed for this evaluation remain unconvinced by the IMF’s public statements supporting social protection, arguing that it has been accompanied by limited change in the Fund’s policy actions.** They claimed that the Fund’s stated aim of protecting the most vulnerable was difficult to reconcile with its continued use of “restrictive” macroeconomic targets and conditionality. In interviews, many commentators said they found the IMF’s public communications on how it was protecting the vulnerable to be unconvincing because it did not clearly describe what role the Fund played to promote social protection in specific countries. These interviewees noted that the country examples provided by the IMF (e.g., in the 2016 version of the factsheet on Protecting the Most Vulnerable Under IMF-Supported Programs) usually either described how the IMF supported “social and priority spending” in general rather than spending on social protection specifically or listed social protection measures initiated by countries themselves (or with support/assistance from the World Bank or other agencies rather than the IMF).

14. **The IMF therefore continues to face a challenge in effectively communicating its policies externally.** IEO (2007) found that “IMF communication on aid and poverty reduction [had] contributed to the external impression that the IMF committed to do more on aid mobilization and poverty-reduction analysis.” Subsequently, IEO (2014) “[questioned] whether the Fund’s communications exaggerated its support for countercyclical policies in LICs during and after the food, fuel, and financial crises.” Critics, as noted above, now similarly question whether the IMF’s rhetoric exaggerates its support for the Sustainable Development Goals. The IEO’s (2007) previous recommendation that “the External Relations Department (EXR) should ensure the consistency of institutional communications with Board-approved operational policies and IMF-supported operations” thus appears to remain valid.

⁶ This was also highlighted in Clements and others (2013).

⁷ The 2014 IMF policy paper on fiscal policy and inequality recommended using “means-tested cash transfers” where possible (while minimizing adverse labor market incentives) because means-tested programs can “achieve redistributive objectives at a lower cost than benefits provided to the entire population” (IMF, 2014a). At the same time, it acknowledged that means-testing may not be the socially optimal approach in “countries with a strong preference for providing benefits on a universal basis and the capacity to raise high levels of revenues in an efficient manner with broad popular support” (IMF, 2014a).

Table 1. External Perspectives of the IMF and Social Protection, 2006–16

Title	View(s) on IMF and social protection
UN Agencies	
Islam, I., and others, 2012, "Macroeconomic Policy Advice and the Article IV Consultations: A Development Perspective," International Labour Organization (ILO) Research Paper No. 2	IMF Article IV reports have given insufficient attention to employment generation, poverty reduction and expansion of social protection.
Ortiz, I., 2007, "Social Policy," United Nations Department of Economic and Social Affairs (UNDESA) Policy Note	The IMF takes a piecemeal approach to ex ante distributional analysis, e.g., doing Poverty and Social Impact Analysis only when dealing with reform of public utilities and not for all macroeconomic policy options.
Ortiz, I., J. Chai, and M. Cummins, 2011, "Austerity Measures Threaten Children and Poor Households: Recent Evidence in Public Expenditures from 128 Developing Countries," UNICEF Social and Economic Policy Working Paper	The IMF promotes austerity measures without assessing their potential impact on employment, human development, and inclusive and resilient long-term growth. <i>See also:</i> "Austerity measures risk irreversible impact on children, warns Unicef," <i>The Guardian</i> , September 25, 2011; "IMF's focus on austerity proved 'wrong, wrong, wrong,' say critics," Bretton Woods Project, November 21, 2011.
Ortiz, I., M. Cummins, and K. Karunanethy, 2015, "Fiscal Space for Social Protection: Options to Expand Social Investments in 187 Countries," ILO Extension of Social Security (ESS) Working Paper No. 48	The IMF-World Bank debt sustainability assessment (DSA) framework only takes into account in GDP growth projections returns from investments in physical capital and not returns from investments in human or social capital (spending on primary/secondary education, health, and social protection), which are vital to sustained growth in the longer run. <i>See also:</i> "Fiscal space for human rights exists even in the poorest countries," RightingFinance, May 20, 2015.
Ortiz, I., and others, 2010, "Prioritizing Expenditures for a Recovery for All: A Rapid Review of Public Expenditures in 126 Developing Countries," UNICEF Social and Economic Policy Working Paper	The IMF is encouraging more countries to protect "priority" social spending, however, the specific measures being protected are often not those most essential for directly supporting vulnerable populations, e.g. social protection. <i>See also:</i> "IMF economics put recovery at risk (not to mention people)," Bretton Woods Project, November 29, 2010
Ortiz, I., and others, 2015, "The Decade of Adjustment: A Review of Austerity Trends 2010-2020 in 187 Countries," ILO Extension of Social Security (ESS) Working Paper No. 53	The IMF frequently promotes targeting social programs, however, there are major problems associated with targeting the poor, e.g., it is expensive, excludes vulnerable populations, and is inconsistent with basic human rights. <i>See also:</i> "The Forthcoming Adjustment Shock," ILO Policy Brief, October 2015; "Human rights and the coming austerity shock in 2016," RightingFinance, December 2, 2015.
Ray, N., and L. Schmitz, 2016, "The IMF and the Social Dimensions of Growth: A Content Analysis of Recent Article IV Surveillance Reports, 2014–2015," International Labour Organization (ILO) Employment Policy Department Working Paper No. 202	Discussion of labor markets and inclusive growth in IMF Article IV reports often lacked depth and linkages between growth, employment creation, poverty reduction, and social protection remained unclear.
UNRISD, 2010, <i>Combating Poverty and Inequality: Structural Change, Social Policy and Politics</i> , United Nations Research Institute for Social Development (UNRISD)	The IMF- and World Bank-led Poverty Reduction Strategy Papers (PRSPs) focus on "targeting the poor;" however, when a substantial proportion of a country's population is poor, it makes little sense to detach poverty from the dynamics of development. <i>See also:</i> "UN research rinds defects in poverty reduction approach," <i>The Development Newswire</i> , September 6, 2010; "Structural change and inequality," <i>The Hindu</i> , November 10, 2010.

Table 1. External Perspectives of the IMF and Social Protection, 2006–16 (continued)

Civil Society Organizations	
Caliari, A., and others, 2010, <i>Bringing Human Rights to Bear in Times of Crisis: A Human Rights Analysis of Government Responses to the Economic Crisis</i> , International Network for Economic, Social and Cultural Rights (ESCR-Net)	The IMF continues to condition disbursement of funds on the reduction of fiscal deficits; as a result, several governments have been left with no room or freedom to engage in the countercyclical measures necessary to support economic and social rights. <i>See also:</i> "IMF loans: still pinching vulnerable countries where it hurts most," Bretton Woods Project, April 15, 2010.
CEGAA, 2009, "Evidence of The Impact of IMF Fiscal and Monetary Policies on the Capacity to Address HIV/AIDS and TB Crises in Kenya, Tanzania and Zambia," Centre for Economic Governance and AIDS in Africa (CEGAA)	Quantitative targets and other macroeconomic policies in IMF programs in Kenya, Tanzania, and Zambia have been unnecessarily restrictive, making it difficult to implement a "scaling-up" agenda needed to effectively address HIV/AIDS, TB and other health needs. <i>See also:</i> "IMF censured for stifling fight against Aids," <i>Daily Nation</i> , October 13, 2009; "IMF accused of impeding health sector progress," <i>Business Daily</i> , October 14, 2009.
Goldsbrough, D., 2006, "Does the IMF Constrain Health Spending in Poor Countries? Evidence and an Agenda for Action," Report of the Working Group on IMF Programs and Health Spending, Center for Global Development (CGD)	IMF-supported fiscal programs have often been too conservative or risk-averse; in particular, the IMF has not done enough to explore more expansionary, but still feasible, options for higher public spending. <i>See also:</i> "IMF comments on 'Does the IMF Constrain Health Spending in Poor Countries?'" June 29, 2007.
Griffiths, J., and K. Todoulos, 2014, <i>Conditionally Yours: An Analysis of the Policy Conditions Attached to IMF Loans</i> , European Network on Debt and Development (Eurodad)	The IMF is increasing the number of structural conditions per loan, and remaining heavily engaged in highly sensitive and political policy areas such as recommending cutbacks in welfare programs including pensions. <i>See also:</i> "IMF loan conditions grow despite vows to limit them: study," <i>Reuters</i> , April 2, 2014; "The IMF is failing. Let's reform it," <i>The Guardian</i> , April 3, 2014; "IMF tough love gets even tougher," <i>Irish Examiner</i> , April 11, 2014; "IMF lending can deepen economic crises, says report," Global Government Forum, December 4, 2014
ITUC, 2012, "Submission from ITUC/Global Unions to IMF's 2011 Review of Conditionality," International Trade Union Confederation (ITUC)	There is no evidence that IMF loans negotiated in 2010 with Greece and Jamaica placed "greater emphasis on social protection", with the exception of exemptions to pension and wage cuts granted to low-income earners in Greece.
ITUC, 2013, "Involvement of the International Monetary Fund in Labor Market Reforms in European Countries," International Trade Union Confederation (ITUC) Background Paper	Deregulatory reforms of labor market institutions were a major focus of IMF programs and policy advice in almost all of the following European countries: Greece, Iceland, Ireland, Portugal, Romania, Bulgaria, Spain, Italy, and Germany.
Kyrili, K., and M. Martin, 2010, "The Impact of the Global Economic Crisis on the Budgets of Low-Income Countries," Report for Oxfam	Countries with IMF programs have done better than others on overall MDG spending and in agriculture and education, equally badly on social protection, and worse on infrastructure and health. <i>See also:</i> "IMF at MDG summit: Poor countries should spend less, not more," <i>The Bretton Woods Update</i> , Sep/Oct 2010.
Lefrançois, F., 2010, <i>The IMF, the Global Crisis and Human Resources for Health: Still Constraining Policy Space</i> , Action for Global Health and the Stop AIDS Campaign	Despite IMF rhetoric that it has changed its tune and is now more flexible, its policies in program countries still lead to overly tight macroeconomic practices which severely restrict governments' ability to invest in public health. <i>See also:</i> "IMF economic policies under fire," Bretton Woods Project, February 15, 2010.

Table 1. External Perspectives of the IMF and Social Protection, 2006–16 (continued)

<p>Martin, M., and R. Watts, 2012, <i>Enhancing the IMF's Focus on Growth and Poverty Reduction in Low-Income Countries</i>, Development Finance International (DFI)</p>	<p>Definitions of anti-poverty spending in IMF-supported programs vary enormously. It is unclear why some countries have no spending floors; there is little or no discussion in IMF review documents of why countries have or have not met their floors, and what is being done to ensure that anti-poverty spending increases in future.</p> <p><i>See also:</i> "IMF poverty focus challenged," Bretton Woods Project, July 3, 2012; "IMF lending facilities to low-income countries," <i>Bretton Woods Bulletin</i>, February 2014.</p>
<p>Molina, N., and J. Pereira, 2008, <i>Critical Conditions: The IMF Maintains its Grip on Low-Income Countries</i>, European Network on Debt and Development (Eurodad)</p>	<p>The IMF's conditionality streamlining initiative has had no effect on the number of structural conditions in development loans, many of which "have had disastrous consequences for the poor."</p>
<p>Molina-Gallart, N., 2009, "Bail-Out or Blow-Out? IMF Policy Advice and Conditions for Low-Income Countries at a Time of Crisis," European Network on Debt and Development (Eurodad) Briefing</p>	<p>IMF programs for low income countries grant extremely limited additional flexibility in fiscal and monetary policies.</p> <p><i>See also:</i> "IMF advice paradox," <i>The Bretton Woods Update</i>, Sep/Oct 2009; "Radicals return to the UN," Red Pepper, November 2009.</p>
<p>Momani, B., and D. Lanz, 2014, <i>Shifting IMF Policies Since the Arab Uprisings</i>, The Centre for International Governance Innovation (CIGI)</p>	<p>The IMF has changed its perspective and language regarding the social dimensions of economic policy in response to the uprisings in Egypt, Morocco and Tunisia,</p> <p><i>See also:</i> "Change in IMF Policy Advice to North Africa after the Arab Uprisings," <i>Journal of International Organizations Studies</i> v.5(2), 2014.</p>
<p>Mossallem, M., 2015, "The IMF in the Arab World: Lessons Unlearned," Bretton Woods Project Report</p>	<p>The IMF's interventions in the Arab region are premised upon, inter alia, aggressive privatization and trade and investment liberalization without safeguards to ensure they do not lead to negative social and economic consequences.</p> <p><i>See also:</i> "IMF does not trigger 'bread riots' but sticks to old policies," <i>InDepthNews</i> December, 18, 2015.</p>
<p>Muchhala, B., 2011, "The IMF's Financial Crisis Loans: No Change in Conditionalities," Third World Network (TWN) Global Economy Series 30</p>	<p>The IMF continues to impose procyclical fiscal and monetary policies whose objective is to lower fiscal deficit and inflation levels by reducing public spending and increasing official interest rates.</p> <p><i>See also:</i> "IMF emergency loans: Greater flexibility to overcome the crisis?" <i>The Bretton Woods Update</i> Mar/Apr 2009.</p>
<p>Ortiz, I., and M. Cummins, 2013, <i>The Age of Austerity: A Review of Public Expenditures and Adjustment Measures in 181 Countries</i>, Initiative for Policy Dialogue and The South Centre</p>	<p>The effectiveness of IMF social safeguards in supporting vulnerable populations is questionable because "priority" social spending to be protected under IMF-supported programs includes a wide variety of spending categories.</p> <p><i>See also:</i> "Austerity programs found sapping democracy, human rights in the Middle East," RightingFinance, May 6, 2013; "The austerity pandemic," Project Syndicate, June 14, 2013; "Human rights impacts of taxation, Human Rights Council set to examine," RightingFinance, September 10, 2013.</p>
<p>Rowden, R., 2010, <i>Doing a Decent Job? IMF Policies and Decent Work in Times of Crisis</i>, SOLIDAR</p>	<p>Although increased social protection spending seems to be consistently supported by the IMF, its budget-cut requirements effectively limit the fiscal space available to increase social protection and anti-crisis programs. At best, social protection spending is only maintained (Ethiopia) and in some cases (Latvia) is drastically cut.</p>
<p>Van Waeyenberge, E., H. Bargawi, and T. McKinley, 2010, <i>Standing in the Way of Development? A Critical Survey of the IMF's Crisis Response in Low Income Countries</i>, European Network on Debt and Development (Eurodad) and Third World Network (TWN)</p>	<p>The IMF makes judgements on fiscal policy that take into account the costs of financing a fiscal deficit, but generally fails to factor in the costs of foregone growth and poverty reduction if the widening of the deficit were not allowed. The Fund frequently contradicts its endorsement of protecting social spending by cutting consumer subsidies and raising the domestic prices of food and fuel.</p> <p><i>See also:</i> "IMF loans: still pinching vulnerable countries where it hurts most," <i>The Bretton Woods Update</i>, Mar/Apr, 2010.</p>

Table 1. External Perspectives of the IMF and Social Protection, 2006–16 (continued)

<p>Wanjiru, R., 2009, <i>IMF Policies and Their Impact on Education, Health and Women’s Rights in Kenya</i>, ActionAid International Kenya</p>	<p>IMF policies and their impacts on the Kenyan health sector have made it difficult for the poor to access quality health services. <i>See also:</i> “Book set to spark fresh debate on impact of aid,” <i>Daily Nation</i>, February 19, 2009</p>
<p>Weisbrot, M., and others, 2009, <i>IMF-Supported Macroeconomic Policies and the World Recession: A Look at 41 Borrowing Countries</i>, Center for Economic and Policy Research (CEPR)</p>	<p>IMF policy does not allow or encourage the same types of expansionary macroeconomic policies for low-and-middle income countries as it recommends for the high-income countries. <i>See also:</i> “IMF policies deepened financial crisis, says CEPR,” <i>The Guardian</i>, October 5, 2009; “IMF lending programs: old wolf in sheep’s clothing?” <i>The Bretton Woods Update</i>, Nov/Dec 2009; “CEPR responds to the IMF’s defense of its policies during the world recession,” <i>Real World Economics Review</i>, v. 51, 2009.</p>
<p>Weisbrot, M., and Jorgensen, 2013, <i>Macroeconomic Policy Advice and the Article IV Consultations: A European Union Case Study</i>, Center for Economic and Policy Research (CEPR)</p>	<p>IMF policy advice to European Union countries during 2008-2011 focused on policy issues that would tend to reduce social protections for broad sectors of the population (including public pensions, health care, and employment protections). <i>See also:</i> “New CEPR paper on the contribution of IMF recommendations to the ongoing crisis in Europe,” <i>Progressive Economy</i>, January 30, 2013.</p>
<p>Zaid, A., and others, 2014, <i>Arab Uprisings and Social Justice: Implications of IMF Subsidy Reform Policies</i>, Arab NGO Network for Development (ANNND) and Egyptian Center for Economic and Social Rights (ECESR)</p>	<p>Civil society representatives commonly perceive IMF-backed subsidy policies as failing to safeguard the economic and social rights of citizens in Arab countries. <i>See also:</i> “The Arab world’s subsidy nightmare: pondering alternatives,” <i>Bretton Woods Project</i>, February 2, 2015.</p>
<p>Academics</p>	
<p>Baker, B.K., 2010, “The Impact of the International Monetary Fund’s Macroeconomic Policies on the AIDS Pandemic,” <i>International Journal of Health Services</i> v.40(2)</p>	<p>The IMF continues to prioritize macroeconomic stability over all other development and health concerns.</p>
<p>Batniji, R., 2009, “Reviving the International Monetary Fund: Concerns for the Health of the Poor,” <i>International Journal of Health Services</i> v.39(4)</p>	<p>Reforms in IMF practices and economic assumptions may provide some limited protection of health spending, but fall short of making health and social protection an integral component of efforts promoting economic stability.</p>
<p>Beste, J., and J. Pfeiffer, 2016, “Mozambique’s Debt and the International Monetary Fund’s Influence on Poverty, Education, and Health,” <i>International Journal of Health Services</i> v.46(2)</p>	<p>The IMF’s macroeconomic framework limits investment in public services, including education and health, by focusing on the short-term costs rather than the long-term benefits.</p>
<p>Broome, A., 2015, “Back to Basics: The Great Recession and the Narrowing of IMF Policy Advice,” <i>Governance</i> v.28(2)</p>	<p>Although the IMF’s policy advice has become narrower since the Great Recession, it remains committed to fiscal austerity through civil service reductions and the reallocation of public spending from sector subsidies toward targeted social spending.</p>
<p>Caraway, T.L., S.J. Rickard, and M.S. Anner, 2012, “International Negotiations and Domestic Politics: The Case of IMF Labor Market Conditionality,” <i>International Organization</i> v.66</p>	<p>The IMF is responsive to domestic politics and citizens’ interests—democratic countries with stronger domestic labor receive less intrusive labor-related conditions in their IMF loan programs.</p>

Table 1. External Perspectives of the IMF and Social Protection, 2006–16 (continued)

<p>Charalampous, E., and others, 2014, "Impacts of the Economic Crisis on Access to Healthcare Services in Greece with a Focus on the Vulnerable Groups of the Population," <i>Social Cohesion and Development</i> v.9(2)</p>	<p>The MoUs between the Greek Government and the Troika (IMF, ECB and EU) required major cuts to hospital and pharmaceutical expenditure. A consequence is waiting times to receive public health services have increased.</p>
<p>Clegg, L., 2014, "Social Spending Targets in IMF Concessional Lending: US Domestic Politics and the Institutional Foundations of Rapid Operational Change," <i>Review of International Political Economy</i> v.21(3)</p>	<p>Post-2009 social-spending targets have become a near universal feature of IMF concessional lending arrangements.</p>
<p>Goulas, E., and A. Zervoyianni, 2016, "IMF-Lending Programs and Suicide Mortality," <i>Social Science and Medicine</i> v.153</p>	<p>Participation in IMF programs increases suicide-mortality rates.</p>
<p>Grabel, I., 2011, "Not Your Grandfather's IMF: Global Crisis, 'Productive Incoherence' and Developmental Policy Space," <i>Cambridge Journal of Economics</i> v.35(5)</p>	<p>The IMF has failed to move beyond rhetoric in protecting the dispossessed in countries facing crisis, but the rhetoric itself marks an important break with the past that legitimizes a concern for the poor as a criterion for evaluating Fund policies in the future. <i>See also:</i> "Not your grandfather's IMF: The emergence of policy space in the wake of global economic crisis?" TripleCrisis, March 1, 2010; "IMF loans: still pinching vulnerable countries where it hurts most," The Bretton Woods Update, Mar/Apr, 2010; "Failing to fix the foundations," <i>The Bretton Woods Update</i>, Sep/Oct 2010.</p>
<p>Hoddie, M., and C.A. Hartzell, 2014, "Short-Term Pain, Long-Term Gain? The Effects of IMF Economic Reform Programs on Public Health Performance," <i>Social Science Quarterly</i> v.95(4)</p>	<p>Negative health consequences of IMF adjustment programs are apparent in the immediate aftermath of signing an agreement as well as years after the adoption of one of these types of loan programs.</p>
<p>Kentikelenis, A., and others, 2014, "Greece's Health Crisis: From Austerity to Denialism," <i>The Lancet</i> v.383(9918)</p>	<p>The IMF ignored the social costs of requiring Greece to implement austerity measures that would reduce health-care access. <i>See also:</i> "Tough austerity measures in Greece leave nearly a million people with no access to healthcare, leading to soaring infant mortality, HIV infection and suicide," <i>The Independent</i>, February 20, 2014; "Greece and creditors guilty of 'denialism' over public health crisis," <i>EU Observer</i>, February 21, 2014; "Greece: austerity takes a heavy toll on public health," University of Cambridge, February 21, 2014.</p>
<p>Kentikelenis, A., 2015, "Bailouts, Austerity and the Erosion of Health Coverage in Southern Europe and Ireland," <i>European Journal of Public Health</i> v.25(3)</p>	<p>The IMF, in exchange for loans, required Greece, Ireland, Portugal, and Cyprus to reform their health systems in a manner that had a disproportionate, negative effect on the most vulnerable populations.</p>
<p>Kentikelenis, A., and others, 2015, "The International Monetary Fund and the Ebola Outbreak," <i>The Lancet</i> v.3</p>	<p>IMF programs weakened health systems in Guinea, Liberia, and Sierra Leone, leaving the countries unprepared to contain the spread of Ebola. <i>See also:</i> "IMF policies blamed for Ebola spread in West Africa," <i>BBC News</i>, December 22, 2014; "Did the International Monetary Fund help make the Ebola crisis?" <i>The Washington Post</i>, December 30, 2014; "IMF response to <i>The Lancet</i> article on 'The International Monetary Fund and the Ebola Outbreak,'" January 4, 2015; "The IMF's role in the Ebola outbreak," Bretton Woods Project, February 2, 2015.</p>

Table 1. External Perspectives of the IMF and Social Protection, 2006–16 (continued)

<p>Kentikelenis, A.E., T.H. Stubbs, and L.P. King, 2015, "Structural Adjustment and Public Spending on Health: Evidence from IMF Programs in Low-Income Countries," <i>Social Science and Medicine</i> v.126</p>	<p>The relationship between IMF programs and health expenditures in low-income countries is positive for Sub-Saharan Africa but negative for other regions.</p>
<p>Kentikelenis, A.E., T.H. Stubbs, and L.P. King, 2016, "IMF Conditionality and Development Policy Space, 1985–2014," <i>Review of International Political Economy</i> v.23(4)</p>	<p>IMF conditionality establishing social spending floors often remain unmet, hence "the IMF has not lived up to its own hype of promoting social protection." <i>See also:</i> "Researchers question increase in structural conditions in IMF loans to countries," <i>United News of India</i>, May 24, 2016; "The IMF has not lived up to its own hype on social protection," <i>The Guardian</i>, May 31, 2016; "Did the IMF actually ease up on structural adjustment? Here's what the data say," <i>The Washington Post</i>, June 2, 2016; "Can the IMF leopard change its spots?" Bretton Woods Project, June 29, 2016.</p>
<p>Kotsios, P., and V. Kotsios, 2014, "IMF and Social Indicators: A Story of Love or Hate?" <i>International Journal of Economics and Finance</i> v.6(11)</p>	<p>Most IMF loans are attached with the obligation to follow specific policies and conditions, most of which negatively affect social indicators.</p>
<p>Maynard, G., E.J. Shircliff, and M. Restivo, "IMF Structural Adjustment, Public Health Spending, and Tuberculosis: A Longitudinal Analysis of Prevalence Rates in Poor Countries," <i>International Journal of Sociology</i> v.42(2)</p>	<p>IMF adjustment programs hinder a country's ability to provide health services for its citizens by draining already scarce resources away from the domestic economy and social welfare programs, particularly national health-care initiatives.</p>
<p>McKinley, T., 2010, "Has the IMF Abandoned Neoliberalism?" <i>Development Viewpoint</i> No. 51</p>	<p>The IMF places tight limits on any discretion for fiscal policy, preferring to rely on the operation of automatic stabilizers, such as progressive taxes or social insurance programs; however, such stabilizers are virtually non-existent in low-income countries.</p>
<p>Ooms, G., and R. Hammonds, 2009, "Scaling Up Global Social Health Protection: Prerequisite Reforms to the International Monetary Fund," <i>International Journal of Health Services</i> v.39(4)</p>	<p>The IMF has actively pursued policies against the development of social protection within countries, by cutting social spending budgets in fields such as health and education as the primary mechanism to prevent inflation.</p>
<p>Pandolfelli, L.E., J. Shandra, and J. Tyagi, 2014, "The International Monetary Fund, Structural Adjustment, and Women's Health: A Cross-National Analysis of Maternal Mortality in Sub-Saharan Africa," <i>The Sociological Quarterly</i> v.55(1)</p>	<p>Sub-Saharan African nations that receive an IMF adjustment loan tend to have higher levels of maternal mortality than sub-Saharan African nations that do not receive such a loan.</p>
<p>Reeves, A., and others, 2014, "The Political Economy of Austerity and Healthcare: Cross-National Analysis of Expenditure Changes in 27 European Nations 1995–2011," <i>Health Policy</i>, v.115(1)</p>	<p>IMF borrowers were significantly more likely to reduce healthcare budgets than non-IMF borrowers. <i>See also:</i> "Can we blame the recession for healthcare austerity?" <i>Cost of Living</i>, October 17, 2014.</p>
<p>Ruckert, A., and R. Labonte, 2013, "The Financial Crisis and Global Health: The International Monetary Fund's (IMF) Policy Response," <i>American Journal of Public Health</i> v.103(6):9</p>	<p>There remains a wide gap between the rhetoric and the reality of the IMF's policy and programming advice, with negative implications for global health.</p>

Table 1. External Perspectives of the IMF and Social Protection, 2006–16 (concluded)

<p>Salomon, M.E., 2015, "Of Austerity, Human Rights and International Institutions," London School of Economics (LSE) Law, Society and Economy Working Paper 2/2015</p>	<p>Greece, under the influence of the IMF, implemented austerity policies that violated its citizens' rights to social security. It is an example of the insufficient degree to which socio-economic rights are reflected in the IMF's design and oversight of national economic policy.</p>
<p>Stubbs, T., and others, 2017, "The Impact of IMF Conditionality on Government Health Expenditure: A Cross-National Analysis of 16 West African Nations," <i>Social Science and Medicine</i> v.174</p>	<p>IMF conditionality is associated with reduced government health expenditures in West Africa. <i>See also:</i> "How years of IMF prescriptions have hurt West African health systems," <i>The Conversation</i>, February 22, 2017.</p>
<p>Stuckler, D., and S. Basu, 2009, "The International Monetary Fund's Effects on Global Health: Before and After the 2008 Financial Crisis," <i>International Journal of Health Services</i> v.39(4)</p>	<p>IMF programs have been significantly associated with weakened health care systems, reduced effectiveness of health-focused development aid, and impeded efforts to control tobacco, infectious diseases, and child and maternal mortality. <i>See also:</i> "An Evaluation of the International Monetary Fund's Claims about Public Health," <i>International Journal of Health Services</i> v.40(2), 2010; "Response of the International Monetary Fund to its Critics," <i>International Journal of Health Services</i> v.40(2), 2010; <i>The Body Economic: How Austerity Kills</i>, 2013; "How austerity kills," <i>The New York Times</i>, May 12, 2013; "Recessions can hurt, but austerity kills," <i>The Guardian</i>, May 15, 2013.</p>
<p>Stuckler, D., L.P. King, and S. Basu, 2008, "International Monetary Fund Programs and Tuberculosis Outcomes in Post-Communist Countries," <i>Public Library of Science (PLoS) Medicine</i> v.5(7)</p>	<p>IMF programs are associated with significantly worsened tuberculosis incidence, prevalence, and mortality rates in post-communist Eastern European and former Soviet countries. <i>See also:</i> "Rise in TB is linked to loans from IMF," <i>The New York Times</i>, July 22, 2008; "Could IMF loans be causing TB deaths?" <i>Scientific American</i>, July 24, 2008; "Reply to 'IMF Programs and Tuberculosis Outcomes in Post-Communist Countries'," July 24, 2008.</p>
<p>Williams, C., and M. Maruthappu, 2013, "Healthconomic Crises: Public Health and Neoliberal Economic Crises," <i>American Journal of Public Health</i> v.103(1)</p>	<p>The IMF has singled out public health care as one of the primary contributors to Greece's indebtedness. The results of Greece's public health reform have not hitherto been heartening.</p>

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