

ActionAid Liberia

Building Back Better: A New Social Compact post Covid-19

Liberia was one of the three worst affected countries by the 2014-15 Ebola outbreak, which claimed the lives of more than 3,500 people. The urgent need to strengthen community health and the importance of surveillance and contact tracing was overlooked early on during the Ebola crisis, leading to a significant increase in infection rates. Although grave learnings were gained, many of the obstacles that allowed Ebola to have such a significant impact have still not been addressed, including enormous gaps in health services across the country.

Investment in public services is hampered by the fact that Liberia is spending half as much on debt servicing as it spends on both health and education combined.

In Liberia, where understaffing and inadequate resourcing contributed to the deaths of more than 300 health workers during the Ebola outbreak¹, the International Monetary Fund (IMF) last year recommended the country cut its public sector employment funding by 1.7%. This was despite Liberia having just six nurses for every 10,000 when the World Health Organisation (WHO) recommends five times that as a minimum.

In response to the coronavirus pandemic, the Government of Liberia's Covid-19 plan, drafted in collaboration with donors, includes support for health care workers, training and strategic deployment of staff for rapid response and contact tracing, necessary equipment, drugs and other medical supplies, staffing and laboratories. It is reallocating \$25m USD to provide food to vulnerable people and first responders alongside the World Food Program, and subsidising utility bills of households affected by lockdown. The government has asked retired health workers to help the health service.²

ActionAid Liberia was quick to respond to the first indications that Covid-19 presented a risk to the country and immediately began to raise awareness in Monrovia, training 25 young people to lead a humanitarian response.

ActionAid Liberia's response focuses on prevention of transmission, donating supplies (soap and disinfectant) as well as helping with combatting disinformation. In Montserrado, a county most affected by the virus, ActionAid is running a call centre to support efforts to track, monitor, and understand the spread of the virus and offer timely and culturally sensitive information.

The organization is also giving practical support for quarantine facilities, giving survivors care packages which include inspirational quotes, and is providing ongoing support for reproductive health facilities, which are crucial in any emergency where Gender Based Violence has increased.

Key Facts:

Population: 4,937,000

Population growth rate: 2.8%

Urban population: 51.6%

Life expectancy: 63.7

Infant mortality: 60.1 out of every 1000 births

Human Development Index Ranking
176th out of 189 countries

Population living below the poverty line: 40.9% (living on less than \$1.90 a day)

Child malnutrition rate (under-five stunting): 32.1%

Girls out of primary school: 77,218

Female school age children out of school: 21%



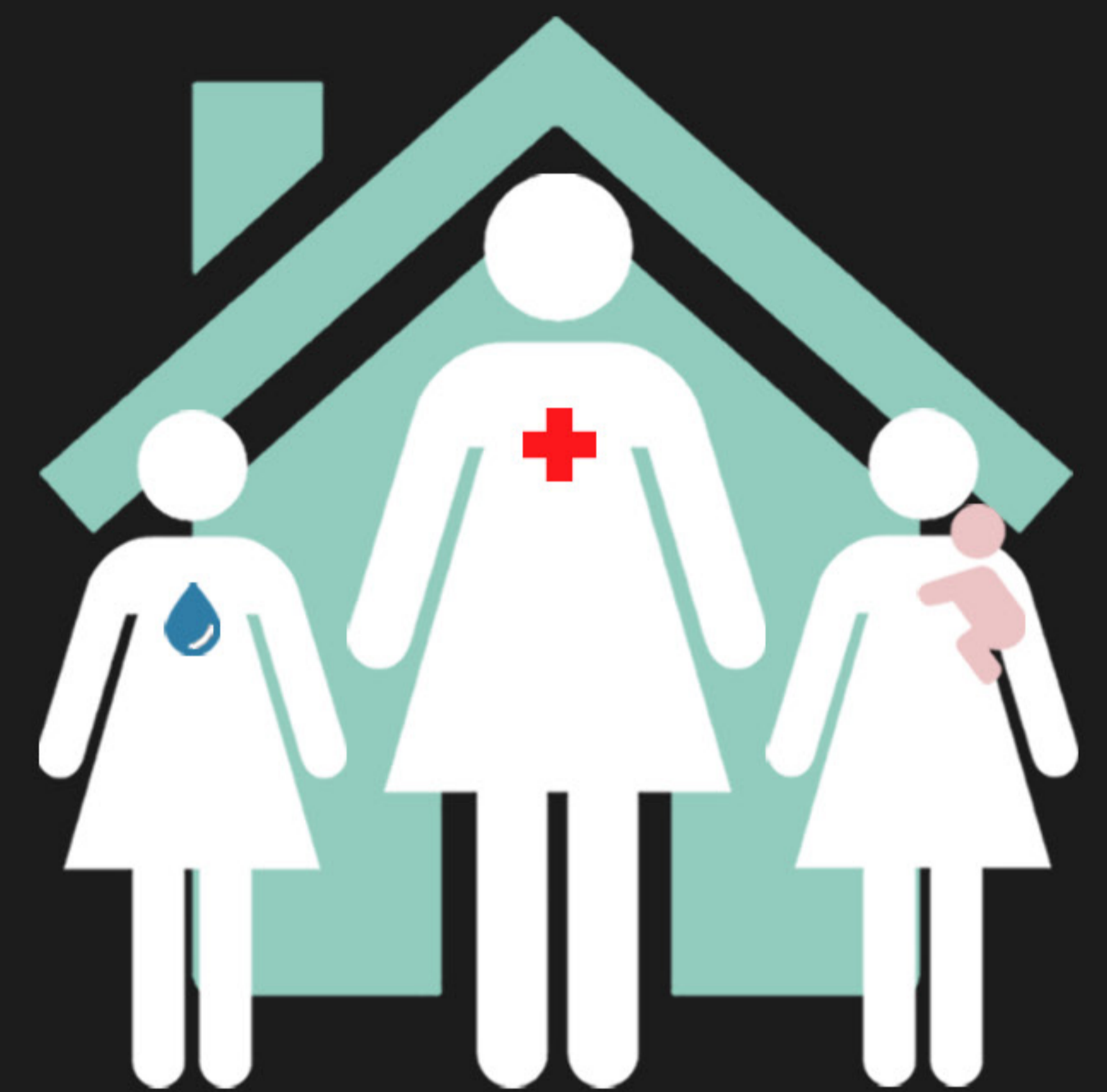
Access to healthcare and social protection

- 7 ventilators in the country, meaning one for every 510,000 people.³
- Just one doctor for every 40,000 people.⁴
- Liberia has a nurse to citizen ratio of less than 6 per 10,000, when the World Health Organisation (WHO) recommends five times that as a minimum.⁵
- Liberia will face a shortage of 10,000 to 20,000 nurses in 2030.⁶
- Women in Liberia spend almost two and a half times the number of hours on unpaid care work than men do.⁷

A Women's Emergency:

Why women and girls will be hardest hit by the COVID-19 crisis

- 2/3 of health sector jobs globally are held by women.
- School closures mean women are caring for children at home.
- The majority of women's work is in the informal economy, without sick leave and benefits.
- Girls are responsible for collecting water. But without access to free, clean water they are more at risk.
- Most domestic workers are undocumented, migrant women.



ActionAid's new research findings:

Action on Debt! Countries which spend more than 12% of their budgets on debt servicing are invariably forced to cut their spending on public services. Liberia is spending 9.1% on debt servicing, but this is still more than half of the total budget for health and education.

Action on Austerity! The IMF is pressuring Liberia to reduce its inflation rate of around 20%, despite independent research suggesting a developing economy can thrive with this level of inflation. This extreme and harmful advice restricts Liberia's capacity to spend more on priority services. The IMF is also pressuring Liberia to cut its public sector wage bill. Over half of the present wage bill goes to pay teachers, doctors and nurses, so any cuts would block recruitment of new staff to these essential services.

Action on Tax! Liberia has a tax to GDP ratio of just 11.4%. This is below the 17% average tax to GDP ratio of low-income countries, compared to the 34% average in OECD countries and over 40% in Scandinavia, where high taxes of those who can afford to pay their fair share are invested in welfare enabling rapid response to, and recovery from, the pandemic.

To rebuild public finances and allow a doubling of spending on most public services, Liberia should rapidly and fairly expand its domestic tax revenue and aim to increase its low base by at least 5% in 5 years. ActionAid research shows that countries like Liberia can expand their tax revenues both rapidly and fairly through taking action on ending tax incentives, raising corporate taxes on the biggest companies, improving taxation of the extractive industries, supporting fairer property taxes and targeting luxury consumption. Unfortunately, present IMF advice includes reducing VAT exemptions, which would hurt the poorest the most.



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

- 1. Properly finance public health** and other vital public services.
- 2. Target women and informal sector workers with financial support and services**, acknowledging they are impacted first and worst by the pandemic and subsequent lockdowns.
- 3. Reduce inequality** by expanding social protection, particularly for youth, women, smallholder farmers and informal sector workers.
- 4. Bail out workers and families, not shareholders.** Ban bonuses and buybacks for all bailed out companies and no bailouts for polluters.
- 5. Ensure restrictions on civil liberties are proportionate and temporary.** 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.

National Policy Recommendations

This crisis is an opportunity for a new social compact between government, people, and business, to build a better future for all.

- The government of Liberia should join a pan-African call for more sustained debt cancellation, to suspend loan repayments in the wake of Covid-19, and to renegotiate longer term debt obligations to free up funds to invest in health, climate transition and other Sustainable Development Goals (SDGs).
- The government of Liberia should commit to make its Covid-19 spending and its future borrowing transparent and accountable to citizens, so that we know people's taxes are being used to improve their lives. This is the moment for Liberia to insist on its right to spend the revenue it raises on providing a comprehensive and sustained response to Covid-19 and invest to meet the SDGs, rather than paying old debts.
- Liberia urgently needs to take bold action on progressive tax reform and move away from a system that is largely regressive, targeting the poor more than the rich.
- There is an urgent need to increase health spending in Liberia. A health and economic crisis triggered by the Covid-19 pandemic will exacerbate weaknesses in its health system and puts the lives of more poor and vulnerable citizens on the line. Increase the funding and availability of gender responsive public services to help poor people, and especially women and girls.
- Liberia's government should reject harmful conditions attached to IMF/World Bank loans. IMF constraints on public sector wage bills are blocking the recruitment and decent pay of nurses, care workers, teachers and other essential frontline staff.

By taking a combination of actions on tax, debt and austerity the government of Liberia could transform the quality of all public services and start shaping a sustainable economy that cares for both people and the planet.

References:

¹ [Public Services International](#)

² [IMF: Policy Responses to COVID-19 June 2020](#)

³ [New York Times April 2020](#)

⁴ [World Health Organisation](#)

Significant shortage of doctors, nurses and midwives (WHO recommends 15 doctors for every 10,000 people and Liberia has 0.25 doctor has 0.38 doctors for the same population, 5.32 nurses per 10,000 people compared to a recommended 30, and 1.9 midwives per 10,000 people compared to a recommended 3).

⁵ [World Health Organisation](#)

⁶ [National Health Workforce Accounts Data Portal, State of the World's Nursing 2020](#)

⁷ [UNSTATS: Time Use Statistics June 2020](#)