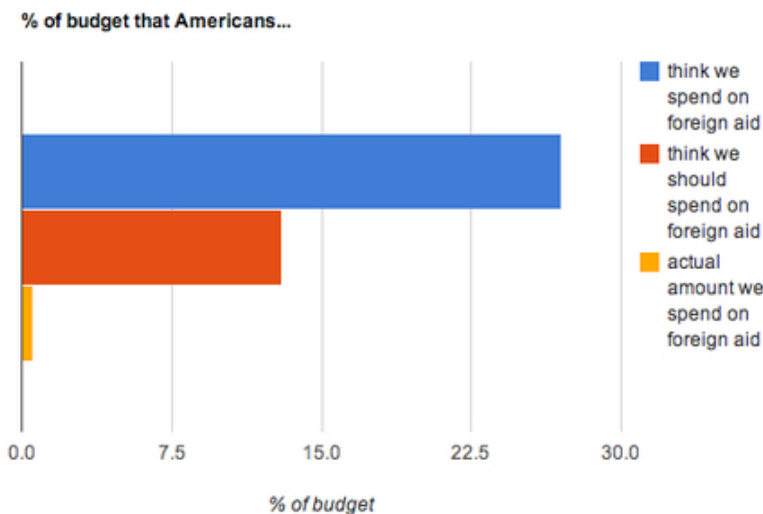


Cuts that kill: Senate must restore global health funding

As Congress grapples with the federal budget and reducing the deficit, belt tightening will be felt far and wide. But there are cuts that cause pain, and there are cuts that kill.

The House-passed spending bill for 2011 includes drastic reductions in foreign aid that do basically nothing to balance the budget but much to endanger the lives of the world's most vulnerable people. Included in the 2011 appropriations bill sent to the Senate is a 30 percent cut in the Development Assistance account and a 15 percent cut to the Global Health Account. These choices made in the House bill defy decency and common sense. It is up to the Senate — which will be determining its 2011 spending bill in the next two weeks — to restore sanity by restoring full funding for these vital programs.

If development assistance accounted for one fourth of federal spending, as many Americans believe, such reductions would make a significant dent in the deficit. But the U.S. spends less than 1 percent of the federal budget on poverty-focused foreign aid programs. And while the money spent amounts to little more than a rounding error in the federal budget, some of the results realized from these programs are breathtaking — and life-giving.



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¹ From Ezra Klein, Washington Post. Source: <http://capitalgainsandgames.com/blog/bruce-bartlett/2059/why-fixing-budget-hopeless>

Take for example the U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, which has now saved an estimated 6.5 million lives. With the U.S. playing a leading role, the Global Fund has supported dramatic reductions in deaths from malaria, expanded access to life-saving AIDS drugs, and has provided resources to stop TB — including dangerous drug-resistant strains of the disease that still find their way to the United States homeland. Every dollar the US contributes to the Global Fund has been matched with at least \$2 from other donor countries, so it's a smart way to share the responsibility of improving global health. But the hard-won gains of the Global Fund will slip backward if the House proposal to slash 2011 funding by 40 percent remains intact. The impact of these cuts to successful global health programs (see sidebar) is too steep a price to pay for such meager savings.

Consequences of cuts to Global Fund

The House-passed spending bill includes a \$450 million cut to the Global Fund to Fight AIDS, Tuberculosis and Malaria. This cut would mean that in 2012:

- 58,000 HIV-positive pregnant women will not receive drugs to prevent transmission of the virus to their children;
- 414,000 people will not be provided with antiretroviral (ARV) medications;
- 3.7 million people will not be tested for AIDS;
- 372,000 people will not be tested and treated for tuberculosis.
- 10.4 million bed nets to fight malaria will not be provided;
- 6 million treatments for malaria will not be administered;

One of the positive legacies of the Bush Administration was the ramping up of U.S. investments in global health that have contributed to a healthier and more stable world. The cuts in the House bill, however, threaten to erase that legacy.

Here's what former Bush speechwriter and policy advisor Michael Gerson said in a recent Washington Post column:

“These reductions were intended to be symbolic, but what do they symbolize? Fiscal responsibility? Hardly. No one can reasonably claim that the budget crisis exists because America spends too much on bed nets and AIDS drugs... So, do these cuts symbolize the Republican rejection of fuzzy-headed liberalism? Actually, the main initiatives on malaria and AIDS were created under Republican leadership. They emphasize measured outcomes and accountability. If the goal of House Republicans is to squander the Republican legacy on global health, they are succeeding.”

In a global context, on March 1, the conservative-led UK government released an exhaustive multilateral aid review of 43 development institutions, which rated the Global Fund as one of nine organizations with an “excellent track record” for delivering results. Global Fund proposals are developed by the countries that

implement them, they are evaluated by an independent review panel, and continued funding is awarded according to performance. The Fund embraces transparency, making project documents publicly available on its web site.

Global health and education: an economic investment

In addition to the humanitarian objective to save and improve lives throughout the world, our development assistance also strengthens our economy and increases global stability. By saving lives and making people healthy, and by improving access to quality education, we improve the economic well-being of developing countries. And as their economies grow, those benefits are felt not just in their home countries, but also around the world, including in the U.S. One out of five U.S. jobs is export-related, and nearly 50 percent of our exports go to the developing world. Also, US exports to developing nations have grown six times faster than exports to more developed nations.

Foreign aid positively impacts employment, trade, and education in every state in the country:

- Almost one-quarter (23.1 percent) of all manufacturing workers in Ohio depended on exports for the jobs.
- In 2007, 5,058 companies exported goods from Virginia. Of these, 84 percent were small- and medium-sized enterprises with few than 500 employees.
- California exported \$144.8 billion in merchandise to 222 foreign markets in 2008.²

The House GOP's wrong-headed cuts to foreign aid, and especially the Global Fund, are, to quote Michael Gerson, "irrelevant and destructive." The impact on the deficit will probably be too small to measure, and as Gerson reminds us "claiming courage or credit for irrelevant cuts in foreign assistance is a net subtraction from public seriousness on the deficit."

Cutting a fraction of one percent of the nation's budget will hardly put a dent in the deficit, but the ramifications of cutting development programs that protect health and strengthen futures will be felt for years to come. The damage will be measured in lives lost, U.S. image and influence abroad diminished, and a downward economic spiral in poor countries that will hurt our own economic future.

² Information on the economic impact of foreign aid on other states can be found at <http://www.usglc.org/state-network/>