Expanding Responsibilities: The Consequences of World Bank and IMF Policies on Child Welfare

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The child’s right to life is a human right guaranteed by Articles 3 of the 1948 Universal Declaration of Human Rights and Article 6 of the 1989 Convention on the Rights of the Child. Yet, the World Health Organization (2015) estimates that worldwide there were a total of 6,282 million deaths of children under the age of 5 in 2013. The number of children dying before their fifth birthday, for the 163 countries included in this study, was 75.27 deaths per 1000 live births in 1996. Encouragingly, the child mortality rate dropped to 39.7/1000 in 2013, a reduction of nearly 47%. However, this impressive figure obscures the reality that the weight of child mortality is increasingly being concentrated in the underdeveloped regions of sub-Saharan Africa and South Asia (O’Hare et al., 2013). A human rights approach to the child’s right of survival calls on the binding obligation or duty of the states and other duty-bearers to promote, protect and fulfill the right holders’ entitlements. As a human right, the child’s right to life entails a claim on both domestic and international resources, imposing duties on states and international actors.

 The World Health Organization (2015) reports that the underlying cause of the majority of these deaths is poverty: living in squalid housing conditions without access to clean water and sanitation facilities and limited health care. The key to improving child survival rates is to eliminate extreme poverty. The World Bank and International Monetary Fund are international financial institutions (IFI) whose stated mission is economic development and poverty eradication. Both the Bank and the IMF have endorsed the Millennium Development Goals of reducing by two-thirds the mortality rate among children under five (Goal 4). The lending decisions of the Bank and IMF can greatly influence, directly or indirectly, the realization of the child’s right of survival. IFI loans come with conditions that can interfere with the ability of the recipient state to fulfill its human rights obligations to the child. Conditionalities are intended to restore macroeconomic stability and solve the balance of payment problems to ensure that the loan recipient can repay the lending institution. However, many analysts believe that conditionalities increase poverty and worsen income distribution, at least in the short term. The requirements that recipient countries reduce government expenditures by making cuts to their social welfare spending along with the introduction of user fees in health sectors degrade the wellbeing of children when their parents cannot afford to seek medical treatment for ill children or to seek preventive care for healthy children. Low levels of government investment in social welfare sectors contribute to an increase in child mortality in the developing countries.

IFI OBLIGATIONS

The Bank and the IMF claimed that they were exempt from obligations emanating from human rights treaties, including the Convention on the Rights of the Child, because of the political neutrality clauses found in their respective Articles of Agreement.[[1]](#endnote-1) Yet, there is a growing awareness among academics, international lawyers, and UN human rights agencies that IFIs do have an obligation to protect and promote human rights. IFIs are subject to human rights obligations on several fronts:

1) The Bank and IMF are specialized agencies of the UN family. As members of the UN family of specialized agencies, they are bound by the UN Charter and are required to uphold the mission and purpose of the United Nations.[[2]](#endnote-2) Mac Darrow, in his influential book *Between Light and Shadow: The World Bank, the International Monetary Fund and International Human Rights*, believes that the UN Charter is an important source of human rights obligations for the IFIs. Chief among the goals of the UN is to ‘achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion’ (1945, Article 1(3)). United Nations agencies cannot ignore nor negate the purposes of the UN Charter, which expressly and unconditionally promotes human rights, including the rights of children. Human rights law, therefore, binds international financial institutions.

2) Both IFIs have an international legal personality and are autonomous subjects of international law with rights and duties. Therefore, they are bound by the general principles of international law, peremptory norms, and norms derived from customary law, including the Universal Declaration of Human Rights. Van Genugten, a renowned professor of international law, writes that ‘as subjects of international law and as international legal personalities, the WBG and the IMF are capable of possessing rights and duties under their constituent instruments, general rules of international law, and the treaties to which they have acceded’ (2015, 9). Thus, Van Genugten (2015) concludes that the IFIs have obligations for human rights that must be satisfied either separately from or jointly with their member states.

3) The Bank and IMF are bound by the obligations of their constituent member states. Although the Bank and IMF are not parties to international treaties, they are bound indirectly since they are composed of states that are bound by the treaties they have ratified. The Bank and IMF are compelled to respect the treaty provisions and human rights obligations of their member states, and they have a duty to help the states fulfill their obligations. The Bank acknowledges that human rights are ‘actionable legal obligations …. as they are enshrined in national laws, where the Bank's role is to support its members to fulfill those obligations where they relate to World Bank projects and policies’ (website). Darrow (2006) states that the IFIs have, as a minimum obligation, to respect and not violate the human rights responsibilities of their members. States maintain their human rights obligations as members of an international organization. In the respected opinion of Byrnes, ‘States must conduct themselves consistently with those obligations when they participate in the activities of the organisation and must endeavour to ensure that the actions and consequences of the actions taken by those organisations do not involve violations of rights guaranteed by human rights treaties and customary international law’ (2011, 11).

4) The IFIs play a leading role in shaping international and domestic development policy-making. At the domestic level state, economic and social policy is influenced and constrained by the conditionalities attached to their IFI loans. As the primary creditors to developing states, the IFIs possess considerable power in the decision-making process within member states. Darrow counsels that the developing countries ‘have an obvious incentive to win the Fund’s stamp of approval as a necessary precondition to development aid programs’ (2006, 35). Abouharb et al. conclude that ‘The IMF and the World Bank have enacted a broad set of policies designed to carefully regulate the behavior of borrower states. These policies are incorporated into loan agreements’ (2015, 38). Developing states in need of funds must modify their domestic economic and social policies in order satisfy the IFIs’ preconditions for the receipt of aid.

EVOLUTION OF THE BANK

The initial purpose of the IFIs was to promote economic development, monetary co-operation, and maintain currency stability. The Bank has over time become more willing to accept its responsibility for human welfare. Ravallion writes: ‘Over its history, the Bank has made many efforts to adapt, re-invent and rationalize its role….[with the] Bank adopting a broader social welfare objective, emphasizing poverty reduction through equitable economic growth and delivering social services to poor people’ (2015, 4). The Bank has endorsed the Millennium Development Goals, joined the Child Survival Partnership and the Partnership for Maternal, Newborn and Child Health, and it also funds development and health projects needed to eradicate poverty and reduce child mortality.

In the early years, the Bank lent money with the myopic aim of promoting economic growth with little attention to the social repercussions of its projects. In the early1980s, the Bank introduced non-project funding, structural adjustment lending (SAL) now renamed Development Policy Loans (DPL), to support policy reform in recipient countries. SALs loans provided conditional funding for economic stabilization and balance of payment distortions. Due to strong criticism from NGOs, human rights advocates, and poverty reduction activists, the Bank put more emphasis on protecting the poor from the adverse effects of these programs during the 1990s. As criticism continued to mount and human rights gained support, the Bank’s rhetoric evolved to reflect a broader understanding of what the concept of development means. No longer is development measured simply in economic terms. Development now includes social elements. The Bank has stated that ‘creating the conditions for the attainment of human rights is a central and irreducible goal of development’ (World Bank, 1998, 2). Bank rhetoric reflects a growing awareness that child welfare is both a development and a rights issue. As a result, the Bank reports that it has positioned health, emphasizing a reduction in child mortality, at the core of its lending programs in poor countries (World Bank, 1998). The Bank increased its health program budget through IBRD and IDA funding from $1.78 billion in 2000 to $2.19 billion in 2012, an increase of 46%, with the majority (44%) disbursed through IBRD (Diaz-Martinez 2013).

Nevertheless, the extent to which human rights have become part of the culture of the Bank is uncertain. Sarfaty writes: ‘Despite the Bank’s rhetoric that protecting human rights is critical for development, its employees do not systematically incorporate human rights concerns into their everyday decision making or consistently take them into consideration in lending’ (2012, 2). In Sarfaty’s opinion, the Bank has not yet fully adopted a human rights policy or agenda despite outside pressure and its own human rights rhetoric.

CONSTANCY OF THE IMF

The IMF, on the other hand, has been steadfast in its conviction that it is not ‘bound by various human rights declarations and conventions’ (Capdevila, 2001). The Fund’s General Counsel, François Gianviti (1987-2004),argued strongly that the Fund is not subject to international human rights law (2002). Human rights considerations are only relevant for the IMF ‘to the extent that major violations of economic and social human rights would trigger civil unrest or a lack of foreign financing’ (Gianviti, 2002, 40 para. 51). Neglecting the opinions of legal scholars and even of the UN Human Rights Committee, the Fund has continued to act in accordance with its own interpretation of its Articles of Agreement. In conjunction with the Bank, the IMF instituted structural adjustment loans in the 1980s. In the 1980s, when developed countries were able to access private capital flows, IMF clientele became developing and transitional economies almost exclusively. With the shift in borrowing countries and the IMF’s overriding interest in maintaining financial and monetary stability, concern increased that IMF conditional lending worsened the situation of the poor (Cavanagh et al., 2000; Lundberg and Squire, 2003). Under severe criticism, the IMF reluctantly included poverty alleviation in its lending considerations. For example, the IMF dutifully changed the names of its lending facilities from the vilified term “structural adjustment” to the pro-poor sounding concept of poverty reduction. In 1986, the IMF launched the Structural Adjustment Facility (SAF), which became the Enhanced Structural Adjustment Facility (ESAF) in 1989, and later was renamed the Poverty Reduction and Growth Facility (PRGF) in 1999. The Extended Credit Facility (ECF) is presently the reincarnation of the PRGF. Although the names have changed, critics maintain that the loan conditions remain the same (Cunningham and Lavalette, 2014).

IMF conditionalities have remained a controversial issue because they require the state to take corrective measures consistent with the Fund’s provisions and policies and with little consideration fortheir socioeconomic consequences. The IMF reasons that market-friendly structural reforms, no matter how painful, are necessary for rapid and sustainable economic growth, which is a precondition for poverty reduction (Darrow, 2006; Blackmon, 2008). Thus, in the IMF’s opinion, SAPs will indirectly help realize the rights under the CRC and ICESCR. Critics, in contrast, believe that government spending cuts required by the SAPs target social programs (such as health, nutrition, and sanitation) essential for the reduction of child mortality.[[3]](#endnote-3) An IMF review of its own procedures in 2012 found that although conditionalties were ‘broadly appropriate’ (effective, streamlined, and utilizing IMF expertise), macro-social issues (jobs and growth) and social protections needed to be preserved during economic crises (IMF website). The IMF believes that its programs ‘helps governments to protect and even increase social spending, including social assistance’ in order to mitigate the impact of lending programs and to protect the most vulnerable people in society (IMF website).

ECONOMIC REPERCUSSION OF CHILD MORTALITY

Child mortality ought to be of grave concern for the IFIs due to mortality’s impact on economic development. Kirigial et al. contend that child mortality

increase[s] health expenditure, cause attrition of future labour and productivity, and erode investments in human and physical capital formation...Child deaths reduce future spending on goods and services; future labour force; future household savings, and hence investments; the number of future tax payers, and hence future tax revenues; and the number of future exports producers, bleeding future exports earnings (2015, 1107).

Using a cost-of-illness model, Kirigial et al. (2015) determine that the non-health GDP future loss due to Africa’s 2.96 million child deaths in 2013 was $150.3 billion. Indeed, Soares (2005) found that larger investments in children increase productivity and growth. Declines in child mortality rates are associated with increased parental investment in the health and education of their children, which will have large beneficial effects on children’s physical and cognitive development (Kalemli-Ozcan, 2002; Canning and Schultz, 2012). The rise in human capital accumulation and improved worker performance will have positive outcomes for economic growth and development. Thus, there are sound economic reasons for improving child welfare. Countries with low-income levels have high child mortality rates while high child morality reduces economic growth. Therefore, lending for programs to reduce child mortality can promote economic development—the stated goals of IFI lending. Certainly, the impact of child mortality on current or future rates of economic growth and development would constitute ‘economic consideration’ under the Articles of Agreement. Yet, work by Hoddie and Hartzell (2014) found that IMF lending exposes the recipient government’s population to adverse health outcomes both in the short and the longer terms.

RESEARCH DESIGN AND METHODS

This study attempts to initiate an investigation of the effects of IFI lending on child mortality rates. This study uses an unbalanced panel of observations from 163 developing countries, covering the years 1996-2013 for an n= 2934 (list of countries included in the study available on request).

The models are estimated using a cross-sectional time series with country fixed effects with robust standard errors. The cross-sectional time series allows the researcher to pool the data, taking advantage of both the spatial (cross-sectional units of observation reflected in the differences between cases) and temporal (observations over a particular time span or within-subject information reflected in the changes within cases over time) dimensions of the data set. Fixed effects regression is the appropriate model to use to control for omitted variables or unobservable variables that may affect both lending and child mortality and that differ between cases but are constant over time (Princeton University Data and Statistical Service). The Hausman specification test substantiated that the correct model is a fixed effects model. The equation for the fixed effects model becomes:

Yit = β1Xit + αi + uit

Where:

αii (i=1….n) is the unknown intercept for each country (n case-specific intercepts);

Yit is the dependent variable (DV) where i = country and t = time;

Xit represents one independent variable (IV);

β1 is the coefficient for that IV;

uit is the error term

To minimize the problems of heteroskedasticity associated with using data with a large range of distributions, data are logged where appropriate. Unless otherwise noted the data used in this study were obtained from the Bank’s World Development Indicators online database (<http://databank.worldbank.org>). Appendix A presents the descriptive statistics of the dependent and independent variables used in this study.

The dependent variable is child mortality rates. Child mortality is defined as the probability of a child dying between birth and the age of five, expressed per 1000 live births. The Bank concludes that child mortality rates ‘are among the indicators most frequently used to compare socioeconomic development across countries’ (WDI online).

The independent variables of interest are IFI lending and debt forgiveness. The Bank has two major lending agencies.[[4]](#endnote-4) The International Bank for Reconstruction and Development (IBRD) is a branch of the Bank that lends money at market rates to middle-income and creditworthy low-income countries displaying principles of good governance but have only sporadic access to private market capital. The mandate of IBRD is to assist Member States to develop economically, thus raising ‘the standard of living and conditions of labor’ (Article 1). The International Development Association (IDA) provides loans (credits) and grants to the poorest countries at concessional rates.[[5]](#endnote-5) IDA’s Articles of Agreement list its purpose as to ‘promote economic development, increase productivity and thus raise standards of living in the less-developed areas of the world . . . thereby furthering the developmental objectives of the International Bank for Reconstruction and Development’ (Article 1). IDA loans money for poverty reduction and human development projects such as primary education, health services, and water and sanitation facilities.

The IMF has a dizzying array of lending instruments, known as facilities, that apply to different countries. Concessional lending to low-income countries is provided through the Extended Credit Facility (ECF), the Standby Credit Facility (SCF), and the Rapid Credit Facility (RCF). Non-concessional lending is available to all members through the Stand-By Arrangements (SBA), the Flexible Credit Line (FCL), the Precautionary and Liquidity Line (PLL), the Extended Fund Facility (EFF), and the Rapid Financing Instrument (RFI). The majority of non-concessional IMF lending is channeled through the SBA, while the ECF is the Fund’s main tool for providing medium-term support to low-income countries (IMF website). IMF lending always carries structural adjustment requirements as a condition of the loan. In this study, IMF lending broken down as concessionary programs and non-concessionary programs in order to allow the programs to have separate effects.

Proponents of debt cancellation policies believe that poverty alleviation is hindered by demands on the economy and on government resources from a heavy debt burden. Social and health services, needed to increase the survival of children, are cut because the scarce resources of developing countries must be diverted to pay creditors first. The Highly Indebted Poor Country Initiative (HIPC) was launched in order to provide debt relief to the world’s poorest countries under the guidance of the IMF and Bank. After 2000, the Bank and the IMF required developing states to develop Poverty Reduction Strategy Papers as pre-requisites for debt forgiveness. The primary purpose of debt forgiveness was to re-direct resources that had previously gone to servicing a country’s debt, and to use the freed-up funds for specific poverty reduction programs primarily aimed at social services, such as health care and education (World Bank, 2005, xii). Consequently, debt reduction ought to be associated with a decrease in child mortality rates.

In order to determine the direction of causation, the IFI variables and debt forgiveness are lagged three and five time periods so that the effects of these variables on the dependent variables can be tested. It is unlikely that IFI loans or debt relief would have an immediate effect on child survival rates. Also included are four control variables—economic development, health expenditures, military expenditures, and level of democracy--commonly found in recent cross-national research on child mortality.

Prior research consistently shows a negative relationship between child mortality rates and levels of economic development (Frey and Field, 2000; Jorgenson and Rice, 2010).[[6]](#endnote-6) Countries that have higher levels of economic development, as measured by GDP per capital, enjoy higher standards of living, better medical care, improved water and sanitation, and lower fertility rates. Higher income levels also enables the fulfillment of other basic needs such as food and housing (Fay et al., 2005; Houweling et al., 2005; McGuire 2006).

Democracy helps to make the government accountable and responsive to the needs of citizens since leaders must court the vote of a large segment of the population to win elections. Voters can influence governmental leaders, which may translate into better health programs and stronger social safety nets. When leaders must win contested elections to gain or remain in power, they provide public goods for the general welfare. Kudamatsu (2007), using a subsample of 28 sub-Saharan African countries, investigated whether democratization reduced infant mortality. He found that greater levels of democracy reduced infant mortality by 1.8 percentage points. Equally important is the fact that the reduction in mortality was higher for babies born to uneducated mothers from marginalized ethnicities.

Because private health care will not provide adequate access to life-saving medical assistance to poor children, government spending is required for the reduction of child mortality. Bokhari et al. (2007) found that increases in domestic health expenditures are responsible for a decrease in child mortality rates. They determined that a 10% increase in health expenditures results in a 2.5 to 4% decrease in child death rates. Higher levels of government expenditures on health translate into greater public access to health care, family planning, nutrition counseling, prenatal care, and births attended by trained personnel (Houweling et al., 2005).

Military expenditures can crowd out public spending for basic social services too (Mehrotra and Delamonic, 2002). Regimes that are engaged in extravagant defense spending divert government resources away from the provision of social services and toward the acquisition of expensive, and often repressive, military armaments. In poor states, the result can be the denial of basic health, nutrition, and educational services to the poor. The amount of resources committed to defense indicates the priority the state places on the military over the needs of the population.

FINDINGS

Fixed effects regression is used to explore the impact of IFI lending on child mortality. The results are presented in Table 1. First, the control variables behaved as predicted and support previous research on their effects.

<INSERT TABLE 1 ABOUT HERE>

The fixed effects estimates yield a number of interesting results. The overall goodness of fit of the model is satisfactory, as nearly 70% of the variation in child mortality is explained by the models.

Bank lending is statistically significant in reducing child mortality in model 1. Increased Bank lending (t-3) reduces child mortality. However, model 2 differentiates between IBRD and IDA lending because IDA is concessional with a specific focus on poverty reduction and human development. As a non self-sustaining agency, the IDA is particularly open to fulfilling the human rights obligations of member states. IDA funds must be replenished by state contributions every three years. This makes the IDA ‘particularly exposed to shifts in the political climate’ and responsive to reforms explicitly linking replenishment to poverty reduction and human rights improvements (Darrow 2006: 12). However, model 2 indicates that IBRD lending increases child mortality while IDA lending decreases child morality. Kaja and Werker (2010) determined that membership on IBRD’s Executive Board resulted in approximately double the IBRD funding compared to countries that were not on the board. Favoritism rather than poverty reduction controlled IBRD lending. However, Kaja and Werker (2010) also found that membership on IDA’s board had no influence on IDA’s lending decisions.[[7]](#endnote-7) Morrison (2013) reports that the IDA has instituted procedures to reflect its development agenda. Morrison writes:

One of the norms that has evolved over time in IDA is that member countries should receive more money if, all else equal, they have greater promise for development because of the policies and institutions they have in place. This norm has been institutionalized in a rating system, which Bank staff use to evaluate every country each year. According to historical accounts, this rating has become increasingly important in determining the allocation of lending from IDA (2013, 292).

IDA is less political with established criteria to lend to poverty-stricken countries with development policies in place. The analysis supports conventional wisdom that politically motivated aid is less effective in promoting positive developmental goals.

The effect of IMF lending on child mortality rates, on the other hand, is statistically insignificant in both models 1 and 2. Model 1 uses the total of IMF lending while Model 2 separates IMF concessional and non-consessional lending in order to determine whether non-consessional lending to low-income countries, countries that exhibit the greatest levels of human deprivation, benefits child survival. There is no evidence that IMF lending (t-3) has any effect on child morality. Due to the harsh economic conditions and political constraints placed on countries receiving IMF loans, many countries simply failed to comply and the programs collapsed or were interrupted (Clements, 2013).

 Taking a longer time-frame, we find that the Bank lending still has a statistically significant impact on child survival. Yet, the effect is due to IDA lending only as indicated in Model 4. IBRD lending five years out has no statistically significant effect on child mortality. Given that IBRD lending at t-3 was positive, the fact that it is no longer statistically significant is a beneficial result. However, IMF non-concessional lending reaches statistical significance (at the p>.01 level) in Model 4. Proponents of IMF loans acknowledge that although conditionalities may produce adverse outcomes in the short-term they will generate positive developmental effects in the long term. Here, this study finds that IMF non-concessional loans have a small positive effect on child mortality rates. Five years after a country receives a non-concessional loan, there is a reduction in child deaths. Countries seem to benefit from IMF imposition of macroeconomic stability conditionalities. The inclusion of poverty alleviation policies in IMF lending may have some desired effects (Oberdaberning, 2013).

Debt service has no direct effect on child mortality rates in any of the models. The resources freed up by the cancellation of the debt have not been used to reduce child mortality. Once the debt is cancelled, the government may or may not follow through on its promise to fund the programs listed in the PRSPs. In addition, the elimination of bad debts allowS poor nations to apply for new loans, thus creating a new unending cycle of dependency. Countries continue to borrow money and are now, again, in severe debt.

CONCLUSION

IFIs have a minimum a duty to respect and protect the right of the child to survival. The IBRD lending arm of the Bank is falling short of fulfilling its human rights obligations, and millions of children are continuing to die as a result. IBRD lending in the short-term subjects children to conditions that increase their risk of death. IBRD lending is associated with an increase in child mortality rates in the short term and in the longer term is statistically insignificant. IDA lending, on the other hand, benefits child survival, but the coefficients are small. IMF concessional lending, lending to low-income countries, is statistically insignificant in reducing child mortality. IMF non-concessional lending, three years after distribution, has no effect on child mortality although in the medium-term term it reduces morality. This supports the view that monetary stability is beneficial in the medium-term for child survival. Even for those lending programs that do improve the child mortality rates, more could be done as indicated by the small effects lending has on improving child survival. Ultimately, one can conclude that powerful international financial actors have been allowed to escape their human rights obligations as autonomous subjects of international law and as UN affiliates.

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| Table 1: Fixed Effects Regression of World Bank Lending on Child Mortality using Panel Data |
|  | Model 1 | Model 2 | Model 3 | Model 4 |
|  | Coef(se) | Coef(se) | Coef(se) | Coef(se) |
| WB Lending (t-3) | -.007\*\*(.002) |  |  |  |
| IMF Lending (t-3) | -.0007(.0004) |  |  |  |
| WB IBRD (t-3) |  | .003#(.002) |  |  |
| WB IDA (t-3) |  | -.009\*\*(.003) |  |  |
| IMF Concessional (t-3) |  | -.0007(.0005) |  |  |
| IMF Non-Concessional (t-3) |  | -.0003(.0005) |  |  |
| WB Lending (t-5) |  |  | -.009\*\*\*(.002) |  |
| IMF Lending (t-5) |  |  | -.0007#(.0004) |  |
| WB IBRD (t-5) |  |  |  | .002(.002) |
| WB IDA (t-5) |  |  |  | -.008\*\*(.003) |
| IMF Concessional (t-5) |  |  |  | .00009(.0005) |
| IMF Non-Concessional (t-5) |  |  |  | -.001\*(.0004) |
| Debt Forgiveness (t-3) | .0003(.001) | -.0001(.001) |  |  |
| Debt Forgiveness (t-5) |  |  | -.0003(.001) | -.0004(.001) |
| GDPpc (log) | -.387\*\*\*(.021) | -.382\*\*\*(.021) | -.378\*\*\*(.021) | -.381\*\*\*(.021) |
| Health Expenditures | -.152\*\*\*(.041) | -.147\*\*(.041) | -.158\*\*\*(.041) | -.149\*\*\*(.041) |
| Military Expenditures | .064\*(.026) | .061\*(.023) | .062\*(.026) | .065\*(.026) |
| Democracy | -.006\*(.003) | -.006#(.003) | -.006\*(.003) | -.005#(.003) |
| Constant | 6.73\*\*\*(.164) | 6.65\*\*\*(.160) | 6.69\*\*\*(.163) | 6.64\*\*\*(.162) |
| Overall R2Within R2NAverage N | .707.712207315.7 | .699.714207315.7 | .699.719207315.7 | .699.716207315.7 |

|  |
| --- |
| Appendix A: Variable Summary Table |
|  | Obs | Mean | SD | Min | Max |
| Child Mortality (log) | 2880 | 3.58 | 1.02 | 1.03 | 5.59 |
| IBRD and IDA t-3 (log) | 2934 | 14.32 | 8.99 | 0 | 24.34 |
| IBRD and IDA t-5 (log) | 2934 | 14.04 | 9.10 | 0 | 24.21 |
| IRBD t-3 (log) | 2934 | 8.28 | 9.58 | 0 | 23.35 |
| IDA t-3 (log) | 2934 | 11.27 | 9.57 | 0 | 23.98 |
| IRBD t-5 (log) | 2934 | 8.30 | 9.59 | 0 | 23.35 |
| IDA t-5 (log) | 2934 | 11.05 | 9.58 | 0 | 23.96 |
| IMF t-3  (log) | 2934 | -.966 | 12.27 | -37.09 | 38.76 |
| IMF t-5  (log) | 2934 | -1.51 | 12.29 | -37.39 | 38.76 |
| IMF Concessional t-3  (log) | 2934 | .461 | 8.85 | -21.27 | 20.95 |
| IMF Non-Concessional t-3  (log) | 2934 | -1.43 | 9.01 | -23.89 | 23.22 |
| IMF Concessional t-5  (log) | 2934 | .385 | 8.60 | -21.27 | 20.98 |
| IMF Non-Concessional t-5  (log) | 2934 | -1.90 | 9.24 | -23.89 | 23.22 |
| GDP per capita (log) | 2813 | 7.67 | 1.39 | 4.28 | 11.48 |
| Health Expenditures (log) | 2802 | .956 | .628 | -4.70 | 2.99 |
| Military Expenditures (log) | 2191 | .596 | .748 | -3.29 | 3.68 |
| Polity IV  | 2500 | 2.32 | 6.42 | -10 | 10 |
| Debt Forgiveness t-3  (log) | 2934 | -4.60 | 7.58 | -23.11 | 0 |
| Debt Forgiveness t-5 (log) | 2933 | -4.71 | 7.65 | -23.11 | 0 |

1. Notes

 Article IV, Section 10: Political Activity Prohibited.

The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I.

See: Articles of Agreement of the International Bank for Reconstruction and Development, Dec. 27, 1945, 60 Stat. 1440, T.LA.S. No. 1502, 2 D.N.T.S. 134, amended, Dec. 17, 1965, 16 D.S.T. 1942; Articles of Agreement of the International Development Association, Jan. 26, 1960, 11 D.S.T. 2284, T.LA.S. No. 4607,439 D.N.T.S. 249 [↑](#endnote-ref-1)
2. Specialized agencies are required to adhere to the provisions of the UN Charter. The UN Charter (Article 57), in accordance with the provisions of Article 63, established a collaborative relationship with the UN’s specialized agencies with a view to creating international economic and social cooperation. [↑](#endnote-ref-2)
3. SAPs were replaced by the PRSPs in 2000. [↑](#endnote-ref-3)
4. The Bank also includes an agency that provides loans to private institutions, the International Finance Corporation (IFC), an agency that provides insurance and credit guarantees for private investors, the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID) used for conciliation and arbitration. [↑](#endnote-ref-4)
5. Concessional loans have a zero interest rate while non-concessional loans are subject to market related interest rates (called rates of charge). [↑](#endnote-ref-5)
6. Several risk factors known for influencing deaths in children are not included due to their high correlation with GDPpc, for example, access to improved water and sanitation facilities, age dependency ratios, births attended by trained personal, and fertility rates. [↑](#endnote-ref-6)
7. This finding is particularly striking since the IDA and the IBRD share many of the same board members. [↑](#endnote-ref-7)