

Adel Daoud  
*University of Cambridge*

Elias Nosrati  
*University of Cambridge*

Bernhard Reinsberg  
*University of Cambridge*

Alexander Kentikelenis  
*University of Oxford*

Thomas Stubbs  
*University of Waikato & University of Cambridge*

Lawrence King  
*University of Cambridge*

## **Born into Adjustment: Child Health, Parental Education and the International Monetary Fund**

### **Abstract**

Parental education is located at the epicentre of global efforts to improve child health. In a development context, the International Monetary Fund (IMF) plays a crucial role in determining how governments allocate scarce resources to education and public health interventions. Under conditions of austerity imposed by the IMF's structural adjustment programs, it may become harder for parents to reap the benefits of their education due to wage contraction, welfare retrenchment and generalized social insecurity. This study assesses how the protective effect of education changes under IMF programs, and thus how parents' ability to guard their children's health is affected by structural adjustment. We combine cross-sectional stratified data (countries=67; children=1,941,734) from the Demographic Health Surveys and the Multiple Indicator Cluster Surveys. The sample represents approximately 2.8 billion (about 50%) of the world's population in year 2000. Based on multilevel models, our findings reveal that programs reduce the protective effect of parental education on child health, especially in rural areas. For instance, in the absence of IMF programs, living in an educated household reduces the odds of child malnourishment by 38% (OR=0.62; 95% CI: 0.66 to 0.58); in the presence of programs, this drops to 21% (OR=0.79; 95% CI: 0.86 to 0.74). In other words, the presence of IMF conditionality decreases the protective effect of parents' education on child malnourishment by no less than 17%. We observe similar adverse effects in sanitation, shelter, and health care access (including immunization); but some beneficial effect in water deprivation.

*Keywords:* International Monetary Fund, conditionality, structural adjustment, income inequality