

# 'Adjustment with a human face' shows how usurers kill children

by Mary Lalevée

*How International Bankers and IMF Bureaucrats Kill Children* would be a more appropriate title for a recent study by the United Nations Children's Fund (UNICEF), *Adjustment with a Human Face—Protecting the Vulnerable and Promoting Growth* (1987). This study was only published after more than a year's delay, probably to dilute some of the conclusions.

The facts presented in this book are a clinical analysis of the effects of International Monetary Fund (IMF)-imposed austerity measures on children's health. Complex sociological "analysis" is made of some shocking facts, the most simple of which is that after years of gradual decline in infant mortality in sub-Saharan Africa, thanks to modern medicine and improved nutrition, the number of deaths has increased substantially over the last five years. A similar picture is given for Latin America. The UNICEF study delicately remarks that this increase in infant mortality in Africa is due to "the combined effect of drought and prolonged economic plight."

The authors document that economic policies recommended by the IMF and the international banking institutions to the developing sector nations directly lead to a worsening of children's health, and to increased mortality. Cuts in food subsidies, cuts in government expenditure on social services and health care, lower wages, higher unemployment due to the closing of government-run enterprises—all these lead directly to children dying.

To quote from the introduction by Giovanni Andrea Cornia, "After nearly three decades of steady progress, child welfare sharply deteriorated in many developing countries during the first half of the 1980s. The evidence provided by the 10 country studies published in Volume II shows that the nutritional status of children has deteriorated in all but 2 of the 10 (South Korea and Zimbabwe). Although the gravity of the deterioration and its causes vary substantially from country to country, this general increase in malnutrition clearly points to a major change in long-term trends, extending far beyond that due to drought in Africa alone. In addition, infant and/or child mortality rates—indicators which had for two decades shown a strong downward trend—showed some reversal in trend in three of the eight countries where data is available (Chile, Brazil, and Ghana), while in others a marked deceleration of the rate of improvement was observed. The decline in the health situation of children is further confirmed

by the increasing incidence of communicable diseases like typhoid, hepatitis, tuberculosis, gastro-intestinal diseases, malaria and yaws, observed in at least 4 of the 10 countries analyzed, as a result of the general deterioration of the living environment and of reduced prophylactic measures. Education has also been hit severely. With the exception of South Korea, Botswana, and Zimbabwe, in every country included in the analysis, there have been declines in primary enrollment and completion rates or serious deterioration in the quality of education."

(The 10 countries in the study are Botswana, Brazil, Chile, Ghana, Jamaica, Peru, Philippines, South Korea, Sri Lanka, and Zimbabwe).

In Africa, Ghana is the model pupil of the IMF, beginning a harsh program of IMF austerity measures in 1978, intensified under the government of Lt. Col. Jerry Rawlings in 1983.

## More poor people, less to eat

Some of the conclusions from the study of the economies of these 10 countries are the following:

"1) The number of people below a given poverty line has almost certainly increased in Ghana, the Philippines, Chile, Jamaica, Peru, and until 1984, Brazil. . . . In Ghana, for instance from 1974-1984, the proportion in poverty is estimated to have increased from 60-65% to 70-75% and from 30-35% to 45-50% for rural and urban areas respectively. . . .

"2. Real government expenditure per capita in the social sector declined in six of the countries (Brazil, Chile, Peru, Philippines, Ghana, Jamaica) while increasing in Zimbabwe, Botswana, Sri Lanka, and South Korea. . . .

"3. Expenditure on food subsidies or supplementary feeding declined in the four countries for which precise data are available (Sri Lanka, Chile in 1983, Peru, and Zimbabwe in 1982-83). In the first two countries, the decline in real food subsidies and supplementary feeding is clearly associated with declining nutritional indicators.

"4. Finally, there is some evidence that the time of mothers allocated to child care declined as women increased their participation in the labor force in order to compensate for the declining incomes of the male members of the family (Chile, Philippines, and Peru). Indirect evidence of declines in the time allocated by parents to child care is also provided by the growing number of street- and abandoned children in Brazil

and the Philippines.”

The report goes on to look at the availability and use of food of key social services: “1. Declines in food intake (or availability) have occurred, either on average or for the bottom 20 to 40% of the population, in Sri Lanka, Brazil, Peru, Philippines, and Ghana. In Sri Lanka, per capita daily calorie consumption of the bottom 20% of the population declined from 1,500 in 1978 to 1,370 in 1982, while in Ghana estimated food availability as a percentage of requirements declined from the late 1970s to early 1980s from 88 to 68%. . . .

“2. Changes in the health sector. The situation is more complex in the health sector, where the extension of services might, on balance, have suffered proportionately less. On the one hand there are indications of closure of health facilities for budgetary reasons (Jamaica), or reduced immunization coverage, and of increases in hospital consultations for curative purposes (São Paulo, Brazil). . . . There is also evidence that in Ghana the sharp reduction in staffing and rising costs provoked an 11% decline per year in health unit attendance between 1979 and 1984. On the other hand, South Korea increased medical insurance and aid cover rapidly, while in Zimbabwe and Botswana there has been a fast expansion in the provision and use of preventive health services. . . .

“3. In the education sector the decline in service availability, and particularly in actual service coverage, between 1979 and 1985 is very clear. With the usual exception of South Korea, where a pre-existing program of tuition exemption for the children of the poor was expanded during the recession of 1979-81, and of Zimbabwe, where primary enrollment expanded, in all other countries analyzed there is evidence of declining primary school enrollment rates (Philippines, Chile, Sri Lanka), increasing drop-out rates (Brazil, Peru, Sri Lanka) and of massive losses of qualified teachers (Ghana and Jamaica). In Ghana for instance, more than 4,000 fully qualified teachers left the school system between 1977 and 1981.”

### **Infant mortality**

On the question of child survival and welfare, the UNICEF reports that the Infant Mortality Rate (IMR) (i.e., rate of deaths of infants in their first year), which had been steadily declining over the last three decades, has either stopped declining, in the better-off developing countries, or actually increased. In Brazil, there was a “steep increase” of IMR in 1984, and in Ghana there was a “substantial increase.” A similar picture emerges with the CDR (child death rate), i.e., the rate of death of children aged between one and five years. UNICEF writes that the “increases in infant and child mortality in sub-Saharan Africa are expected to be the strongest, owing to the combined effect of drought and of prolonged economic plight. While recent IMR data are completely absent, there are strong indications that the number of deaths, particularly among the very young and the very old, increased

substantially in 1984, and 1985, and might still have been above average in 1986 in several countries of the region.”

Malnutrition has been on the increase in every country in the study, with the exception of South Korea and Zimbabwe. In Ghana and Peru, malnutrition increased around 50%, while in other countries it ranges from 10-25%. In Sri Lanka, there was an increase from 6.1% to 9.4% in nutritional wasting of children aged 6-60 months between 1978 and 1983. In Ghana, the proportion of preschool children with weight for age below the third percentile of the reference population increased from about 34% to about 52% between 1980 and 1983.

In sub-Saharan Africa, according to figures from the Catholic Relief Service, malnutrition increased by various degrees among children aged 6-42 months in Madagascar, Rwanda, Lesotho and Burundi between 1981 and 1985. In Zambia, the percentage increase of malnutrition as a cause of mortality for the age bracket 1-14 years increased from 27% to 43% between 1978 and 1982.

The figures go on and on: UNICEF points to the causes with some striking graphics. One graph shows the direct inverse correlation between the unemployment rate in the United States, and the infant mortality rate under one day, from 1915 to 1967, yet another argument that unemployment is directly linked to ill health and death. Another graphic shows the direct link between reduced government expenditures on food subsidies, and increased child malnutrition in Sri Lanka, 1970-82. Yet another shows the direct correlation between working hours, infant mortality, and low birth-weight in the northeast of Brazil, 1977-84. One concrete example of the effect of increased food prices is described:

“In 1974 and 1975 floods in Bangladesh and poor harvest in India led to a general rise in the price of staple food (rice and wheat) throughout the region . . . the price of rice and wheat more than doubled. The average prices of these foods in 1975 were Tk.6.60 per seer (\$0.46/kg) for rice and Tk.5.00 per seer (\$0.37/kg) for wheat flour. The daily wage never rose above TK.10.00 per day, so that it was not possible to meet the minimum calorie needs of a family even if work was available every day of the year, which, of course, it is not. As would be expected, the crude death rate rose more than 50% and the increased deaths were concentrated among the poor, the very young, and the very old. Deaths due to malnutrition, diarrhea and tuberculosis accounted for almost all the excess mortality. . . . The number of deaths observed in the next four years correlates quite well with the price of rice. Excess deaths in 1976 reflect a combination of measles epidemic and residual malnutrition. . . . Economic improvement and consequent improved availability of food were associated with 70% reductions of deaths due to malnutrition and diarrhea among landless and marginal families.”

### **Consequences of cutting food subsidies**

In this case, bad weather could be blamed for these deaths.

## In perspective . . .

The human lives lost in Africa, can be seen against the backdrop of a two-day "World Food Conference: 1988" in Brussels, Belgium, reported on in *EIR*'s April 22 issue. The meeting was nominally sponsored by European Parliament president Henry Lord Plumb, but actually engineered by a new "International Policy Council on Agriculture and Trade," fronting for the giant multinational food conglomerates such as Cargill, Ferruzzi, Archer-Daniels-Midland, Unilever, Nestlé and others—the food cartel which is driving American and European family farmers out of business.

The conference came to a pre-arranged conclusion: "Cut the surpluses. Reduce the Third World subsidies. Be courageous." Lord Plumb himself stated, "The action that needs to be taken in the Third World could be as follows: the reduction of state involvement in the supply and marketing of agricultural production."

One African delegate noted from the audience that if the present world output of grain were "increased by only 50%, the problem of world hunger and malnutrition would be solved." This is precisely what the giant multinational food conglomerates are determined not to allow to happen.

However, in the last 15 years, the IMF and World Bank have insisted on developing countries' cutting subsidies on food prices, which has led to exactly the same results, higher food prices and more children dying.

The UNICEF report examines the effect of IMF programs on developing countries, and in very understated tones, states that "overall, prevailing adjustment programs tend to increase aggregate poverty, or in other words the number of people—and of children—living below the poverty line. . . . Besides the overall effect on poverty that an adjustment package tends to have, some of its specific components have a direct and unambiguous impact on particular socio-economic groups, at least in the short term. Because of the nature of the deprivations they might cause (death, brain-damaging and growth-retarding malnutrition, permanent disease-caused impairment, etc.) these effects are of a long-term nature and cannot be dismissed as part of the short-term belt-tightening necessary for growth restoration. For example, a growing amount of evidence indicates that:

"1) Indiscriminate cuts in government health expenditure, often part of an adjustment program, leads to declines in the health status of the population. Macedo (in Vol. II of the study) documents delays in the implementation of the Expanded Program of Immunization in São Paulo State (Bra-

zil) that led to an outbreak of deadly communicable diseases among children, while the case study on Ghana illustrates the sharp deterioration in indicators such as incidence of infectious diseases and disease-specific mortality rates following cuts in primary health care expenditure.

"2) A radical reduction in real food subsidies in Sri Lanka . . . led to an increase in third-degree malnutrition among the children of the poorest. Similarly, [the study] indicates that in Chile in 1983 the cancellation of a budget-financed child-feeding program, part of an overall attempt to reduce the fiscal deficit, led to a statistically significant nation-wide increase in child mortality. The latter resumed its downward decline as soon as the program was reintroduced.

"3. Sharp increases in food prices, resulting from rises in producer prices or from devaluation, unless accompanied by compensatory measures can cause malnutrition to rise among those around or below the poverty line. In Gambia, for instance, child malnutrition increased when a Fund-Bank (IMF-World Bank) supported adjustment program led to an increase in food prices without accompanying buffering measures. . . ."

The report also notes that the effect of these austerity measures on the overall economic health of the nations was hardly positive. Improvements in current balance account were recorded in 56% of the countries implementing IMF measures in the 1980s, mainly by drastic cutting back of imports, but "in almost 60% of these countries growth deteriorated or did not improve in the first program year, and real investment levels also declined or stagnated between 1980 and 1983 in almost 60% of countries with Fund-assisted programs. With falling output, and at best mixed evidence about changes in income distribution in many developing countries, the number of people in poverty in many 'adjusting countries' increased."

What conclusions can be drawn from these facts? IMF policies not only kill the population in the developing sector, they do not even lead to any improvement in the economies they are theoretically supposed to benefit! UNICEF concludes that "in the longer term, resumed economic growth is essential to permit continued protection and improvements in human conditions in both middle- and low-income countries. Improved external conditions—especially a reversal of the negative resource flows to the Third World now occurring—will be essential."

The future of the developing sector's children can only be assured by fundamental changes in the international economic system, as proposed by U.S. Democratic presidential candidate Lyndon LaRouche, starting with closing down the International Monetary Fund and the World Bank.

### Reference:

*Adjustment with a Human Face. Protecting the Vulnerable and Promoting Growth: A Study by UNICEF*, edited by Giovanni Andrea Cornia, Richard Jolly, Frances Stewart. Oxford University Press, 1987.