



# Background Paper

BREAD FOR THE WORLD

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## Budgeting for Justice

by Michele Learner

The Mwalusi family lives in the Kitwe district of Zambia, where malaria is rampant. Mrs. Mwalusi and her 18-month-old daughter—who was having convulsions from malaria—once had to wait for hours at the side of the road before finding someone to take them to the hospital. Happily, the little girl has not had malaria since she began sleeping under an insecticide-treated bed net recommended by Kitwe’s Malaria Reduction Project, which is funded with U.S. development assistance.

During a regional effort against polio led by the Pan American Health Organization, almost every young child in the Americas was immunized. By 1991, polio had been eliminated as a public health threat in the Western Hemisphere.

Such progress against deadly diseases like malaria and polio show us the enormous potential of international cooperation to reduce human suffering, and the role that the United States can play. The U.S. government can also improve the health and nutrition of low-income people in our own country.

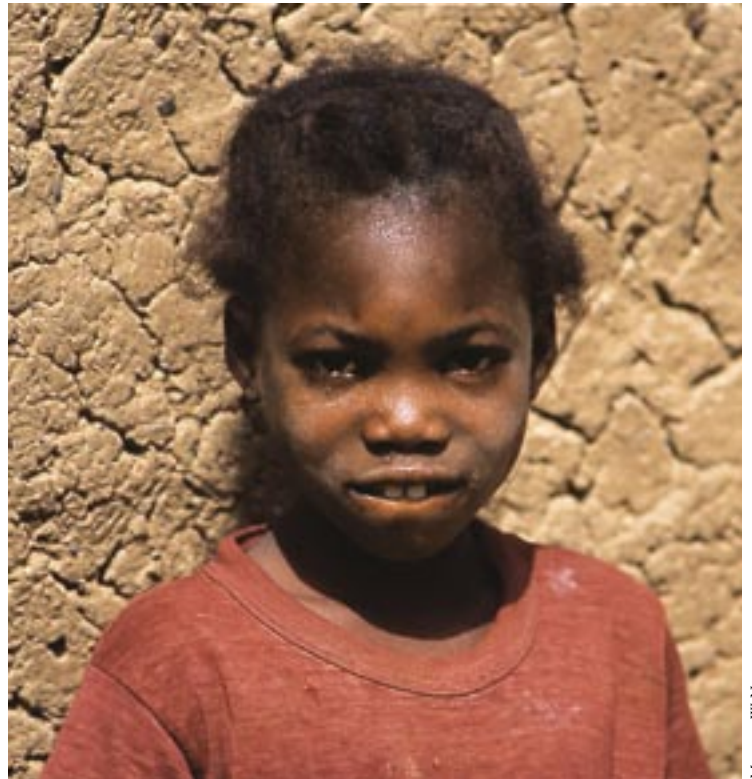
“Commodities come in on a truck from the USDA,” said Cherie Jamason, president of the Food Bank of Northern Nevada, in the *Reno Gazette-Journal* of February 21. “We get 1.1 million pounds per year. Where would we get the money to acquire another 1.1 million pounds of food?” James Barone, a 70-year-old man from Reno, NV, added, “I don’t know where I’d be without [the commodity supplements]. After paying for rent and medicine, [I have] about \$90 per month and that’s what I have to live on and I’m one of the better off ones in this building.”

### A Moral Document

The federal budget is more than just a long, complicated list of numbers. It is a moral document, showing in concrete financial terms the value that our country puts on the specific needs and wants of our people. In addition to carrying real consequences for individuals, the budget shapes the future of our economy and society. Bread for the World’s interest in the U.S. budget centers on its impact on hungry and poor people at home and around the world.

In February, the Bush administration submitted its budget request for the next fiscal year (FY 2007), beginning the process of determining the spending priorities for our country in 2007. Congress will now respond to the president’s request with a budget resolution that will guide their decisions on taxes and spending during the rest of their session.

The administration’s \$2.77 trillion budget request calls for large increases in military and homeland security spending, a modest increase for international affairs, more tax cuts primarily for wealthy people, and deep cuts in domestic spending, including anti-hunger and poverty programs. Congress will probably not want, in an election year, to make the deep cuts to domestic programs, including food stamps, that President Bush proposed. But neither does it seem disposed to support even the modest increases for international affairs, including



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The priorities set in the U.S. budget affect the future of children around the world.

money for poverty-focused development assistance, that the president also proposed.

Bread for the World is concerned that next year’s budget will make life harder for hungry and poor people in this country and around the world. Even with the U.S. economy doing well, the 45 percent rise in regular military spending over the past five years, the additional military spending for the wars in Iraq and Afghanistan, and the loss of revenue from the string of large tax increases for wealthy people have placed big strains on the federal budget.

### Promises to the World’s Poorest People

For many years, Bread for the World members have advocated for resources to expand programs shown to reduce hunger and poverty.

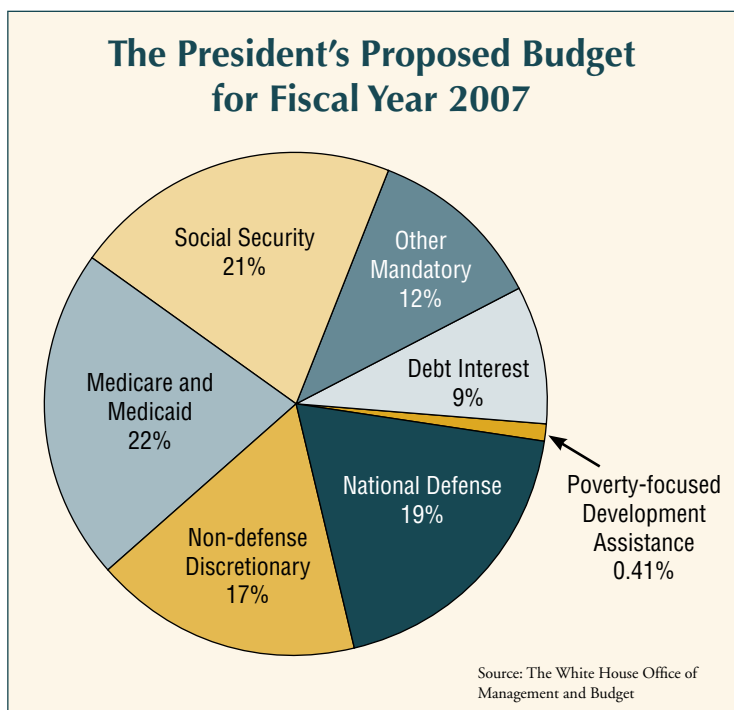
The world stepped up its commitment to ending hunger in 2000, when nearly every government adopted the U.N. Millennium Development Goals (MDGs), a set of eight concrete goals to reduce global hunger, poverty and disease. The MDGs include specific achievable targets for the year 2015. Poverty-focused development assistance from the United States would move us toward the MDGs, which include cutting extreme poverty and hunger in half, reducing child and maternal mortality, ensuring that every child goes to elementary school, promoting the rights of women, and halting the spread of HIV/AIDS and other deadly diseases.

President Bush has often mentioned world hunger in his

speeches and press conferences. He proposed and helped establish the Millennium Challenge Account (MCA), which funds initiatives by low-income countries committed to addressing the needs of poor people. He also promised an additional \$10 billion between 2004 and 2008 to fight global AIDS, tuberculosis and malaria. At last year's G-8 summit, the United States agreed to double assistance to Africa by 2010 and supported a debt relief package for highly indebted poor countries. If the administration and Congress keep these promises and continue to strengthen U.S. leadership on international poverty issues, President Bush's legacy could encompass real improvements for the world's hundreds of millions of hungry and poor people.

But the job is far from complete. The past few years have seen a trend of increases in poverty-focused development assistance, but these increases are less than promised and much less than needed. According to Bread for the World's analysis, the FY 2007 budget request includes an increase in poverty-focused development assistance of about \$2 billion, but we need an additional \$5 billion to get the United States on track to meet our commitments.

Most of the administration's proposed funding increase would be for the MCA and efforts to fight HIV/AIDS. MCA funding would total \$3 billion, compared to the original commitment of \$5 billion per year, while funding for AIDS, malaria and tuberculosis would increase but still not be enough to do what's needed to stem these worldwide epidemics. Some of the proposed \$2 billion increase would come at the expense of other ongoing poverty-focused development assistance programs, despite the administration's assurances that MCA and HIV/AIDS funding would be additional. In a country as wealthy as ours, how can it be that less than half of 1 percent of the budget goes to fighting poverty, hunger and disease around the world? As part of the ONE Campaign, Bread for the World is asking our government to devote an additional 1 percent of the budget to the fight against global poverty.



## Rising Hunger, Proposed Nutrition Cuts

Here in the United States, the proposed FY 2007 budget would reduce funding for Medicare, Medicaid and many other federal programs that benefit elderly or poor people.

On nutrition specifically, the budget would cut the Food Stamp Program, weaken the WIC program, and completely eliminate funding for the Commodity Supplemental Food Program, which provides nutritious monthly food packages to low-income women, children and seniors.

The proposed food stamp cuts of \$706 million over five years would push an estimated 255,000 people—mainly working poor mothers and their children—out of the Food Stamp Program. This proposal is the same as the one made last year that Bread for the World members opposed and Congress rejected. The budget request's elimination of funding for the Commodity Supplemental Food Program would affect James Barone, 459,000 other seniors, and more than 52,000 women and children who participated in the program last year.

At the same time, government statistics show that poverty has increased in each of the past four years, while food insecurity and hunger have grown for the past five years—more than 38 million people live in households that struggle to put food on the table. America's Second Harvest's report *Hunger in America 2006* found that more than 25 million people, including almost 9 million children, are receiving emergency food assistance from its network of food banks—an 8 percent increase over 2001.

## A Question of Priorities

Tax cuts remain a central feature of the Republican agenda. The president's 2007 budget proposed many of the same tax cuts he asked for in 2006, while Congress is still negotiating a \$70 billion tax cut package from last year. The House passed a \$56 billion package that includes an extension of the capital gains and dividends provision, which would benefit primarily wealthy people. The Senate passed a \$70 billion tax package that does not include the capital gains and dividends extension.

As we consider the cuts to nutrition programs and unfulfilled international commitments, Bread for the World specifically objects to the fact that these cuts are being proposed partly to pay for additional tax cuts for wealthy people. If Congress adopts the president's tax cut proposals for 2007, they will come at a cost of \$1.8 trillion over 10 years. The tax cuts enacted since 2001 contributed substantially to today's staggering budget deficit, which now serves as justification for further cuts to programs that fight hunger and poverty.

The administration's other top priority is military spending in Iraq and Afghanistan. Including the supplemental funds requested in February, the United States will spend more than \$120 billion in 2006 alone on these conflicts.

## Faith and Our National Priorities

Last year, the Asian tsunami, the earthquake in Pakistan and hurricanes in the United States showed us how vulnerable poor people are to natural disaster. But other disasters can befall a family and lead to hunger: loss of a job, unexpected medical expenses. Should an elderly woman have to make choices between buying her medication and buying food? Parents in the United States and around the world will eat only one meal a day—if that—so their children can be fed.

The Gospel of Luke tells us, "For where your treasure is, there your heart shall be also." (Luke 12:34, NRSV) This applies as much to the heart of our nation as to our own lives. A commitment to hungry and poor people is the embodiment of bringing faith to politics. How we allocate our country's treasures is a good place to begin.