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## **Position Statement**

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

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## **Background**

Standards of health care often decline in developing countries that are affected by efforts to meet debt repayments. This has a negative impact on health, including maternal and child health. Debt is inherent in the-existing global economic system, which favours rich over poor countries. The recent recession in the developed world has reduced demand for imports from developing countries, forcing those countries to borrow money to meet their needs. High interest rates are imposed on re-payments leading to a relentless cycle of debt. Foreign creditors take priority over payment for public services; nevertheless debts have been increasing instead of decreasing.

Women and children suffer particularly from poor nutrition and living conditions, less access to free or affordable health care and family planning. Women and girls also receive less education - a key factor in good health. Women are forced to work more outside their home, with less time for childcare and breastfeeding.

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.

## **Position**

ICM supports the complete cancellation of debt owed by heavily indebted poor countries as an important part of a wider economic reform programme (including fairer terms of trade for developing countries) to reduce poverty and inequality.

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ICM recognises that health and safe motherhood are inextricably linked to economic practices that decrease poverty and inequality.

ICM Midwives believes that:

- The negative impact that payment of debts has on governments and their ability to provide adequate maternal and child health and health care in many developing countries.
- Complete cancellation of international debt is required to enhance health, including safe motherhood.

### **Recommendations**

Member Associations are urged to join with local organisations active in campaigning for complete debt cancellation.

### **Other relevant documents**

Sachs J. (Chair). Macroeconomics and health: Investing in health for economic development. Report of the Commission on Macroeconomics and Health, Geneva: World Health Organization, 2001.

IMF. 2013. Factsheet: Debt Relief under the Heavily Indebted Poor Countries (HIPC) Initiative

IMF. 2013. HIPC at a Glance. Fall 2013.

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0,,contentMDK:20260411~menuPK:64166739~pagePK:64166689~piPK:64166646~theSitePK:469043,00.html>

### **Adopted at Glasgow Council meeting, 2008**

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*Due for next review 2020*