

AID Highlights

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EXPANDING THE FRONTIERS OF FREEDOM

US. foreign aid has many goals designed to improve the quality of life in less developed countries (LDCs). Foreign economic assistance programs as carried out by the Agency for International Development (AID) range from teaching children in Latin America reading to helping farmers in Africa grow more crops to showing Asian families how to run their own businesses to providing needed health services and food throughout the world.

But there is another important aspect of foreign assistance that frequently is overlooked. U.S. foreign economic assistance programs work to assure national security. By helping people in LDCs, U.S. foreign aid enhances regional stability, promotes economic development, encourages growth of democratic institutions and stimulates U.S. commercial relations with the Third World.

President Reagan has made note of the important link between Third World development and national security.

"By opening the door to economic opportunity, we have helped many nations turn from dependence to self-reliance," the President said. "We believe that prosperity fuels the fire of freedom. Our foreign aid is, therefore, not only a symbol of America's tradition of generosity and goodwill, but also a servant of our national interest."

Foreign Aid in Perspective

AID has been providing economic assistance to the nations of the developing world since 1961. During that time, more than 303 million tons of



"In our world today, there can be no enduring economic prosperity for the United States without sustained economic growth in the Third World."

Secretary of State George Shultz

food have been provided to 1.8 billion people in more than 100 nations.

Emergency relief has been provided to victims of more than 770 natural disasters in 128 countries. Smallpox has been eradicated, and a vaccine for malaria is on the way. A "Green Revolution" in agriculture has introduced new high-yielding varieties of grains, enabling many nations to become self-reliant in food production.

Life expectancy in developing nations has increased by 20%, literacy by 33% and per capita income by 50%. High rates of population growth are beginning to level off in parts of Asia and Latin America, where up to 50% or more of the people in some countries now use family planning methods. Primary school enrollment has tripled and secondary school enrollment has increased sixfold.

Foreign assistance as a national policy originated with the Marshall Plan in 1947 when U.S. economic support helped rebuild Europe following World War II.

Providing economic assistance to U.S. allies makes good political sense because economic stability is probably the single most important factor in determining whether a system of government can survive.

Because the United States works to support free, democratic countries, it is in its best interest to provide assistance that can help the economies of these countries to grow. Countries with strong economies make for strong allies. This, in turn, helps increase the range of mutual defense while providing extra markets for the sale of goods produced in the United States.

A good example of how this can work can be seen in the assistance the United States provided to Europe and Japan following World War II. Under the Marshall Plan, the United States pumped about \$60 billion (by today's dollars) into Europe.

The resulting economic recovery of friends and former adversaries has tilted the strategic balance in Europe decisively toward the West. Japan, West Germany, France and Great Britain are economically sound countries today—and it is no coincidence that they also are America's strongest allies.

New Directions

The Agency for International Development was created by the Foreign Assistance Act of 1961 by combining the International Cooperation Administration and the Development Loan Fund.

Since then, the focus of the U.S. foreign economic assistance program has shifted from rebuilding war-torn Europe to aiding development of countries in Africa, Asia and Latin America.

By assisting developing countries, the United States improves its economic and political ties throughout the world, thus strengthening its national security interests while, at the same time, providing humanitarian assistance through programs in:

AGRICULTURE AND NUTRITION: AID is meeting the challenge of increasing food production by helping improve existing agricultural technology and working to help countries establish self-sustaining agricultural institutions.

Research is a key factor in improving agricultural production.

AID-supported research helped bring about a "Green Revolution" in agriculture in Asia that helped alleviate recurrent famine in Bangladesh, Pakistan and India. Work now is under way to help bring food self-reliance to the famine-plagued African continent.

AID and other donors played an important role in research that led to the development of high-yielding rice varieties, primarily at the International Rice Research Institute, that resulted in a 40% increase over yields of traditional varieties.

Similarly, AID and other donors supported research that led to the development of new wheat varieties that have had an average increase in yield of close to 100%.

Recently, AID's support to the Asian Vegetable Research and Development Center has developed heat- and bacterial-resistant tomatoes that will make tomato production feasible in hot and humid climates for the first time. Other research has led to the production of new varieties of sorghum that are adapting to the soil and climate conditions in the Sudan and are increas-

ing yields up to 150%.

AID also collaborates with U.S. land and sea grant colleges and universities in fields such as aquaculture, ocean fisheries, soil management, nutrition and food crop production, and post-harvest technology and works closely with private voluntary organizations, private sector firms, the U.S. Department of Agriculture and other U.S. government agencies such as the Peace Corps.

Collaborative agricultural research also has supported U.S. agriculture. The United States has benefited from the use of genetic materials from developing countries to improve virtually every major U.S. crop.

AID also helps developing nations increase agricultural production through irrigation, swamp drainage, construction of access roads, building of storage and market facilities and rural electrification systems.

For example, in Guatemala AID assisted in constructing about 206 kilometers of farm-to-market access roads that provided employment for 12,000 laborers and allowed 20% more produce to arrive at markets in good condition. In Sri Lanka, an AID project helped organize water users associations in the dry Gal Oya region in the southeastern part of the country and rehabilitated over 600 kilometers of irrigation canals.

HEALTH: Many deaths in less developed countries occur from malnutrition and illnesses such as diarrhea, respiratory infections, measles, tetanus and polio. These deaths can be easily prevented if services are available.

However, efforts to improve health are hampered by a lack of trained personnel at the community level, scarcity of rural health clinics, limited resources and lack of technical expertise.

AID has helped LDCs expand basic health care by supporting immunization, oral rehydration therapy and control of major communicable parasitic diseases. More than 50% of AID's health budget is directed at health service delivery. For example, in Africa AID has assisted in protecting 8.3 million children from the ravages of childhood diseases. Also, two million



It is important that we focus on educating people not just for what they are going to do, but also for what they are going to be.

Administrator Peter McPherson

Four basic policy principles guide the U.S. foreign aid program: policy dialogue and reform; transfer of appropriate technology; institution building; and reliance on the private sector and market forces as engines of economic growth. These "four pillars" now are mandated by law.

pregnant women in Africa have been immunized against tetanus.

AID recently doubled its budget for biomedical research, committing roughly 13% or \$31.5 million of the total health budget to this research. Research will improve the ability to diagnose, treat and even prevent diseases and will reduce the cost of health service delivery in the developing world.

Today, research is being carried out on tropical diseases such as onchocerciasis (river blindness) and malaria.

Onchocerciasis, when uncontrolled, can disable humans in the prime of life. AID is the major donor in the worldwide effort to control this disease. In the Volta River Basin in Africa, for example, valuable land has been returned to production and the majority of children born in the region have been protected from infection.

During the past 30 years, the United States has spent more than \$1 billion to control the spread of malaria, a disease that can kill up to five million people a year. It is estimated that one million children die annually from malaria in Africa alone.

As a result of research funded by AID, two prototype vaccines have been developed against malaria. One is for the most deadly form of the disease and the other for the most common form. If human testing is successful, the vaccine could be available for use by 1990 and should have a significant impact in controlling the disease.

AID is committed to a "child survival" program to focus on a limited number of manageable and proven technologies that promise sustained and direct health benefits for infants and children. These are oral rehydration therapy (ORT), immuni-

zation, birth spacing and improved nutrition practices including the promotion of breast feeding programs and growth monitoring.

The promotion of the use of oral rehydration therapy is an important part of AID's child survival effort. Between five and six million children in developing nations die every year from dehydration resulting from diarrhea. Diarrhea is brought on by cholera, measles and the many viruses and bacteria that thrive in unsanitary environments. Children in developing countries, often already malnourished, may survive the disease but not the dehydration resulting from severe diarrhea.

Over the course of 20 years, AID has helped support research that has demonstrated that oral rehydration therapy is a safe and effective treatment for diarrhea from all causes and for children and adults of



AID is working to make ORT available worldwide with activities in 42 countries.

all ages. Because the salt and sugar solution can be given by spoon, mothers and fathers can administer it to their children at home.

AID now is working to make ORT available worldwide with activities in 42 countries. The U.N. International Children's Emergency Fund (UNICEF) and the World Health Organization (WHO) are major partners in this global effort.

EDUCATION: Some 600 million adults in developing nations cannot read or do basic calculations. Only three-fifths of school-age children enter primary school, and only half will stay in school long enough to acquire even the most rudimentary skills.

The U.S. foreign aid program emphasizes primary education for children, non-formal education in life skills for adults and advanced training for development program managers, scientists and professional personnel. In addition, the program emphasizes that formal and non-formal education and participant training be directed to both males and females because both contribute significantly to the overall economic development process.

Modern technology also is applied to educate persons in remote regions. Radio and satellite communications are used to reach people in rural areas. AID has helped develop instructional radio programs that have taught children basic skills and farmers how to increase yields.

In addition, "scholarship diplomacy"—training and educating Third World citizens in the United States—is an important part of the foreign assistance program. Nearly 250,000 persons from the developing world have received training—most of them in the United States—under the foreign assistance program. AID is responsible for managing most U.S. government-sponsored scholarships for students and trainees from the Third World.

ENVIRONMENT AND NATURAL RESOURCES:

Receding tropical forest cover, soil erosion, exhaustion of croplands, depletion of fisheries, advancing desert frontiers, water pollution, indiscriminate pesticide use, inade-

quate industrial and urban pollution control, and inadequate or underused energy sources often are serious problems in developing countries.

AID assists in identifying and solving these problems in a number of ways. Technical environmental analysis is integrated into AID's development projects. Foreign governments are encouraged to adopt sound environmental policies. Support is provided for scientific and developmental institutions in developing countries engaged in environmental research and problem solving.

ENERGY: AID's energy program helps developing countries assess their energy needs and resources and develop affordable energy systems required for agricultural, health and educational activities.

In Haiti, AID is introducing a smokeless, briquetted fuel made from coal to replace fuelwood and kerosene in homes and businesses. In Jamaica, AID funded a promising study of the potential for large-scale electricity generation from sugarcane.

HOUSING: Adequate shelter is a critical need in the developing world. By the turn of the century, the world's population will be predominantly urban. Three-fourths of these urban dwellers will live in developing countries. Providing minimum, decent shelter is a major problem resulting from rapid urbanization. Shelter ranks next only to

food and medical care as a basic need of the poor.

Through AID's efforts, all but a small fraction of the housing in developing countries is built by the private sector. Most people build their own housing over time. AID encourages governments to provide those goods and services, such as sewerage systems, that people are unable to provide for themselves.

AID also works to encourage governments to remove constraints on private sector housing construction and to encourage self-help efforts.

AID's Challenge

An environment of poverty is a barrier to economic growth and to long-term global peace and security. The lack of skills, education, health services, access to safe water and adequate food all contribute to poverty. Growing population pressure, adverse climatic conditions, a deteriorating natural resource base and inappropriate government policies further exacerbate the problem.

Malnutrition and disease take the lives of more than 14 million children under the age of five every year in the developing world. This is almost the entire preschool population of the United States. Every day, 40,000 children under the age of five die from largely preventable causes.

A substantial portion of the population in the developing world does not have access to enough food to meet nutritional needs, and three

out of five people do not have easy access to safe water. Life expectancy in less developed countries is about 58 years on the average compared to 75 years in the United States. Average annual income is \$700 compared to \$11,070 in the developed nations, and unemployment rates are very high—up to 50%—particularly in densely populated urban areas. Over half of the people throughout the developing world do not have even basic reading skills.

The challenge faced by donor agencies such as AID and the governments of developing nations is to break through the barrier of poverty and provide incentives for economic progress that will lead to self-reliance and sustained growth.

AID is facing the challenge of the 1980s by sharing American scientific, technical and entrepreneurial skills to meet critical needs in the developing world. By encouraging policy dialogue, mobilizing the private sector, building durable institutions and transferring appropriate technology, AID helps build a better and more secure life for everyone both at home and abroad.

By helping developing countries achieve these goals, foreign economic assistance as administered by AID works to shape a world of prosperity, freedom and peace.

To carry out its programs, the Agency for International Development uses less than 1% of the federal budget. For fiscal 1987 AID has been authorized \$6.7 billion.

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