

Rethinking solutions for debt sustainability and health for all

Zambia's severe economic crisis, marked by a growing debt burden and high inflation, threatens both economic stability and decades of progress in health outcomes, especially for the most vulnerable. With the right measures, focusing on restructuring debt while securing vital social spending, Zambia has a clear opportunity to recover and protect the health needs of all Zambians.

INTERNATIONAL MONETARY FUND LOAN AND AUSTERITY MEASURES



In 2022, Zambia joined the IMF's Extended Credit Facility programme as part of its efforts to restructure its debt and stabilize the economy. The attached austerity measures, however, have led to reduced social spending and contributed to increased cost of living.

For example, by removing electricity and fuel subsidies, a cascade of price increases occurred in sectors like food and health. In turn, this constrained the provision of essential services.



THE IMPACT ON PEOPLE'S HEALTH

The austerity measures hit vulnerable people in society, especially women, children and people with disabilities, the hardest. Child poverty is on the rise, while child health and nutrition are deteriorating.

Health infrastructure has expanded, but remains underused and understaffed, in spite of recent recruitments. Zambia only has 1 doctor per 12,000 people – well below the WHO's recommendation of 1 per 5,000.

7 actions for a healthy economic recovery

Zambia and the IMF should take actions that enable the country to recover its economic stability while also providing the right healthcare for all.

- 1 The government of Zambia should continue its debt restructuring efforts to unlock funds for social services and improve debt sustainability.
- 2 The government of Zambia and the IMF must ensure a meaningful, timely and inclusive civil society engagement in discussions around debt.
- 3 In its analysis of the country's debt sustainability, the IMF should consider external factors and crises in the recipient country. Its framework should include humanitarian and development needs along with GDP projections.
- 4 The IMF should consider gendered effects of the conditionalities in their ECF programmes, and adapt these to ensure these do not increase poverty and inequality.
- 5 The IMF should encourage progressive instead of regressive taxation, and focus on corporate taxes, wealth taxes and curbing illicit financial flows.
- 6 The IMF should adjust social spending floors in ECF programmes to realistically meet country-specific needs, ensuring essential services are always protected.
- 7 The IMF should measure the indirect effects their programmes have on access to essential services, particularly health, to mitigate potential negative effects.

These findings come from a study by Make Way Zambia. The Make Way programme conducts intersectionality-based research and advocacy for sexual and reproductive health and rights for all. Scan the QR code to read the full report.



Embracing
Intersectionality
for Health Equity
& Justice



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Make health justice happen