In times of economic crisis, should Canada maintain its spending?

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In Canada, although opinions vary on what specific measures are most appropriate to support our economy during the present economic crisis, most appear to agree that the federal government needs to intervene. In light of the broad support for financial rescue efforts aimed at the domestic economy, it seems fair to ask what portion of the Canadian budget, if any, should be allocated to international humanitarian aid and development.

Humanitarian aid can be defined as the material or logistical assistance provided for humanitarian purposes, typically in response to a humanitarian crisis. The primary objective of humanitarian aid is to save lives, alleviate suffering, and maintain human dignity. It can be distinguished from official development assistance (ODA), which seeks to address the underlying socioeconomic factors that might have led to the crisis or emergency.

In 1969, the Pearson commission, acknowledging that existing patterns of international aid were inadequate, recommended that 0.7% of Canada’s gross national product be allocated to ODA. In 2006, Canada’s ODA fell dismally short of the Pearson recommendation and hovered around 0.3%. The recent Harper budget of January 2009 made no mention of international assistance. With everyone’s attention turned toward the need to bolster the domestic economy, some would close the tap on international aid spending altogether. In this paper we outline why doing so would have dire consequences for our global neighbours and, ultimately, for Canadians. We then consider what our international assistance allocation should fund.

Why a portion of our budget should continue to go to international assistance

Healthy populations are essential for security, stability, and economic growth. Historically, the impetus to maintain a healthy, productive work force was a key motivator for the creation of both public and professional health insurance programs. We have long understood the collective benefit of maintaining a healthy work force, locally. As Canada is now linked to the global economy, we would do well to recognize that enabling healthy populations beyond our borders is also a means to a collectively prosperous life.

Second, the consequences of a generalized economic collapse on fragile economies will accentuate the effects of the crisis for us all. Sharp increases in the prices of food and fuel and bounding inflation in low-income countries drive families deeper into poverty. Poverty contributes to illness and political instability. In our current interdependent and highly mobile world, the diseases and instability that rage elsewhere in the world—severe acute respiratory syndrome and the events of September 11, 2001, for example—have and will continue to have local repercussions.

Third, should we dare to offer a positive perspective, the current widespread economic crisis presents opportunities for our country to explore and form new partnerships within the global community. In keeping with Canada’s commitment to the Millennium Development Goals, which include “developing global partnerships for development,” resisting the urge to turn inward and redefining international relationships in these challenging times could pave the way for collaborative innovation and growth once the storm has passed.

Last, during decades of prosperity Canada was unwilling to meet its global financial responsibilities and contributed an embarrassingly modest proportion of its budget to international assistance. Now that notions of “accountability” and “innovation” feature increasingly prominently in our social discourse and as we prepare to host the G8 summit in 2010, it would be timely for Canada to assume its place as a world leader and participate in shaping an improved global economic order. If innovation is indeed the way out of the current crisis, it might be that innovative ways to relate economically to those in resource-poor countries (rather than through continued unbridled consumerism) is the key to ensuring dignity and prosperity for all communities.

What should Canada fund?

Having agreed to allocate part of the Canadian budget to international development and aid, we are left with 2 related questions: how much should we dedicate to international development and aid and exactly what should be funded?

Canadian budget estimates that refer to “international assistance” typically include “allocations to the Canadian International Development Agency, Foreign Affairs, and the Department of Finance.” Further, ODA amounts include debt relief and the cost of newly arrived refugees. Some sources have suggested that as
much as 30% of quoted ODA amounts go to debt relief rather than direct aid. In recent years, the Canadian government has underscored the link between trade and development and has emphasized the role of the private sector in development. It remains to be seen whether bundling aid with investment and trade, especially without first addressing the fundamental flaws of the current trade regulations, will actually lead to a timely improvement in the health of those most vulnerable. Moreover, it would be wrong to rebrand trade and investment initiatives as primary international assistance efforts. Although potentially synergistic, the former primarily seek to enrich corporations while the latter seek to enrich human potential.

Also problematic is the prominent place of Afghanistan in Canada’s international development policy. Canada’s involvement in Afghanistan is undeniably and primarily military. Afghanistan is the primary recipient of Canadian foreign aid. The simultaneous spending of military and development dollars in Afghanistan, at the expense of countries that might be more ripe to benefit from development investments, uses notions of “development” to cloak political and economic interests. In the words of Jeffrey Sachs, “the money going to Afghanistan ... is really not development aid but security spending.”

With respect to humanitarian aid itself, in contrast to development, relatively little, if any, funding was proposed in the recent budget, despite the estimation that more than 40 countries with a combined population of 1.3 billion are currently faced with emergencies and humanitarian crises. Throughout the world, more than 25 million people are internally displaced and more than 9 million refugees lack food, shelter, and health care. Most disasters occur in low-income countries, where the poorest are most affected. With mounting global instability, the reality of increased need for aid and humanitarian response is discouragingly apparent.

What percentage of Canada’s international aid should then be allocated to humanitarian relief itself? In 2006, 8% of Canada’s ODA (0.3% of the gross national product) was targeted to humanitarian aid. Development and humanitarian relief are intimately interconnected. A good development plan includes disaster preparedness in order to develop health services capacity, reduce risk, and establish emergency preparedness locally. This allows communities to better deal with disaster, ideally without external assistance. Disaster preparedness has not traditionally been a priority, however, and many countries do not have well-developed disaster preparedness plans. Humanitarian aid itself has been criticized for creating dependency, hindering local economies, and failing to get to those who need it most. Many have questioned how best it should be supported or even if it should be. In 2005, prompted by the string of natural disasters since 2004, the international community identified major improvements necessary to humanitarian response. This led to a “humanitarian reform,” which aimed to reach increased numbers of beneficiaries more effectively and efficiently in a timely manner. As a result, access to funding for emergencies is now more efficient, and the Health Action in Crises team at the World Health Organization has been upgraded to a health cluster challenged with reducing the health consequences of disasters. Therefore, international actors are starting to become more accountable for humanitarian aid. At the very least, even if development is deemed a priority over relief, it should include community disaster preparedness and capacity building for health and health care systems. Given the ongoing need for humanitarian response, it seems fair to expect 8% of the international aid budget to be allocated to that—a commitment that was glaringly absent from the recent budget.

How else might Canada lead?

In light of the current call for accountability, one might argue that Canada’s investment in international development should build not only upon new or existing relationships, but also upon Canada’s expertise. Access to comprehensive primary health care systems is known to improve health outcomes. In its 2008 report, the World Health Organization has reaffirmed the importance of primary health care. Having met its “0.7% commitment” to actual ODA—including humanitarian aid—and forging new partnerships to support a more equitable global economy, Canada, as a leader in primary care, could support the development of locally appropriate primary health care systems in low-income countries. The Canadian International Development Agency's Sustainable Development Strategy for 2007 to 2009 commits to supporting the increased sustainability of primary health care systems, particularly to the most vulnerable segments of the population by 2015. It remains to be seen whether Canada will have the courage to make good on its commitment in light of the current economic crisis.

Conclusion

Ensuring the good health of Canadians involves more than developing policies and programs within our own borders. We need to encourage our government to honour its commitment to support both humanitarian relief and development as part of ensuring the health of all Canadians. In not recognizing this, we would not only fail in our international commitment, but also fail to promote the best attainable health for Canadians.

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