
DEVELOPMENT THROUGH THE LENS OF SECURITY

**Speaking notes for Jos van Gennip, Orlando,
November 8, 2003**

Thank you Mr. Chairman.

As I have already presented this report at our last session and because so much of our morning was focused on development issues, I will be relatively brief today and focus most of my remarks on the resolution, which distills the findings of this report and also those of the report of our sub-committee on trans-Atlantic Economic relations.

However, let me briefly touch on the underlying theme of this report. It is one that lies very close to the core of the work of this Committee. This report recognizes that our countries have a deep and abiding interest in economic development in poorer regions of the world. Those interests are humanitarian, economic, environmental, and ultimately strategic. There has been a tendency to see major security challenges in military terms in recent years and even to think of the notion of "preemption" as a primarily military concept.

I disagree. Military preemption is likely to remain highly controversial, particularly when there is not a strong underlying agreement among allies and within our societies on the nature of a particular threat.

I would argue that enhancing our capacity to foster economic development has an important preemptive connotation. If the developed world can help facilitate the economic, social, and political development of severely underdeveloped countries and reverse the growing wealth gap that is pulling the developed and developing worlds apart, this will not simply be an act of altruism. It represents an act of national self interest as well.

I don't need here to go through the kinds of security threats that arise from severe underdevelopment. They range from drug and arms trafficking, environmental degradation, mass migration to the overtly strategic problems of resource wars and failed states. We know well that Afghanistan was the training and recruiting center for Al Qaeda, and we all want to make sure that this never takes place again. But let me stress, we should not reflexively think of military action as our first line of defense. Indeed, it should be our last one because military force is a blunt and highly costly instrument that can have all manner of unintended consequences. And its use far too often reflects an earlier failure to deal comprehensively with a set of problems that were instead allowed to fester.

All of this said, forging development strategies is a terribly difficult task, and the international community and the developing world have not had a great

track record on this front. The report catalogues the evolution of economic thinking about development. And I am particularly pleased that John Williamson and Arvind Panagariya traveled to Orlando to speak today because they have both been important protagonists in this discussion. Clearly there has been a broader acceptance of market solutions to the development riddle than there were thirty years ago. But we also see that markets simply cannot take root where there are grave institutional barriers, political and social instability and a structural lack of access to international markets. So the debate about addressing this broad range of problems remains a very rich one, and we have tried to give a sense of this sometimes very technical discussion in the report.

The West confronts many problems in the field of development aid. To begin with aid effectiveness is not simply a function of the amount of resources provided, although this is obviously important. In order for development assistance to be effective, it is also essential to ensure good governance, political stability and accountability, private investment, and market access as Hugh Bayley and John Tanner have strongly argued in their report. Yet this can be difficult to achieve. The report notes that bilateral development assistance, for example, is poorly coordinated with lending institutions like the World Bank and the IMF.

Western national development aid programs all too frequently overlap and this imposes added and unnecessary costs on recipient countries. It also ensures that we are getting a big bang for our development buck. Another problem is

that current aid levels are neither sufficient nor sufficiently well targeted to help less developed countries break out of the poverty trap.

How to meet many of these challenges has become the subject of some trans-Atlantic friction. Europe and the United States have had several disputes ranging from relative contributions to development assistance in terms of GNP to whether the World Bank should be extending grants rather than loans to LDCs. Yet as the recent "Commitment to Development Index" created by the American journal Foreign Policy shows, support for development can be gauged in many ways including openness to trade, investment, aid, and openness to legal migration and even commitment to peacekeeping operations. I am proud to note that in the index, the Netherlands stood at the top of the overall list. That index looks at a range of potential contributions including peacekeeping forces.

Finally I will briefly run through the recommendations of the resolution as they encapsulate the key conclusions of my report.

I would hope that the Committee would join me in urging our governments and parliaments:

to encourage sound economic policies based on market mechanisms in developing countries while ensuring that they protect their own societal values;

to insist that recipient countries' governments create an appropriate policy

environment before significant development (as opposed to emergency relief) funding is made available;

to make support for education, human rights - particularly women's rights - and improved health care a foundation of development assistance to LDCs;

to achieve policy coherence in development assistance so that Western trade, investment, intellectual property regulation, and environmental policies do not undermine development goals;

to designate a cabinet level office in each government responsible for ensuring that national economic and foreign policies are coherent with international development goals;

to co-ordinate aid resources and efforts, limit the range of donor countries mandates on the World Bank, and end the practice of tying aid to the procurement of specific goods and services from donor countries in order to reduce transaction costs, help donors avoid replicating what is already being done, and minimize red tape imposed on recipient countries;

to make the awarding of development contracts as open and transparent as possible so that scarce development funds are put to the best possible use;

to engage developing countries in the formulation of development assistance programmes, and to do so at the national and local levels in dialogues that extend beyond government officials;

to ensure that development programmes are tailored to the specific conditions in the recipient nations;

to help improve Africa's health delivery infrastructure in order to bolster that continent's capacity to fight the scourge of AIDS;

to conclude a Doha Round that delivers improved market access and more equitable trading rules which will benefit the citizens of developing and developed countries alike;

to address developing country interests in a meaningful way in the current Doha Round by revisiting existing tariff and non-tariff barriers to a range of developing country products like rice, sugar, cotton, textiles, and steel which penalize developing countries, Western consumers and producers who use these products, and to reappraise other production distorting support programmes which drive down world prices for commodities vital to farming sectors in very poor countries;

to refrain from deploying military forces or quasi-military forces in civilian clothing in war-ravaged societies, in order to preserve the visible distinction between military forces and humanitarian personnel;

to make civilian organizations rather than military forces responsible for economic, social and political reconstruction efforts;

and finally to accept that the rapid reconstruction of Iraq is in the interests of all member countries, whatever their national position was on the war, and to achieve an agreement that will allow the United Nations and other multilateral agencies to play a central role in the reconstruction effort.

I look forward to your comments on the report. And afterwards, Mr. Chairman, I believe that we will directly consider the specific amendments to the resolution.

Thank you.
