

# **Global South Action Plan:**

Protecting lives and livelihoods  
from COVID-19



# Summary

Coronavirus has revealed some painful political truths. It has exposed the management of the global economy as flawed, contradictory and deadly. National response plans have varied from oblivious to draconian but there's undeniable consensus on the grave threat to both lives and livelihoods.

The crisis is projected to cause the biggest economic decline since the 1930s.<sup>1</sup> Although the true cost of the COVID-19 crisis remains unknown, trillions of dollars have been committed in the global north already. Rich countries have already committed more than \$7 trillion to boost health spending and bail out economies.<sup>2</sup> Yet data shows that it's people in developing countries, with weak health systems and precarious economies and livelihoods, who will face the greatest devastation and the hardest recovery. Despite the late arrival of coronavirus in Africa, its ratio of deaths to cases is already higher than Italy, Spain and the US.<sup>3</sup>

With almost half of the world's poorest countries already facing debt distress<sup>4</sup>, resources desperately needed for health and social protection are tied up in interest payments. Nobel prize-winning economists have warned of "massive economic losses, social disruption, violence and security issues" as they warned G20 leaders of an "unprecedented collective threat" in the developing world.<sup>5</sup> The UN and the IMF agree that the developing world urgently needs at least \$2.5 trillion in international support – over ten times the amount that has so far been pledged.<sup>6</sup>

ActionAid is calling for *unprecedented collective action* for leaders across the global south to secure the cash injection required to fix failing health systems, shore up safety nets and avert a looming debt and economic crisis. Now that almost half of the world's population is in lockdown<sup>7</sup>, the informal economy has been decimated and this hits women hardest. African Finance Ministers have already called for \$100 billion for immediate needs and agree the road to recovery will be long.<sup>8</sup>

**On Wednesday 15 April 2020, G20 Finance Ministers will meet virtually at the IMF/World Bank Spring meetings.** Chancellors and economists have the opportunity to attack COVID-19 with urgent measures to protect lives and livelihoods.

**This briefing outlines how immediate healthcare funding for low-income countries must come from a one-time aid boost. It recommends leaders of the global south collaborate on a debt strike to afford progressive stimulus packages for people not big companies. ActionAid also calls on the member countries of the IMF to approve the release of at least \$4 trillion in immediate liquidity support to stop weak economies from collapsing (through Special Drawing Rights, as happened after the 2008 financial crisis).**

New research from ActionAid identifies the contradictions in the global economy and breaks down how much debt servicing is outstripping public spending in the global south. **Several countries, some with COVID-19 cases already, are spending more than three times as much on external debt servicing than on health.**

ActionAid's new report, *Who Cares for the Future: finance gender responsive public services!* exposes detrimental IMF loan conditions which have pushed **80% of low-income countries to plan zero increase in their public sector wages.** When countries are told to contain their wage bill, it means fewer doctors, nurses and frontline health workers in countries already desperately short of medics. This was a dangerous practice even before the COVID-19 pandemic and is unthinkable now.

The coronavirus pandemic and the ongoing climate crisis have revealed a deeply flawed global economic model that puts profit before people and planet. We urgently need to rebuild health, education and social protection systems ravaged by decades of austerity. Our research outlines how low-income countries can double social spending in the post COVID-19 recovery period by increasing their tax-to-GDP ratios by one percentage point each year. [see page 11].

ActionAid's ongoing humanitarian response to the COVID-19 outbreak, working through community networks, gives us a unique standing to recommend how national governments in the global south can prioritise their response planning, to ensure the money targets those hit first and worst.

## References:

<sup>1</sup>Mckinsey 'Imperative of our time' March 2020

<sup>2</sup>CNN Business 27.03.20

<sup>3</sup>Johns Hopkins University 30.03.20

<sup>4</sup>UN Trade and Development 30.03.20

<sup>5</sup>The Guardian 27.02.20

<sup>6</sup>UN News 30.03.20

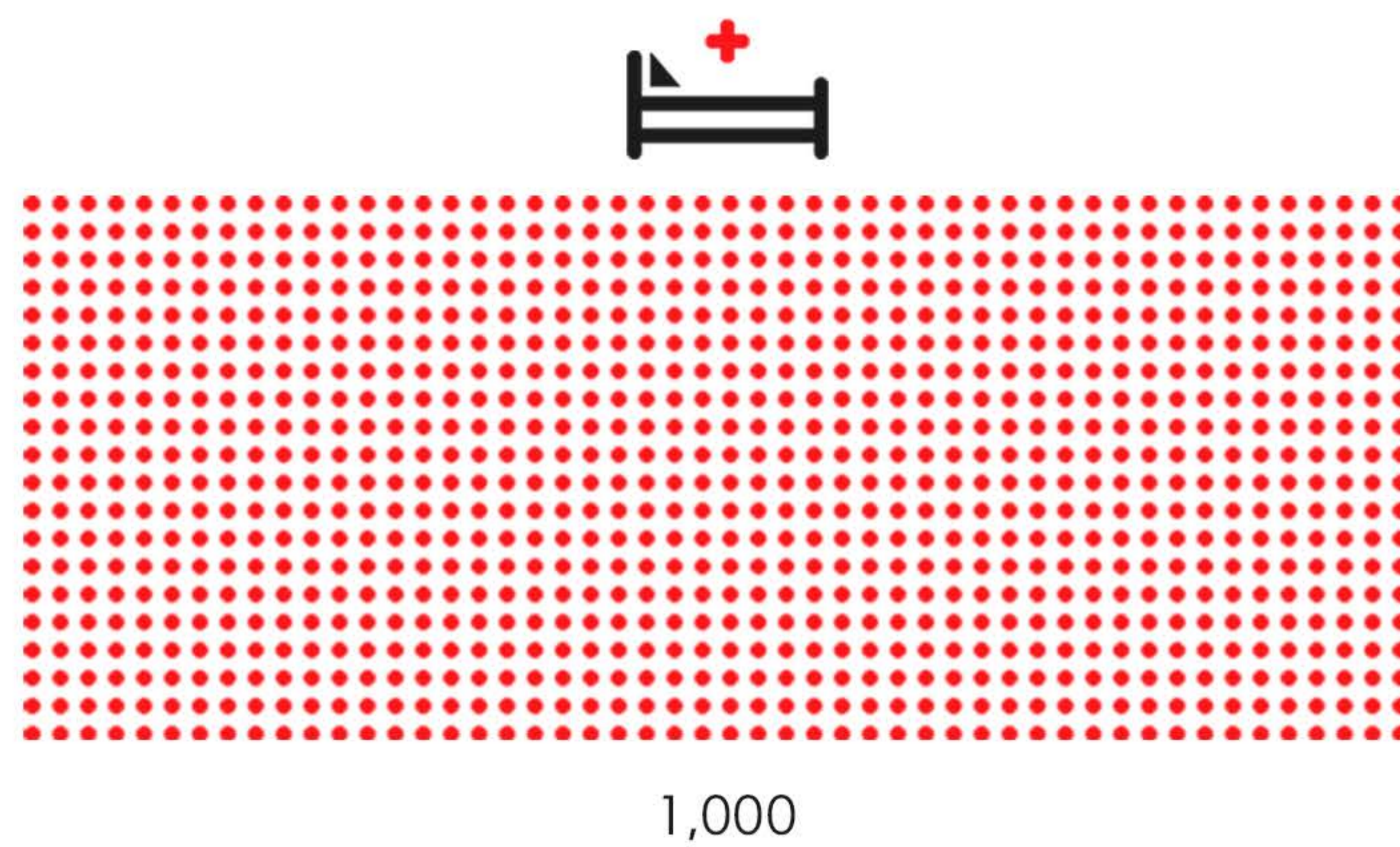
<sup>7</sup>AFP via EuroNews 03.04.20

<sup>8</sup>UN Economic Commission for Africa 31.03.20

## 1

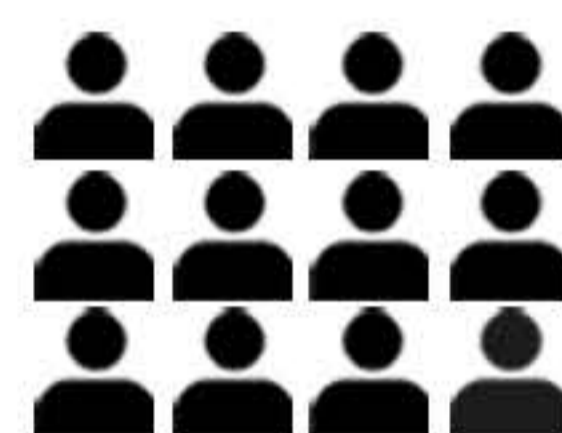
### An immediate cash injection for the poorest health systems

The World Health Organisation (WHO) recommends countries should spend \$86 per person per year on health services<sup>9</sup>. Yet Uganda spends \$6 and Malawi spends \$8 per head. There are just 1.2 beds per 1,000 people in Africa and most of these are concentrated in urban areas.

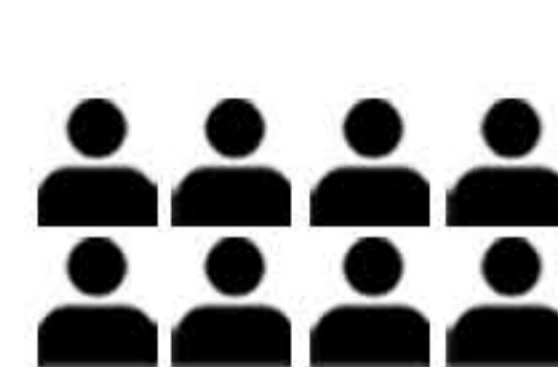


WHO also recommends that there are at least 44.5 physicians per 10,000 people but today there are twelve in Zambia, eight in Uganda and just two in Tanzania.<sup>10</sup>

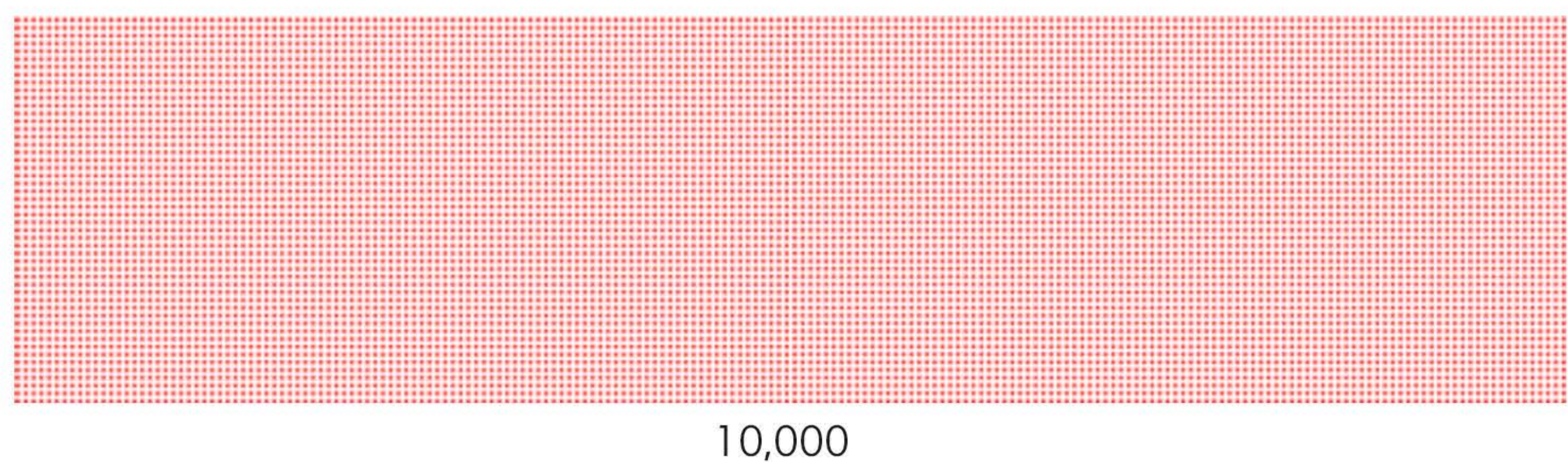
Zambia



Uganda



Tanzania



ActionAid is calling for a one-time aid boost through the world's richest countries committing long promised but undelivered overseas development assistance (ODA), for a COVID-19 low-income country emergency fund. This would mobilise an additional **\$500 billion**<sup>11</sup> - a quarter of the last decade's missing ODA - for the countries likely to be hit hardest by the pandemic.

#### References:

<sup>9</sup>Wemos Health Unlimited

<sup>10</sup>InfoPlease 2007

<sup>11</sup>UN Trade and Development 30.03.20

# 2

## Leaders in the Global South must unite in the fight against COVID-19

### DEBT STRIKE ACROSS THE DEVELOPING WORLD

Africa is crippled by a new debt crisis. Many low-income countries are now spending over 20% of their government revenue on repaying their debts; with Angola and Ghana both spending over 55%<sup>12</sup>.

*Developing country governments should announce an immediate suspension of all debt payments to all creditors (public & private) until 2022; they should also withhold interest payments on bonds for the same period. They should do so unilaterally, or through regional bodies such as the African Union.*

By suspending debt payments immediately, finance ministers gain access to money already sitting in their treasuries<sup>13</sup>, rather than waiting for international processes to decide on debt relief. By acting together, they reduce the chances of retaliation via penalties and reduced access to future capital. Eurodad estimates that the suspensions of payments to all creditors until 2022 would free up \$50.4 billion for low-income countries alone.<sup>14</sup>

The alternative path, to wait for international agreement on debt relief, risks losing precious time responding to the pandemic and its impacts on people and livelihoods. The IMF and World Bank requested G20 leaders to act by suspending bilateral debt payments but beyond promising to “address the risk of debt vulnerabilities,” the leaders’ summit on 26th March committed to nothing.

### REFUSE LOAN ADVICE WHICH HARMS PEOPLE

*Developing country governments should announce, multilaterally, that they will stop observing IMF policy conditions which harm their people. They should ignore advice which obstructs their capacity to mobilize resources and protect citizens from grave health risks, including hunger, thirst, and loss of livelihoods.*

Many developing country governments already have loan programs with the IMF, which come with economic policy conditions. Even those that don’t are given “advice” by the IMF each year through its surveillance process. The IMF can suspend programs with governments that don’t follow their conditions and other creditors monitor governments’ adherence to determine their own investment and lending decisions.

**ActionAid’s new research finds that when countries are told to contain their public sector wage bill, it means fewer doctors, teachers, nurses and frontline health workers.** In practice this means countries cannot spend more on health without falling foul of the IMF. Sadly, the IMF is failing to learn from the worst Ebola outbreak in history (2013-14). Two of the countries worst affected by Ebola - Sierra Leone and Guinea-Conakry – have present IMF programmes that project a decline in health budgets.<sup>15</sup>

The IMF has recently issued a set of helpful recommendations to governments battling COVID-19 including lowering interest rates, wage subsidies for firms and individuals, “extraordinary recruitment” for the health sector, extending unemployment insurance, and cash transfers to those without means. None of these measures are affordable for developing countries, and many of them would explicitly violate the IMF’s conditions and advice.<sup>i</sup>

#### References:

<sup>12</sup>Jubilee Debt Campaign April 2019

<sup>13</sup>Jürgen Kaiser, 2020

<sup>14</sup>Eurodad 24.03.20

<sup>15</sup>Gino Brunswijck, Unhealthy Conditions, Eurodad 28.11.18

<sup>i</sup>IMF 15.03.20

## GLOBAL CREDIT TO KEEP WEAK ECONOMIES AFLOAT

*Low income countries don't have spare cash to keep their citizens and economies afloat through a crisis of this size. Special Drawing Rights (SDRs) were allocated by the IMF after the 2008 global financial crisis; a much larger infusion is now required.*

*Member governments of the IMF, and particularly the richest ones, who control decision-making, should agree to IMF management's request to its member countries that they approve an emergency allocation of Special Drawing Rights. The amount of SDRs should be 3 trillion (equal to about \$4.1 trillion)<sup>17</sup>.*

It is estimated that an allocation of 3 trillion SDRs would put **\$250 billion** at the disposal of African central banks<sup>18</sup>. By relieving pressure on ordinary currency reserves and making resources available, that amount could be the cushion the world's poorest region needs to survive Covid-19<sup>19</sup>. The G20 leaders have not yet responded to the IMF's request that a "sizeable" SDR allocation be approved.

## REDUCE CAPITAL FLIGHT

All developing country governments should institute **capital controls** to prevent large-scale capital flight, as has already happened in many emerging market countries.

Capital controls prevent large amounts of cash from leaving a country, usually by imposing daily limits on external transfers. When uncertainty or instability threatens, investors, who in the case of many developing and emerging economies had flooded the country with deposits in order to reap higher interest rates, pull out their money suddenly. As the contours of the pandemic started to become clear, many of the bigger emerging markets saw sudden outflows, which have wreaked havoc on their economic stability. While it is too late to remedy that problem, the use of those controls, usually discouraged by the IMF, should become common in developing countries that need to protect their resources.

# 3

### How to spend the money:

### ActionAid is advising leaders of the global south to follow '5 Principles for COVID-19 response plans' to target the most vulnerable

- Properly finance public health and other vital public services (including re-nationalising health care providers and ensuring informal workers can access health care).
- Response and recovery plans must not reinforce gender inequalities. ActionAid's new report shows how the global economy relies on women's unpaid care and domestic work – which will rise exponentially during the COVID-19 pandemic. Response and recovery packages must provide women with income support and special measures to protect them from gender-based violence.
- Break the cycles of inequality. Focus on youth as the victims of debt and the gig economy; cash transfers to workers in the informal sector; minimum basic income as required; support for small-holder farmers).
- Bail out workers not shareholders and ban bonuses because gambling trillions of tax dollars on stimulating the stock market can't fix the shortage of hospital beds or put food on the table.
- Restrictions on civil liberties must be proportionate and temporary. ActionAid is extremely concerned about lockdowns interfering with democratic processes as in Hungary, inciting police brutality as in Kenya and South Africa, and being used as an excuse for increased online surveillance as in Thailand.

Limits on freedom of movement, freedom of assembly, privacy and democratic process in the context of Covid-19 must be clearly set in law, non-discriminatory, temporary and proportionate to the risk to life. They must not be extended beyond the pandemic or be mis-used for other purposes. We will be tracking this across 20 countries.

#### References:

<sup>17</sup>Centre for Economic and Policy Research 13.03.20

<sup>18</sup>The Nation 23.03.20

<sup>19</sup>Eurodad 27.03.20 unpublished correspondence

# Corporate Bailouts

*Corporate bailouts should not be a top priority in any country. Resources must first go to stabilizing the health sector and ensuring the economic survival of the most vulnerable.*

Bailouts should be used only where jobs have been lost or are at serious risk and where companies do not have the wherewithal to take ordinary market-rate loans. Recipients must guarantee that all employees will be retained or rehired, paid fair rates in keeping with reasonable ratios to the company's highest pay rates, all labor rights, including the right to organise, respected.

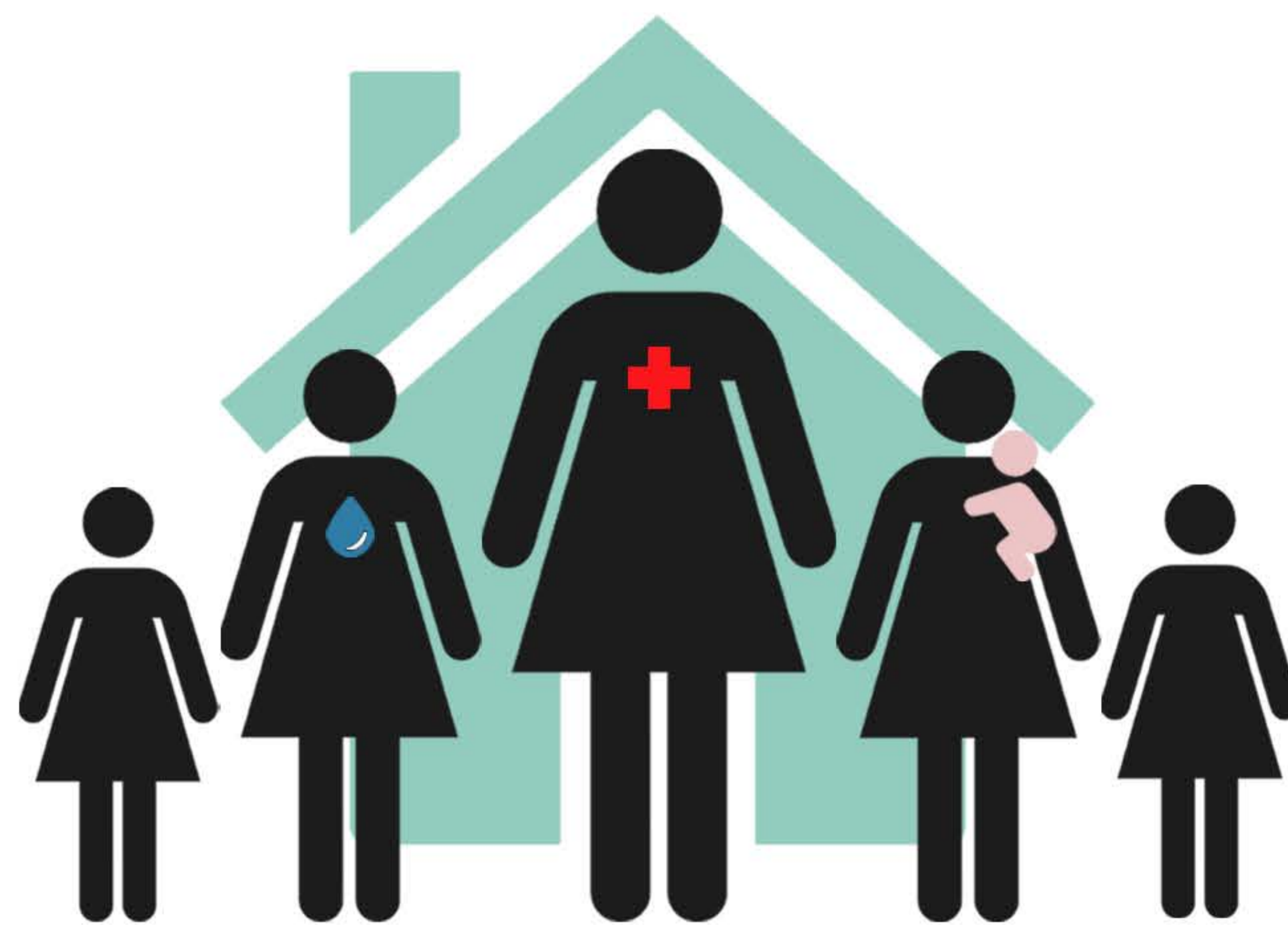
**Companies must also be barred from paying dividends to shareholders, bonuses to executives, or "buying back" shares through the end of 2021.** They should also be required to institute public country-by-country reporting of their profits and revenues as a transparency measure to guard against tax avoidance/evasion.

Public bailouts must lead to a greener economy and not subsidise fossil fuels or polluters. Climate disasters won't stop for the pandemic. This is an opportunity for structural change to fix the broken economy for people and planet.

## Key findings from ActionAid's new report

Who Cares for the Future: finance gender responsive public services!

🦠 COVID-19 is a women's emergency



- 🦠 2/3 of health sector jobs globally are held by women.
- 🦠 The majority of women's work is in the informal economy, without sick leave and unemployment benefits.
- 🦠 School closures mean women are caring for children at home.
- 🦠 Most domestic workers are undocumented, migrant women.
- 🦠 Girls are often responsible for collecting water but without basic services like clean water they are more vulnerable to COVID-19.

# 🦠 Debt is Strangling Public Spending

Public services in the developing world have been chronically underfunded for decades, leaving countries woefully unprepared to fight this global pandemic.

A new debt crisis is squeezing public spending in low income countries and it is getting worse. The amount of revenue governments spend on paying debt has risen sharply in recent years and **21 countries are now spending over 20% of their government revenue on debt service; with Angola and Ghana both spending over 55%.**

For this report, ActionAid and Jubilee Debt examined 60 low and middle-income countries looking at countries which exceeded the mid-point of what the IMF would call a 'moderate debt risk' - which we calculate as countries which spend more than 13% of their revenue on debt servicing. Our new research shows that those countries who spend more than 13% of their budgets in debt servicing are invariably forced to cut their spending on public services.

In the 30 countries (half the total) with the highest debt payments (over 13% of government revenue) – real public spending per person (taking account of inflation) fell by 6% between 2015 and 2018. In the 30 countries with debt payments under 13% of government revenue, public spending per person grew by 14%. This makes it very clear that higher spending on debt means lower spending on public services - and this in turn means a continuing, even deepening exploitation of women's unpaid care and domestic work to fill the gaps.

To explore this further we looked at the amount countries are projected to spend on debt servicing in 2019 as a percentage of the amount they are projected to spend on health. We found that **several countries (Kenya, Ghana and The Gambia) are spending more than three times as much on external debt servicing as they are investing in health. Congo is spending five times its health budget on foreign debt repayments.** Clearly this is unsustainable.



# Debt is Strangling Public Spending

Country	2019 Total Debt Servicing	2019 Domestic Debt Interest	2019 External Debt Service	Health Spending 2019	% of External Debt Servicing vs Health
Congo-Brazzaville	\$1.56bn	\$192m	\$1.37bn	\$256m	527%
Kenya	\$6.68bn	\$2.67bn	\$4.01bn	\$1.11bn	361%
The Gambia	\$199m	\$53m	\$146m	\$45m	328%
Ghana	\$6.48bn	\$2.38bn	\$4.10bn	\$1.28bn	319%
Senegal	\$891m	\$190m	\$701m	\$358m	196%
Zambia	\$2.27bn	\$819m	\$1.45bn	\$771m	188%
Cote d'Ivoire	\$1.54bn	\$354m	\$1.19bn	\$653m	182%
Bangladesh	\$9.31bn	\$4.43bn	\$4.88bn	\$2.77bn	176%
Tanzania	\$1.85bn	\$742m	\$1.11bn	\$758m	146%
Mozambique	\$1.06bn	\$405m	\$655m	\$463m	141%
Benin	\$348m	\$189m	\$159m	\$114m	139%
Niger	\$386m	\$96m	\$289m	\$233m	124%
Central African Republic	\$51m	\$4m	\$46m	\$46m	102%
Ethiopia	\$1.58bn	\$208m	\$1.37bn	\$1.39bn	99%
Rwanda	\$349m	\$97m	\$252m	\$255m	99%
Haiti	\$213m	\$52m	\$161m	\$189m	86%
Mali	\$312m	\$129m	\$183m	\$215m	85%
Madagascar	\$198m	\$54m	\$144m	\$171m	84%
Sierra Leone	\$287m	\$199m	\$88m	\$109m	81%
Malawi	\$407m	\$285m	\$122m	\$162m	76%
Togo	\$210m	\$126m	\$85m	\$111m	76%
Liberia	\$85m	\$32m	\$53m	\$82m	65%
Uganda	\$586m	\$210m	\$376m	\$626m	60%
Burkina Faso	\$392m	\$172m	\$220m	\$424m	52%
Lesotho	\$109m	\$34m	\$75m	\$184m	41%
Afghanistan	\$94m	-	\$94m	\$240m	39%
Nepal	\$377m	\$149m	\$228m	\$596m	38%

Sources: JDC and ActionAid, using IMF/WB data.



# Show us the money!

We also estimated how much extra cash countries would have had on hand to add to their overall budgets for public services (including health, education, water and others) in 2019 if their debt servicing was suspended.

In **Bangladesh**, debt servicing currently runs at 29% of government revenues – that's 86% of the health and education budgets combined. 60,000 doctors and 280,000 nurses are required to fill immediate gaps in Bangladesh.<sup>20</sup> An emergency external debt suspension would generate an additional \$4.8 billion, enough to pay all their salaries and still leave \$2 billion for other emergency measures.

**Ghana** has one of the highest debt servicing costs in the world, at 59% of GDP. An emergency external debt suspension would generate an additional \$4 billion for spending on public services. Ghana could double its 115,650 health-workers and still have \$1 billion left over.

**Kenya** has very high debt servicing costs, at 36% of GDP in 2019. This is causing debt payments to triple (as a proportion of its revenues) in just two years – as much money goes in paying debt as the total spending on education and health combined. In the event of a Covid-19 emergency suspension of all external debt servicing this would generate an additional US\$4 billion for spending on public services. Currently the country is spending around \$30 per person – well below the \$86 recommended amount to achieve basic universal healthcare. The resources from debt cancellation could free up enough money to “top this up” to a public spend of \$86 for every Kenyan citizen, as recommended by WHO. Kenya could have been better prepared for COVID response and still have \$1 billion left over for other emergency protective measures.<sup>iii</sup>

A **debt strike** by developing countries on foreign debt is particularly urgent in the context of Covid-19. When faced with such a new health emergency, governments must be allowed to spend the money they raise in taxes on a comprehensive public response, not paying old debts. In the post COVID-19 recovery phase, Finance Ministers in the Global South should also address domestic debt as part of a planned debt reduction scheme.

## 🦠 Austerity is preventing developing countries from being able to prepare for pandemics

The IMF is now regularly producing progressive research and policy reports in Washington, but their practice at country level remains little changed from the days of Structural Adjustment Programmes. We found conclusively that the IMF holds down public spending by imposing unnecessarily low inflation targets (in 80% of countries). It also imposes strict deficit targets (in 96% of countries) even where there is a compelling case for countries to spend more on public services. And most worryingly the IMF advises a freezing or cutting of public sector wage bills (in 78% of countries) which actively prevents countries from employing more teachers, doctors, nurses or care workers. Even where the IMF makes exemptions for health and education spending, the effect is a usually a freeze, which is deeply problematic for countries who have desperate shortages of teachers and doctors.

Unless the IMF moves away from containing public sector wage bills there is little prospect of countries achieving the Sustainable Development Goals. Our call for governments to resist the ideology of austerity and invest urgently in public sector workers becomes even more urgent in the context of COVID-19.

### References:

<sup>20</sup>Bangladesh News24

# Post COVID-19 recovery planning

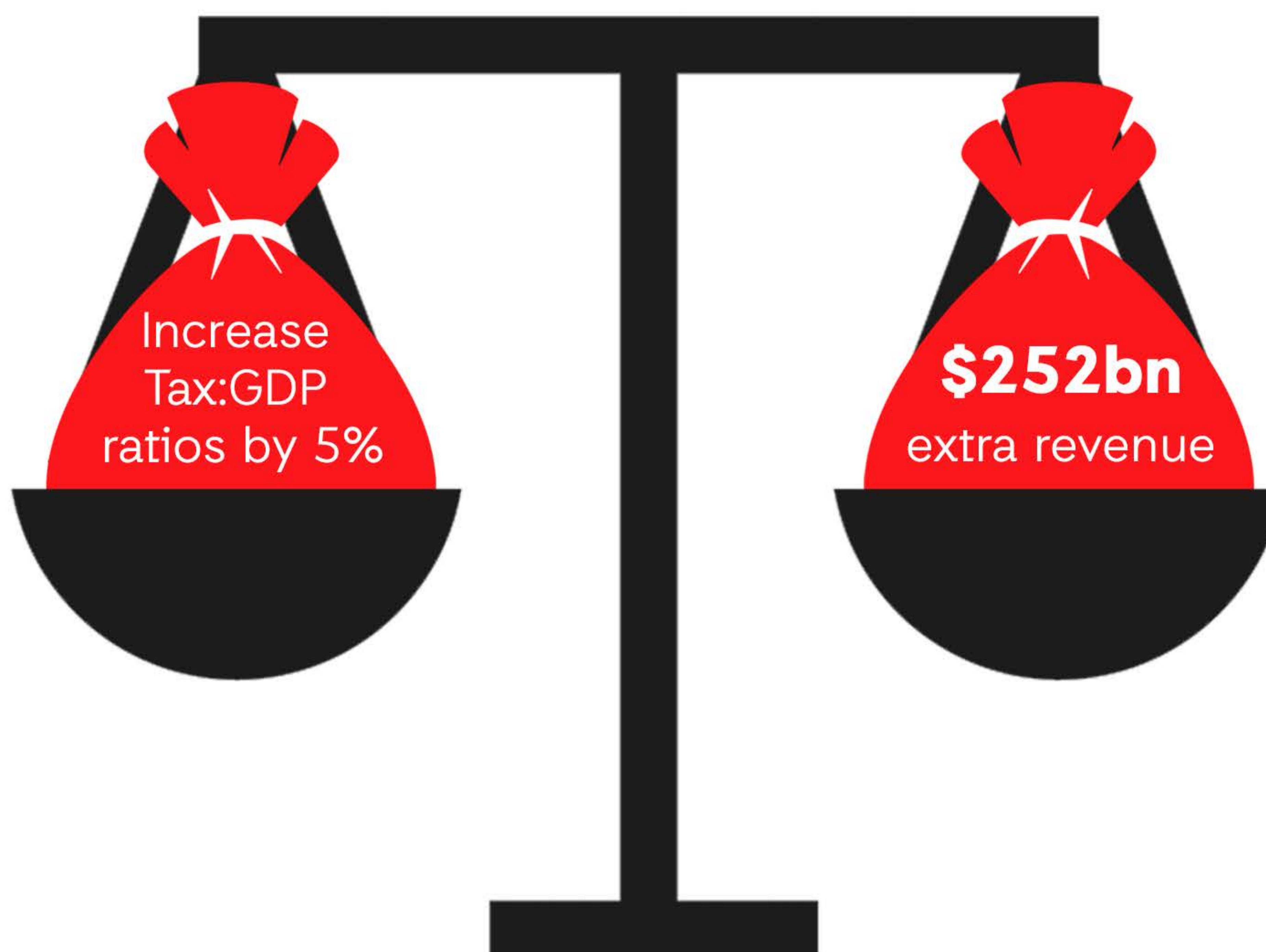
## 🌐 Developing countries need sustainable tax bases

Taxation is widely recognized as the most reliable, sustainable and democratic way of funding the state budget and public services. While aid and loans might provide temporary support, they are not a sustainable solution. A bare minimum of at least 20% tax-to-GDP ratio is needed to deliver on the Sustainable Development Goals.<sup>21</sup> Scandinavian countries tend to have over 40% tax-to-GDP.<sup>22</sup> The IMF suggests that many countries could increase their tax to GDPs ratios by 5% in the medium term (around 5 years) through a combination of tax policy and tax administration measures.<sup>23</sup>

To test the theory, ActionAid conducted original research, with experts from an African revenue authority, into the revenue potential from six progressive tax reforms in Malawi, Mozambique and Nigeria – showing that there is considerable space for a significant revenue increase. The proposed reforms, focusing on personal income tax, corporate tax, incentives, property taxes and luxury consumption, could translate into an increase in the tax-to-GDP ratio of 1% in Nigeria, 2% in Malawi and a staggering 6% in Mozambique.

Action on tax could enable governments to double their health budgets and still have millions, sometimes billions of dollars left over.

## Developing Countries



*In the table on page 11, we have calculated what additional revenue could be generated by a 5% increase in tax-to-GDP ratios, by 2023 (broadly in line with IMF recommendations), and what this would mean in terms of spending on gender responsive public services.*

### References:

<sup>21</sup>UNDP. What Will It Take To Achieve the Millennium Development Goals? *An International Assessment*. June 2010

<sup>22</sup>OECD Better Life Index

<sup>23</sup>Shukla, P. et al. Strengthening Domestic Resource Mobilization:

Moving from Theory to Practice in Low- and Middle-Income Countries. *Directions in Development*. World Bank and IMF, Washington DC, 2011



<b>Country</b>	Extra Revenue in 2023 with 5% increase (compared to 2017)	Could double budgets from current levels across social sectors...	...and still be left with
<b>Afghanistan</b>	\$1.5bn	Education, health and social protection	\$371m
<b>Bangladesh</b>	\$32bn	Education, health and social protection	\$17bn
<b>Benin</b>	\$1.3bn	Education, health, social protection and WASH	\$556m
<b>Burkina Faso</b>	\$1.8bn	Education and health	\$410m
<b>Central African Republic</b>	\$172m	Education, health and WASH	\$70m
<b>Colombia</b>	\$30.8bn	Education, health and social protection	\$3m
<b>Congo-Brazzaville</b>	\$1.9bn	Education, health and social protection	\$1m
<b>DRC</b>	\$8.2bn	Education, health, social protection and WASH	\$6m
<b>Ecuador</b>	\$6.3bn	Education	\$963m
<b>Ethiopia</b>	\$11.6bn	Education, health and WASH	\$5.89bn
<b>The Gambia</b>	\$156m	Education and health	\$19.9m
<b>Ghana</b>	\$7.8bn	Education, health, social protection and WASH	\$3bn
<b>Guatemala</b>	\$6.2bn	Education, health and WASH	\$2.7m
<b>Haiti</b>	\$1.8bn	Education and health	\$1.3m
<b>Jamaica</b>	\$1.2bn	Health, social protection and WASH	\$218m
<b>Jordan</b>	\$3.2bn	Education, health and WASH	\$2.8m
<b>Kenya</b>	\$10bn	Education, health, social protection and WASH	\$3.8m
<b>Lesotho</b>	\$283m	Education	\$62m
<b>Madagascar</b>	\$1.2bn	Education, health, social protection and WASH	\$547.4m
<b>Malawi</b>	\$732m	Education, health and social protection	\$97.6m
<b>Mali</b>	\$1.8bn	Education, health, social protection and WASH	\$620m
<b>Mozambique</b>	\$1.3bn	Education and health	\$0
<b>Nepal</b>	\$4.4bn	Education, health and social protection	\$2.3bn
<b>Niger</b>	\$979m	Education, health, social protection and WASH	\$121.6m
<b>Rwanda</b>	\$1.3bn	Education, health, social protection and WASH	\$697.5m
<b>Senegal</b>	\$7.6bn	Education, health, social protection and WASH	\$5bn
<b>Sierra Leone</b>	\$380m	Education, health, social protection and WASH	\$56.2m
<b>South Africa</b>	\$27.9bn	Education	\$3.5bn
<b>Tanzania</b>	\$6.4bn	Education, health, social protection and WASH	\$3.3bn
<b>Togo</b>	\$598m	Education, health and WASH	\$201.5bn
<b>Uganda</b>	\$3.1bn	Education, health, social protection and WASH	\$1.5bn
<b>Zambia</b>	\$6.2bn	Education, health, social protection and WASH	\$3.7bn
<b>Zimbabwe</b>	\$2.4m	Health	\$3k

# Conclusion

A robust public health service is not a luxury that we pay for if we can, it is the very foundation of wealth and security. Health needs to be paid for sustainably and fairly. National health systems cannot be run on short-term aid and loans.

Low-income countries need to be supported to strengthen their own tax systems in a fair way so that the wealthiest individuals and companies contribute to guaranteeing public services for all. Until then, women will continue to bear the brunt of unpaid care and domestic work, populating the informal economy and low paid health sector jobs. COVID-19 risks the health and wealth of women the most.

We estimate that the recommendations made in this report could **reduce the number of hours women spend on unpaid care and domestic work globally by 9 billion hours every single day by 2030.**<sup>iv</sup> ActionAid demonstrates that it is affordable to double spending on education, early childcare, health, water, social protection and other services such as energy and agricultural extension. This would halve the time spent by women on caring for children and the sick, and the time spent collecting water and fuel – which constitute a major part of their unpaid care and domestic work. Freeing women up to find paid employment increases their resilience to crises like COVID-19 in the long term.

## ENDS

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### About ActionAid

ActionAid is a global federation working for a world free from poverty and injustice.

ActionAid is responding to the COVID-19 crisis in countries hardest hit and countries most vulnerable.

### Notes to Editors

*<sup>i</sup>IMF policy versus practice: As a measure of its power, the IMF is advertising the banner figure of one trillion dollars that it has made available to lend to national governments; \$50 billion of which can be moved on an emergency basis, without drawn-out negotiations. Note that, of the \$50 billion available on a fast-disbursing basis, only \$10 billion is available for low income member countries like Ethiopia or Cambodia; the rest is for middle income countries. The IMF is not getting money to the countries which are most likely to need it – those where public health systems and economies are least prepared to respond.*

*Its list of welcome emergency suggestions to inject cash into economies and support the most vulnerable include: cash transfers to the impoverished; substantial extension of unemployment insurance; injecting liquidity into credit markets; facilitating debt rollovers if credit becomes unavailable; wage subsidies for firms and for individuals; tax relief for those unable to pay (not US-style tax cuts for the rich); extended sick leave; “sizable support” for public services; and “extraordinary recruitment” for the health sector.*

*But its power is shaped, and limited, by its politics, which means that the developing economies most in need of this support are the least likely to be able to benefit.*

*Most of these remedies run counter to the IMF's standard neo-liberal policy advice to governments. Debt, poverty and the stringent austerity measures it attaches to its loans on deficits, public sector payroll, and inflation levels mean that most of the IMF's Covid-19 recommendations are entirely unaffordable for governments in Africa, Asia, and Latin America.*

*Even Abebe Selassie, director of IMF's Africa department, has told the Financial Times the continent faced its deepest economic challenge in several generations and suggested bilateral lenders should consider immediate debt relief while the IMF would waive debt payments for the poorest countries. He recommended African governments must temporarily abandon fiscal austerity.*

*<sup>ii</sup>SDRs are a “global reserve asset” issued by the IMF periodically to all member countries. There is no cost to allocating them, but they are awarded according to countries’ IMF “shareholding,” meaning the rich countries get the most. In order to have a practical number for poorer countries, the total amount must be huge. The rich governments that get the bulk of an SDR allocation could donate theirs to those that need it more.*

*SDRs are held by central banks only and can be converted to practical currency through a convoluted but inexpensive process, so long as other central banks are willing to accept them in exchange for their currency, a process managed by the IMF.*

*<sup>iii</sup>Average wages of nurses: <http://www.salaryexplorer.com/salary-survey.php?loc=18&loctype=1&job=11189&jobtype=3> and [data on health spending: http://apps.who.int/nha/database/ViewData/Indicators/en](http://apps.who.int/nha/database/ViewData/Indicators/en)*

### <sup>iv</sup>Methodology of unpaid care calculation:

*Bayas, B. Care Debt – Patriarchy and Capital on the Offensive – Feminist Economics as a Solution. 2017 assesses data from 64 countries representing two thirds of the world's working age population showing that 16.4 billion hours per day are spent in unpaid care work. So in total 24 billion hours a day are spent doing unpaid care and domestic work. The major elements in the workload that are referred to by Magdalen Sepulveda's UNSR report are: domestic work (meal preparation, cleaning, washing clothes, water and fuel collection) and direct care of persons (including children, older persons and persons with disabilities, as well as able-bodied adults). Table 11 in the report shows that by taking action on expanding taxes progressively, alone many countries could double their spending within 3-5 years on health, education (including early childhood care and education), water and sometimes also social protection or other services (e.g. energy – a big one for reducing time spent on fuel collection). Other actions to suspend or reschedule debt (see table 4) could also dramatically increase spending on public services. Equally action to end austerity and lift public sector wage bill containment could release more resources. The combination of these actions could, by 2030 transform the financing base for all public services in all developing countries (sometimes even quadrupling resources available). The impact of this should be to half the time spent on care of children and the sick and elderly at home – and improvements in infrastructure for water and energy would cut by more than half the time spent on collecting water and fuel. At a conservative estimate that would mean saving 12 billion hours per day (for both women and men). As women do approximately three-quarters of the present unpaid care and domestic work they would save 9 billion hours every day.*