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In America's Interest: A Leadership Agenda for Development Policy

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Today's world is more interdependent and interconnected than ever before. Globalization – the interaction and integration among people, companies and governments around the world – has offered, and will continue to offer, tremendous opportunities. But it also poses significant challenges, particularly to those who start from a position of disadvantage. Bold, forward-looking leadership is required to transcend those challenges and to realize that our self-interest is consistent with the interests of others around the world.

America needs leadership that promotes our values, enhances our national and world security, and strengthens the global economic system. America needs leadership that focuses on the power of ideas, alliances and shared prosperity and not on the power of fear and anxiety. America needs a vision built on our nation's ability to ensure that the benefits of the global economy are shared equitably by all – from cattle ranchers in Wyoming, to cotton farmers in Mali; from textile producers in South Carolina to factory workers in Malaysia; and from small business owners in Arizona to teachers in Bolivia.

A peaceful and prosperous 21st century demands an American strategy of global engagement that balances the delicate tensions between protecting national interests and cooperating in multilateral systems.

This type of leadership is in our national interest for three key reasons:

- **American values:** The U.S. was established on a set of “inalienable rights” – life, liberty and the pursuit of happiness. The values underlying those ideals – values of relieving human suffering, providing economic and educational opportunity to individuals and families, supporting human rights, democracy and free markets, and promoting security – have been reflected in American foreign policy since the founding of the Republic.
- **National security:** Poverty, ill-health, and lack of economic opportunity do not lead directly to terrorism, crime, or conflict, but they create conditions that are hostile to the maintenance of peace and the resolution of global inequities. Instability and lawlessness in fragile countries often have spillover effects, increasing the likelihood of conflict in neighboring states, and offering safe havens for illicit transnational networks.
- **Economic strength:** Trade is an increasingly large part of America's economic strength. Over the past forty years, trade has tripled as a portion of the national economy, and almost 45% of U.S. exports go to developing countries. As these countries continue to develop, our economic wellbeing may depend directly on citizens of the developing world.

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The U.S. has always been the land of opportunity. We must ensure that the world's citizens have the skills and resources they need to create opportunities to productively participate in the global economy and community. Sound American leadership requires a comprehensive foreign policy that elevates the priority of economic and social development.

The five pillars of U.S. development policy should be:

- To **promote a more equitable trade policy** that incorporates domestic concerns, while creating opportunities for developing countries.
 - Increase access for the world's poor to global markets.
 - Reducing trade barriers in agriculture, textiles and apparel will deliver the biggest returns.
 - Managing economic transition for vulnerable sectors domestically and abroad, striking the right balance on labor and environmental standards.
- To **support democratic reform.**
 - Promote more open political and democratic systems.
 - Promote good governance through sound institutions and policies such as greater accountability, transparency in budgeting, effective public service delivery, public participation and environmental stewardship.
- To **make foreign assistance more effective.**
 - Act on the lessons learned from 50+ years of development assistance.
 - Promote programs that help countries to help themselves.
 - Redefine and clearly distinguish objectives for foreign assistance, with a view to increasing development-focused aid.
 - Measure results against explicitly-defined objectives.
- To **invest in people through education and health**, because prosperity and political stability are impossible without an educated and healthy populace.
 - Promote greater social, economic and political opportunities.
 - Fund global initiatives to fight preventable diseases.
- To **harness the potential of the private sector** for sustainable development. In the 1970s, 70 percent of resource flows from the U.S. to the developing world were from official development assistance and 30 percent were private. Today, 80 percent of resource flows from the U.S. to the developing world are private and 20 percent are public.¹
 - Support efforts to build vibrant private sectors in developing countries, crucial to long-term growth.
 - Provide incentives for U.S. investment in innovations particularly relevant (and urgent) to developing countries.
 - Advance efforts to enhance the transparency and accountability of private investment and operations in developing countries.

America's unprecedented stature in the world community, as the preeminent economic and military power, offers a tremendous opportunity for leadership, a core of which must be development policy. Leaders face stark choices: adopt policies that create and reinforce global divisions, or policies that lead toward true democracy, shaped by our country's unique traditions. It is in America's interests to follow the latter.

¹ USAID: Global Development Alliance website.