

# STILL COOKING WITH A FAILED RECIPE

A review of IMF country advice on social spending, public services, debt, tax and gender equality

## Executive Summary



Synthia Ndawana is a health coordinator at a secondary school in Manicaland county, Zimbabwe. Synthia sees firsthand on a daily basis the impact of underfunded public services. Her dedication and the commitment made by other public sector workers can only go so far without wider systemic change to the financing architecture. CREDIT: ACTIONAID

The International Monetary Fund (IMF) claims to have changed. In a 2014 speech, its Managing Director, Christine Lagarde, declared that it is no longer ‘your grandmother’s IMF’: the institution that famously imposed structural adjustment programmes in the 1980s, tearing open economies, savaging social spending and undermining development ([IMF 2014](#)). The IMF now asserts it has found a new focus on social spending and gender equality, that it now defends education and health and helps countries raise tax revenues in order to finance sustainable development.

ActionAid has been documenting the impact of IMF policies over the past two decades, publishing a series of reports, including: [Contradictory Commitments](#) (2005), [Confronting the Contradictions](#) (2007), [The Public Versus Austerity](#) (2021), [The Care Contradiction](#) (2022), [Fifty Years of Failure](#) (2023) and [The Human Cost of Public Cuts](#) (2025). For this latest report we have analysed IMF country-level policy advice on **debt, social spending, public sector pay, tax policy and gender equality**.

We studied IMF documents on 11 countries over a three-year period (February 2022-February 2025), analysing IMF advice across Article IV consultations, loan agreements and related technical assistance documents. The countries we selected (**Brazil, Ghana, Kenya, Malawi, Nepal, Nigeria, Senegal, Uganda, the UK, Zambia and Zimbabwe**) are deliberately diverse, from different regions and income groups, to enable us to determine whether IMF advice was truly contextualised for each country, or whether the IMF defaulted to its ‘out of date’ recipe book.



IMF rhetoric has certainly shifted. It now expresses ‘concerns about inequality and the need to support vulnerable groups’ and says it has ‘increased its engagement on social spending issues’ (IMF 2019a). It claims that its policy goals should address inclusiveness and focus on improving ‘the quality and not just the quantity of education and health care’ (IMF 2021). The IMF Fiscal Affairs Department in Washington has produced compelling reports arguing that countries can - and should - increase tax revenues to make meaningful progress on the Sustainable Development Goals (SDGs) (IMF 2019b). The IMF claims to be mainstreaming gender and argues that reducing gender disparities goes hand-in-hand with economic growth, stability and resilience and lower income inequality (IMF 2022).

ActionAid has previously flagged the gulf between IMF rhetoric in Washington and its advice to countries, and this report examines this further. In short, we found a stark difference between the content of Washington policy documents and country-level documents. Even within the country documents, we often found a contrast between language in the narrative that considered social implications, and the harsh reality of the numbers in the IMF’s quantitative estimates.

**Overall**, we found that IMF policy advice, in practice, had scarcely changed from that offered during the discredited era of structural adjustment programmes. Its starting point was to reinforce the primary importance of countries paying all their debts without offering any systemic solutions to address the structural causes of debt crises. As a result, countries are left to absorb the inequities and faults of the system. This continued to be the case over the study period, even with 54 countries in debt crisis (UNDP 2022), as the IMF continued to act as a debt collector or a debt enforcer (Afrodad n.d.). Countries were forced by the IMF to pay their debts, even if this meant exploiting women’s paid and unpaid labour to unsustainable levels, people having to take on additional household debt to access health care or dying prematurely for lack of health services, and millions of children being denied their right to education (Nation 2022). For the IMF, there is no such thing as a systemic crisis, so long as creditors are being paid.

### What is austerity?

Austerity is a process by which governments enable the transfer of wealth from the poor and working class to the wealthiest, through privatization and fiscal consolidation a package of policies typically involving a mix of public budget cuts; freezes to public sector wage bills; public worker dismissals; regressive consumption taxation increases; the lowering of progressive taxes on personal or corporate income; pension and social security reforms; labour market reforms such as ‘flexibilization’ (reductions in labour rights, including the right to unionise and to collective bargaining); reducing or eliminating subsidies; and the privatisation or commercialization of public services, including through strengthening public-private partnerships. See (ActionAid 2022a, Ortiz and Cummins 2022).

The fundamental role of the IMF is still to protect creditors, and the means by which it does this are the same as in the 1980s – by imposing austerity. This might be dressed up as a dialogue between the IMF and governments. Indeed, the IMF always insists that the processes are country-led, that governments are in the driving seat and that published documents represent agreements not impositions. But looking across these 11 diverse countries, we found a similar package of recommendations and a similar set of gaps.

There is remarkably little contextualised advice, but rather advice driven by a persistent, underlying ideology. There are alternatives, but the IMF was not offering different economic paths in the documents we reviewed. Despite its analysts at the Fiscal Affairs Department in Washington suggesting bold expansion of tax revenues to finance increases in health and education spending, IMF country-level advice told a different story (IMF 2019b).

If the IMF was truly committed to increasing social spending and advancing gender equality it would look for structural solutions to the acute and growing debt crisis that is undermining these very goals. Rather than offering

solutions for individual countries to absorb systemic inequalities, the IMF would engage globally to make the case for urgent debt cancellation and for creating a fairer global debt architecture. There are clear options on the table, such as the UN Framework Convention on Sovereign Debt, proposed by African nations at the Fourth UN Financing for Development Conference (FfD4) ([Eurodad n.d.](#)).

Instead, the IMF refuses to acknowledge the scale of the debt crisis or its systemic causes. Its Deputy Director declared in 2025 that *'the risk of a systemic debt crisis seems broadly contained'* ([IMF 2025c](#)), while 75% of lower-income countries spent more on servicing their debts than they did on health, and 50% spent more paying back creditors than on education ([ActionAid 2025b](#)). For most lower-income countries, debt is now the single biggest obstacle to increasing their social spending and public services. Rather than recognise this, and using its considerable power to take action, the IMF has stuck to its role as the world's biggest debt enforcer.

The IMF may claim that it is not *'your grandmother's IMF'* but, in its core practices and ideology, it is unreformed. With its outdated mindset and lack of understanding of gender equality, it is not fit for purpose. **It is time for the IMF to be retired, not reformed.**

In the meantime, national governments in lower-income countries must listen to their people who are demanding an end to the IMF's coercive control over their economies and an end to austerity. **A growing convergence of people's movements, unions and coalitions is calling for a new era of economic liberation.** It is time to break the rusting colonial chains and urgently expand demands for fundamental reform to the global financial architecture.

The historic agreement in March 2026 for a UN resolution on reparations for slavery's *'historical wrongs'* followed the African Union 2025 Year of Reparations ([UN News 2026](#)). Under the theme 'Justice for Africans and People of African Descent through Reparations', the African Union aimed to secure reparations for slavery, colonialism and apartheid, declaring 2026–2036 as the Decade of Reparations to advocate for compensation, restitution of cultural artifacts and debt relief. We all need to rally behind negotiations to take a progressive UN Tax Convention and a new UN Convention on Sovereign Debt to a UN General Assembly vote in 2027. Only by creating new and fair multilateral spaces can we start to dismantle the power of Global North governments - held in place by archaic and undemocratic institutions like the IMF.



Bridget is a nurse and a member of the Young Urban Women's Movement in Accra, Ghana. She comments "I want everybody to speak the same language, feminism means we can learn and move together."  
PHOTO: INDIRA ECHERUO, / ACTIONAID

# Key Evidence and Findings

## The IMF and Debt

**On debt**, we found that over 50 countries are presently in debt crisis, and many more are at significant risk of debt crises. Our analysis shows that the causes of these debt crises lie mostly in global forces – including the impact of wars in Ukraine and West Asia, rising global interest rates and an unfair international financial architecture. However, the IMF, in practice, deals with indebted countries on a case-by-case basis – effectively blaming governments and giving the impression that it is irresponsible borrowing and bad governance that has led to debt crises. For all its rhetoric, the IMF exists fundamentally to ensure that countries pay their debts, serving the interests of their main shareholders in the Global North – being both a ‘judge and jury’ in debt renegotiation processes. During this research we found:

- **The IMF did not connect debt to social spending.** Across all eight African countries studied, no IMF document compared external debt payments against health or education spending or evaluated the policy trade-offs, despite debt servicing exceeding health spending in seven of the eight African countries.
- **Debt restructuring was too little, too late.** Where the IMF supported restructuring, debts were not reduced enough to restore meaningful fiscal space, and spending cuts were always a feature.
- **Debt sustainability assessments (DSAs) were socially blind.** DSAs prioritised repayment capacity and did not take into account social spending needs or countries’ human rights obligations, locking governments into austerity regardless of the human cost.
- **Countries under IMF guidance remained trapped.** After years of continuous IMF conditionality, of the eight African countries studied, two were in debt distress, three at high risk, and three at moderate risk.



Vitima Kalua works on inclusive education in a secondary school for 65 learners with disabilities in Malawi. She comments: “The first investment should start with training and motivating more special needs teachers. But this growing public debt is getting worrisome and spells doom for frontline workers like me. In my case, despite self-upgrading myself in special needs education to a degree level, I feel less appreciated. The salary I am getting is far much less compared to the rising cost of living.”

PHOTO: FLETCHER SIMWAKA/ ACTIONAID

## The IMF’s Social Spending Advice

**On social spending**, we found inconsistency across documents as to what the IMF counts as social spending. Progressive language in the narrative sections was rarely followed through with substantial commitments in budget tables and projections. We found no evidence of support for comprehensive social protection or social security programmes. The policy advice was always focused on targeted social assistance, with no analysis of the well-documented problems with targeting (where marginalised groups struggle to access or claim benefits), or the inefficiencies and costs of administering targeted or means-tested systems. Whilst references were made to the importance of health and education, in practice the IMF regularly advised education and health expenditure below recognised international standards. There was little or no

analysis or advice on the importance of social spending for advancing gender equality. And there was profound silence on the impact of debt crises, with no consideration of how to restructure or cancel debts, even for countries spending more on debt servicing than on health and education.

- **The rhetoric outpaced the reality.** There was a contrast between the discourse on social spending advice in the text and the hard numbers driving IMF advice in practice.
- **Definitions of social spending were inconsistent.** The IMF included different items as social spending across the 11 countries, often at odds with its own 2024 guidance (IMF 2024).
- **Targeted, not universal, social protection and social security were advised.** The IMF implicitly acknowledged some shortcomings of targeting, but not of the approach itself, which continued to underpin much of its advice. By not supporting universality, the advice fell short of International Labour Standards approved by all countries (ILO 2012).
- **Advised spending was below global commitments.** The IMF often advised expenditure in education and health below established international commitments such as the Incheon Framework (2015) and the Abuja Declaration (2001).
- **Gender equality rhetoric did not translate into practice.** The IMF recognised social spending as a critical tool for gender equality, but we did not see this in practice.
- **Debt impacts were not systematically analysed.** The extent to which debt servicing undermines public spending or gender equality was not routinely explored, despite clear evidence that debt is the biggest obstacle to investing in health and education (Debt Justice 2025, ActionAid 2025b).
- **No acknowledgement of the impact of austerity on social spending.** The IMF failed to acknowledge the devastating impact that its own austerity policies have had on health, education and other critical areas of social spending, which are deepening gender inequality and the exploitation of women’s unpaid and underpaid labour.

### Qualitative analysis of IMF advice on social spending to countries February 2022 – February 2025

XX Regressive:	X Blind:	/ Superficial:	✓ Substantial:	✓✓ Transformative:
The IMF advises to cut or target social spending and justifies this with language of progressivity, and/or recognising evidence on the impacts of advised measures on universality, but dismissing it. ↓	The IMF does not consider the impacts of social spending reforms or cuts on the universality of public services. ↓	The IMF covers the impacts of social spending advice on the universality of public services superficially and without it impacting the direction or make-up of the policy package. ↓	IMF advice actively discusses the universality impacts of social spending and this influences macro policy direction (e.g. fiscal policy advice to increase social spending to improve health and education systems). ↓	IMF’s macro policy advice is explicitly aimed at increasing fiscal space for redistributive, equality-enhancing social spending for universal, rights-based public health and education systems. ↓
BRAZIL		GHANA	UK	
NEPAL		KENYA		
NIGERIA		MALAWI		
		SENEGAL		
		UGANDA		
		ZAMBIA		
		ZIMBABWE		

## The IMF's Public Sector Wage Bill Advice

On **public sector wage bills**, the IMF continued to recommend cuts or freezes in all the countries studied, despite their widely different contexts and starting points. Every country was consistently advised to cut the percentage of gross domestic product (GDP) spent on the public sector wage bill, even when they spent significantly less than regional or global averages. Bizarrely, the IMF often argued that these wage bill cuts were necessary to *'create space for other priority spending'*, without recognising that investing in nurses and teachers is the top priority for improving health and education. We found no gendered assessment of the impact of cuts or freezes to public sector wage bills, despite clear evidence that women – who make up over 70% of the frontline public sector workforce - are disproportionately disadvantaged. It seems that the only way to defend the public sector workforce is through strikes and protests, which have been effective in pushing governments to negotiate reversals of agreed IMF programme conditions, instead of opening up IMF programmes in democratic processes and parliamentary scrutiny and allowing workers and unions to have a say on economic decisions.

- **Cuts and freezes are universal.** The IMF continued to advise cuts or freezes to the public sector wage bill in all countries, even where spending was significantly below regional or global averages.
- **No benchmarks, no rationale.** The IMF tracked wage bill spending across all countries but applied no internationally recognised benchmarks, and consistently pushed for reduction whatever the starting point.
- **Incoherent logic on priority expenditure.** The IMF continued to advise cutting wage bills to create space for other 'priority spending', without recognising that spending on nurses and teachers was itself the priority for improving public health and education, or analysing who would feel the biggest impact of these cuts. Health and education workers were only protected in select cases.
- **Gender equality impacts ignored.** There was no assessment of the impact of cuts or freezes to wage bills from a gender perspective, despite clear evidence that women are disproportionately disadvantaged as services are lost, as the majority of frontline public sector workers, as the first to lose access to underfunded services, and as those who absorb increases in unpaid care work when public services fail.
- **Public pressure works.** Pressure to defend the public sector workforce, for example through strikes and protests, was the only thing that seemed to be effective at pushing governments to stand up to IMF advice.

### Qualitative analysis of IMF advice on public sector wage bills to countries February 2022 – February 2025

XX Regressive:	X Blind:	/ Superficial:	✓ Substantial:	✓✓ Transformative:
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GHANA	NIGERIA	MALAWI		
KENYA	ZIMBABWE	ZAMBIA		
MALAWI				
SENEGAL				

## The IMF's Tax and Fiscal Policy advice

**On tax advice**, while the Fiscal Affairs Department deemed ambitious increases in tax-to-GDP ratios necessary to finance the SDGs, we found no examples where the IMF urged countries to achieve them. Beyond a few modest increases, there was a continuing tendency towards reinforcing the 'tax consensus', whereby the IMF reinforces the idea that lower-income countries should reach a minimum threshold of 15% tax-to-GDP ratio - invariably inadequate. There was no systematic, consistent assessment of the progressivity or regressivity of existing tax systems, or of the overall distributional impacts of policy advice offered on tax, including the impact on gender equality. There was more appetite for progressive taxes in Brazil and the United Kingdom (UK), though this likely arose from established government policy rather than IMF advice. In most cases, the IMF still leaned heavily towards supporting value-added tax (VAT), which is often the most regressive, putting an unfair burden on people from low-income households while relieving rich people from contributing their fair share. The few examples of progressive tax advice in lower-income countries (for example, on property or large money transfers in Zambia, or following the protests in Kenya) were *ad hoc* and tokenistic, not embedded in an overall assessment of the progressivity of the tax system or advice package.

- **Below the IMF's own thresholds and advice.** Despite some modest increases in tax-to-GDP ratios, every country fell short of IMF staff assessments of the increases needed to finance the SDGs (IMF 2019b, IMF 2023a). While this IMF Fiscal Affairs Department analysis was not explicitly incorporated into country-level advice, references were commonly made to a minimum threshold of 15% tax-to-GDP ratio, invariably inadequate to finance quality public services.
- **No distributional analysis.** There was no systematic or consistent assessment of the progressivity or regressivity of existing tax systems, or of the overall distributional impacts of the tax policy advice offered and how this would impact gender equality.
- **Progressive tax reforms are tokenistic.** The few examples of progressive tax advice – for example on property or wealth taxes - were *ad hoc* and not embedded in an overall assessment of the progressivity of the tax advice package.
- **VAT dominates.** IMF advice continued to centre on VAT, which is regressive by design, with the rationale of expanding countries' revenue base (IMF 2025e).
- **Regressive tax advice overall.** The IMF's overall tax advice was regressive, and not adequate to provide the foundation for financing quality public services (Oxfam 2026).

### Qualitative analysis of IMF advice on tax and equity to countries February 2022 – February 2025

XX Regressive:	X Blind:	/ Superficial:	✓ Substantial:	✓✓ Transformative:
The IMF advises to cut or target social spending and justifies this with language of progressivity, and/or recognising evidence on the impacts of advised measures on universality, but dismissing it. ↓	The IMF does not consider the impacts of social spending reforms or cuts on the universality of public services. ↓	The IMF covers the impacts of social spending advice on the universality of public services superficially and without it impacting the direction or make-up of the policy package. ↓	IMF advice actively discusses the universality impacts of social spending and this influences macro policy direction (e.g. fiscal policy advice to increase social spending to improve health and education systems). ↓	IMF's macro policy advice is explicitly aimed at increasing fiscal space for redistributive, equality-enhancing social spending for universal, rights-based public health and education systems. ↓
MALAWI	GHANA	KENYA	BRAZIL	
NIGERIA	ZIMBABWE	NEPAL	UK	
SENEGAL		NIGERIA		
		UGANDA		
		ZAMBIA		

## The IMF's Tokenistic Gender Analysis

On **gender equality**, we found only tokenistic references to 'gender' and little gender analysis in country documents with the exception of Uganda. There was no gender impact assessment of any of the IMF policy advice, whether on debt, social spending, public sector wage bills or tax. This, despite the fact that the wider literature compellingly shows that women are the shock absorbers of austerity policies - locked into exploitative underpaid labour while taking on a disproportionate burden of the increased unpaid care and domestic work due to failures in public services – and as such are the biggest subsidy to the economy.

- **Gender analysis is absent or tokenistic.** Across the 11 countries, mentions of 'gender' were scarce and usually limited to fleeting references or statistics without analysis.
- **Where gender analysis exists, it does not influence policy.** In four countries, 'gender' was treated as an add-on rather than informing conditionality or policy alternatives.
- **No gender impact assessment of IMF policy advice.** There was no assessment of the gendered impact of social spending, wage bill or tax advice in any of the documents reviewed.
- **The IMF oversteps into gender equality territory without mandate.** Recommendations on pay gaps, parental leave and childcare echoed the work of UN Women, rather than assessing the gendered impact of the IMF's own advice.
- **The IMF did not analyse the gendered impact of its own advice.** Despite clear evidence that regressive taxes, wage bill cuts and reduced public services disproportionately burden women, none of the documents contained an analysis of these connections.



Lerato is a member of Young Urban Women (YUW) Blantyre in Malawi. Here she is pictured with the other members of the club. She is a passionate advocate for change. "I will campaign more about change, I believe that the change will happen. But if I do not say anything about the change, then I am going to be the same until I die. So, if I campaign more and if I speak more, I know that people will hear me." PHOTO: THOKO CHIKONDI / ACTIONAID.

### Qualitative analysis of IMF advice on **gender equality** to countries February 2022 – February 2025

XX Regressive: Gender is covered but instrumentalised and used to justify regressive policies. ↓	X Blind: Gender is not covered. ↓	/ Superficial: Gender is covered but superficially and without connection to other macro policy (e.g. debt, public services). ↓	✓ Substantial: Gender analysis is substantial and meaningful, leading to discussion of policy trade-offs and alternatives. ↓	✓✓ Transformative: Promotes macro reforms with the explicit goal of eliminating the systemic economic drivers of gender inequality. ↓
	GHANA	BRAZIL		
	MALAWI	KENYA		
	NEPAL	SENEGAL		
	NIGERIA	UGANDA		
	UK			
	ZIMBABWE			
	ZAMBIA			

## Overview and conclusions

The report finds that:

- **The IMF does not have a clear definition of social spending or social protection** that can be used systematically and consistently. It refuses to support any benchmarks or guidelines (or even offer a minimum reference point) on the percentage of GDP different countries should spend on the public sector wage bill. But in practice the IMF continues to recommend freezes and cuts that take countries below regional and global social spending averages, creating persistent downward pressure on public sector staffing.
- **The IMF fails to recommend sufficiently ambitious increases in tax revenues**, despite its own staff analysis that this is the key to financing the SDGs. It also fails to systematically assess the regressivity or progressivity of tax systems or policies as a whole, or to look at the overall impact of its recommended reforms on different segments of the population.
- **The IMF systematically fails to assess the gendered impact of its own fiscal, debt and macro policy recommendations.** Despite the IMF Gender Strategy and staff guidance, there is minimal and very ad hoc reference to 'gender' in the countries studied. Any credible analysis would demonstrate the outcomes of IMF advice to be regressive - as many women's rights groups have shown over the decades. The absence of such analysis by the IMF leads to the obvious conclusion that the IMF knows that its policy steers contribute to increasing inequalities (Ostry et al. 2016).

In this research, **we have identified a pattern of** contradictions between the narrative and the numbers in IMF documents. The *narrative* often suggests that the IMF has shifted and considers social spending more, even encourages it. But the *numbers* and projections, usually in tables in the annexes, tell a different story. And this is what drives implementation and carries weight with ministries of finance.

National governments in lower income countries must listen to their people who are demanding an end to the IMF's coercive control over their economies, an end to austerity and the start of a new era of economic liberation. Governments in the Global North should stop hiding behind outdated international financial institutions to enforce their interests and participate in negotiations at the UN for economic cooperation.

The IMF of today is our grandparents' IMF, still serving the interests of Global North governments, creditors and multinational companies, and deeply unaccountable to the people whose lives and bodies it shapes and controls (Abdu 2020). The IMF plays a central role in this colonial international financial architecture that exists to this day. It will never serve the interests of people in the Global South as it is designed to enable their exploitation. In short, it is still cooking with the same failed recipe.



Margaret is 15 years old from Marafa in Kenya. She lives with her parents and her 9 siblings. Margaret attended school until class five but had to leave when her parents, both of whom are unemployed, were unable to raise the school fees - which are charged, despite education supposedly being free. A catch up vocational training centre offered an alternative for her, but this is not available for most girls who are forced out of school.  
PHOTO: REHEMA BAYA / AFRICA FILM NETWORK / ACTIONAID



Three girls from Manicaland, Zimbabwe who have managed to stay in school and thrive, overcoming the numerous forces that force so many of the other girls in their community to drop out: poverty, under-resourced schools, pregnancy, early marriage, gender prejudices.  
 PHOTO: TENDAI MARIMA / ACTIONAID



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