

TB and IMF

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[Tuberculosis (TB), a treatable disease, kills 1.7 million people a year worldwide.]

TB incidence, according to the World Health Organization seems to be correlated to broad social factors, like access to clean water and sanitation, HIV incidence and national health expenditures.

A just published study in the journal PLoS (Public Library of Science) Medicine investigates the role of different possible explanatory factor: the International Monetary Fund (IMF). The researchers' study focuses on the period 1991 to 2003 for the former Soviet Union and Eastern Europe, a region for which there is robust data.

The results: The researchers concluded "that IMF economic reform programs are strongly associated with rises in tuberculosis **mortality** rates in post-communist Eastern European and FSU [former Soviet Union] countries, even after correcting for potential selection bias, tuberculosis surveillance infrastructure, levels of economic development, urbanization, and HIV/AIDS."

"We estimated an increase in tuberculosis mortality rates when countries participate in an IMF program, which was much greater than the reduction that would have been expected had the countries not participated in an **IMF** program. On the other hand, we estimated a decrease in tuberculosis mortality rates associated with exiting an IMF program."

In other words: When countries entered IMF programs, TB rates went up. When the programs ended and countries escaped from IMF influence, TB rates went down.

OK, but the region was in chaos after the fall of the Soviet Union. **Economies** crashed and per capita income plummeted. Crime rose, incarceration rates jumped. HIV spread. Aren't these the real factors behind rising TB rates?

Explains Sanjay Basu of Yale University, one of the study authors: "First of all, not all of these countries in this region were dependent on the former Soviet Union. Many of them actually had an increase in GDP after the fall of the former Soviet Union. Several were not part of the trading bloc. And in some of the key countries where TB rates rose, we actually saw an increase in economic growth. So economic downturns could not explain, as the WHO itself has stated, the trends of tuberculosis in that regions. Something else was going on."

"The reason we use such heavy statistics is precisely to factor in these other issues — incarceration, HIV, changes to the economy, changes to the healthcare infrastructure. We found a statistically independent effect of the IMF. That's not to say that the IMF was the only cause of TB in this region. The economy, incarceration, HIV — these are all very important, but those factors could not fully explain TB in the region."

The PLoS study found that participating in an IMF program correlated with increases in tuberculosis incidence of 13.9 percent and an increase in TB mortality rates of 16.6 percent. Basu says that, if the study results are valid, they suggest "we would have averted tens of thousands of deaths and hundreds of thousands of new cases" if countries in the region had never entered IMF programs.

The theory of the study authors is that IMF programs drive down healthcare spending, and this reduced investment in healthcare explains the rise in TB incidence and death. Basu emphasizes, correctly, that the issue is not so much the IMF directing countries to spend less on health. Rather, it imposes a set of policy constraints — including overall limits on government spending, and needlessly low inflation targets -that inevitably result in countries spending less on health.

There are always variations between regions, but there is nothing about the PLoS researchers' story that suggests things are any different in Africa, the region where the IMF now exerts the most influence. Not surprisingly, the IMF has rejected the PLoS findings. "Severe methodological shortcomings limit the scope of these results and prevent any causal interpretation," asserts an IMF response that is much more subdued than comments from spokespeople. "The fundamental problem is that —this study does not take properly into account that countries implement IMF-supported reforms in times of economic distress."

Says the IMF response: "The authors do not take into account that the economic and social instability following the collapse of Soviet Union may have had a direct impact on TB incidence in the 21 transition economies considered in the study."

The problem with this line of argument is that it is not true. The authors did take the economic and social instability into account. Can anything be done about IMF policies with such harmful impacts? Yes. The IMF is a human creation, not a force of nature.

The United States Congress will next year have a unique opportunity to influence IMF policy. The IMF needs approval from the Congress to go ahead with plans to sell some of the gold it controls. This gold would be used to fund the IMF's administrative costs — a new income stream the IMF desperately needs. Interest payments from middle-income countries previously paid for administrative costs, but these countries have paid back their loans in order to escape from IMF influence.

As the US Congress looks to approve gold sales to finance the IMF, it must insist that the IMF first end the mandates that effectively restrict countries' health spending, and force borrowing countries to implement a discredited market fundamentalist policy agenda. □□□