

THE CHEVRON FORUM ON DEVELOPMENT

A CASE STUDY ON INNOVATIONS IN DEVELOPMENT

The Launch of the Project on U.S. Leadership in Development: The Role of Development in U.S. Foreign Policy and National Security *Featuring* Dr. Condoleezza Rice, former U.S. Secretary of State and National Security Advisor and General James L. Jones, former National Security Advisor

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“[D]evelopment is something that we should care about for moral reasons.... But it also has a deep security dimension for the United States.”

—Condoleezza Rice

THE VITAL ROLE OF DEVELOPMENT IN NATIONAL SECURITY

To mark the inception of the CSIS Project on U.S. Leadership in Development—a new initiative focused on leveraging all U.S. assets, the business community in particular, to create a fresh, actionable development agenda—Dr. Condoleezza Rice and General James Jones discussed the vital role that development plays in U.S. foreign policy.

The terrorist attacks of 9/11 represent a watershed for the United States, redefining its national security priorities in the twenty-first century. Today, the greatest threat to the United States is no longer powerful rival states; rather, it is fragile and failing states that pose the greatest danger to U.S. borders. These “ungoverned spaces” with poor, ineffective, or absent governments lack basic services and fall behind on economic development. With today’s interconnectivity, these unchecked pockets of the world that propagate corruption, terrorism, and the trafficking of drugs, arms, and humans create major security threats that can permeate across insecure borders.

To accommodate this changed international landscape, U.S. global engagement today must be holistic—addressing defense, development, and democracy together—and specific to the needs of each context in which the United States operates. It is in the interest of U.S. national security to support the establishment of “responsible sovereigns” abroad, where a functioning, democratic government can promote economic growth and secure its own borders. To do so, international development efforts should be strategic, forward-thinking, and combined in the correct order and magnitude with diplomacy and security in order to create stability and prosperity both at home and abroad.

KEY TAKEAWAYS FOR THE DEVELOPMENT COMMUNITY

■ ***The unique and complementary roles of the public and private sectors should be leveraged in order to achieve broad U.S. development objectives.***

The U.S. government and business community have overlapping development priorities: to establish stable and secure nations with good governance, rule of law, and economic growth. The respective roles and incentives for these objectives differ, but they should be strategically synchronized for more efficient and sustainable outcomes.

The U.S. government has the ability to affect the enabling environment wherein private companies can do what they do best: make investments, create jobs, and promote trade. Governments can bring various stakeholders together, influence trade and investment policies, and ultimately create the framework in host countries to attract investment and create sustainable economic growth. The for-profit business community, with unparalleled resources, has an interest in contributing dollars and partnering with the government on development efforts in order to ensure a stable and secure operating environment. Recognizing the unique assets of these sectors and bringing them together in partnership can maximize development outcomes.

■ ***U.S. efforts to combat international challenges should be forward thinking, with long-term objectives.*** Development has always been understood

as a long-term objective, but today that model must extend to all national security interests. Establishing “responsible sovereigns” for a more stable and peaceful world is an ongoing objective, requiring coordinated defense, development, and democracy efforts. The United States must have the foresight to engage in fragile situations prior to deterioration and the determination to remain beyond the immediate, short-term objectives. Anticipating needs and proactively engaging in free trade, strengthening democratic institutions, and investing in economic growth at the front end will save U.S. dollars in the long term, prevent conflict, and promote economic opportunities, both domestically and internationally.

■ ***Changes that need to be made at home must not be forgotten.*** The structures and mechanisms through which U.S. development efforts are administered are outdated, reflecting a generation in which threats and diplomatic priorities were different. Given the changes in national security objectives over the last decade and the current challenges to the domestic economy, it will be necessary to engage internationally in more organized, efficient, and competitive ways to accommodate both new threats and new austerity.

The U.S. government should continue to emphasize that foreign assistance dollars will not fund corrupt governments in developing countries. Additionally,



necessary reforms should be made to reduce inefficiencies and interagency overlap in aid delivery. The United States should leverage tools that already exist—including the Overseas Private Investment Corporation (OPIC) and the Millennium Challenge Corporation (MCC)—and increase cooperation among security, economic, and governance initiatives abroad. Barriers to change also remain on Capitol Hill, where congressional jurisdictions and budget cycles make it difficult to free up monies to accommodate the more unpredictable threats to human security today. Furthermore, the legal framework at home—especially with regard to free trade—must be adapted to unleash the competitive nature of the private sector.

Despite difficult times, this is a moment of tremendous opportunity for the United States to reevaluate the changing international landscape and reposition itself as a global leader. Regardless of the current fiscal austerity and domestic pressures, the United States is still regarded as a reliable and important power in the world. However, the American people will need to regain confidence in both its government and business community and support continued international engagement. Global development is not only a moral component of U.S. foreign policy historically, but it is also in the economic and security interests of the United States to promote healthier people, healthier communities, and healthier nations around the world. ■

THE U.S.-PALESTINIAN PARTNERSHIP: PROMOTING ECONOMIC VITALITY AND SECURITY IN THE WEST BANK

In the ongoing effort to bring peace and stability to the Middle East, the U.S.-Palestinian Partnership (UPP) was established to create economic opportunity in the West Bank and contribute to the foundations of a two-state solution.

Launched in 2007 by the State Department and private business leaders, UPP aims to spur economic growth and foster civic-minded youth in a region where conflict and instability have long corroded the standard of living. By bringing together U.S. and Palestinian stakeholders, UPP seeks to enhance youth centers, as well as attract investment and create jobs in three key industries: information and communication technology, hotel and tourism, and agribusiness.

UPP has supported innovative initiatives including the Palestine Investment Conference

in Bethlehem, establishment of the Middle East Venture Capital Fund, and a University Partnership focused on hospitality. It is now housed within the Aspen Institute's Partners for a New Beginning, along with several new public-private partnerships between the U.S. and local communities influenced by the UPP model.

As negotiations continue between Israel and Palestine and capable security forces are trained, innovative efforts such as the U.S.-Palestinian Partnership are needed to build the economic institutions that will be critical to lasting peace and stability in the region. Even in the particular setting of the West Bank, when combined in the right order, governance, security, and development efforts can unlock prosperity and growth.



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