

Twenty Concrete Steps to Improve the United States' Commitment to Development

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July 2010

CGD Notes

The United States ranked 17th overall in the 2009 Commitment to Development Index, strong in trade and security but less competitive in aid and environment. This memo describes how to boost the U.S. score

The Commitment to Development Index (CDI) ranks 22 rich countries on their dedication to policies that benefit poor nations. Looking beyond standard comparisons of foreign aid flows, the CDI measures national policies on aid, trade, investment, migration, environment, security, and technology. The United States ranked 17th overall in 2009, strong in trade and security but less competitive in aid and environment. This memo describes how to boost the U.S. score and links to CGD materials with more detail.

Aid

- Increase foreign aid, especially through such vehicles as the Millennium Challenge Corporation (MCC), which gives to relatively well-governed countries, or a global "Cash on Delivery" fund that would pay countries after making confirmed progress toward agreed-upon outcomes, thereby reducing the proliferation of aid projects. (Follow the links to CGD resources: j.mp/cQq3bn and j.mp/bhOivd)
- Untie aid from requirements to purchase or accept U.S. goods and services; these can raise project costs 15–30 percent (or much more for food aid). (j.mp/cQq3bn)

Trade

- Offer permanent duty-free, quota-free market access for all least developed and sub-Saharan African countries. (j.mp/aeUzk0)

- Complete the Doha Round, the most realistic way to overcome domestic political opposition to reducing farm subsidies and lowering tariffs generally on textiles and apparel. (j.mp/bmZ3fo)

Investment

- Allow the Overseas Private Investment Corporation (OPIC) to provide political risk insurance or financial guarantees to labor-intensive "sensitive sector" investments such as textile or garment projects, or to agricultural processing projects even if the crops involved are "in surplus" in the United States. (j.mp/92mH5I)
- Instruct OPIC to replace its current "U.S. effects" calculation with a commonsense test of whether the investment would make the United States better off. Currently, OPIC refuses to support all outward investment projects if there will be a single job lost, even if they would create jobs on net. (j.mp/92mH5I)
- Refuse OPIC political risk insurance for investment projects that are made viable only by import restrictions. (j.mp/92mH5I)
- Amend the Foreign Corrupt Practices Act to prohibit payments made to friends and relatives of government leaders in exchange for concessions and favorable treatment. Press members of the Organisation for Economic Co-operation and Development (OECD) to do likewise. (j.mp/bQQV4s)

CGD is grateful for contributions from the Rockefeller Foundation and the CDI Consortium of donor governments in support of this work. The views expressed are those of the authors and should not be attributed to the board of directors or funders of the Center for Global Development.

- Extend the Extractive Industries Transparency Initiative to cover infrastructure and other industries. Establish credible timetables for compliance. Train local actors to monitor transactions between international investors and domestic public authorities. (j.mp/bQQV4s)
- Instruct OPIC and the Export-Import Bank to stop support for projects on the basis of a “smell test” for corruption instead of waiting for changes in laws or final determination of guilt. Where problems of corruption exist, refuse to pay claims. (j.mp/bQQV4s)
- levels by 2050 would match the president’s campaign promises and European pledges. Achieve it by auctioning emissions rights or levying carbon charges of at least \$15–30 per ton of CO₂. Use some of the revenues to help families and firms reduce emissions. (j.mp/d1bofh and j.mp/142qj)
- Use a gasoline tax to set a gradually rising floor on prices (e.g., from \$3.50 to \$5.00 per gallon). The tax could be progressive and revenue-neutral if it financed a payroll tax cut. (j.mp/d4QkSx)

Migration

- Increase the number of visas for low-skilled temporary workers to 500,000 a year. This would add roughly \$800 billion to U.S. GDP over 10 years. (j.mp/9UBd1C and j.mp/58n1vP)
- Increase the number of visas for highly skilled temporary workers to be comparable to that of our international competitors: 500,000 to 1 million a year. (j.mp/aoolpl)
- Increase admissions of refugees and asylum-seekers to 100,000–150,000 a year, consistent with international standards and historical precedent. (j.mp/aoolpl)
- Create an Economic Opportunity Portal for the entry of a limited, flexible number of the world’s poorest people (j.mp/5ShRuz and j.mp/7yVnUa)

Environment

- Set a legislative target for reduced emissions of greenhouse gases. An 80 percent cut from 1990

Security

- Establish a \$1 billion contingency fund within the State Department to assist governments in the wake of conflict or political transition. (j.mp/cL1htB and j.mp/9SL12W)
- Give \$50 million to the United Nations Peacebuilding Fund and mobilize support from other member states to expand the Peacebuilding Commission’s mandate to include conflict prevention. (j.mp/c0fcP9)

Technology

- Desist from enforcing intellectual property rules negotiated in existing bilateral trade agreements that exceed World Trade Organization Trade Related Aspects of Intellectual Property Rights (TRIPS) standards. (j.mp/b3jCAG)
- Halt political pressure on countries that compel foreign companies to license urgently needed but patented products such as life-saving pharmaceuticals. (j.mp/b3jCAG)

Links

Aid: http://www.cgdev.org/doc/CDI/2009/Aid_2009.pdf; <http://www.cgdev.org/content/publications/detail/1423949>; http://www.cgdev.org/doc/CDI/2009/Aid_2009.pdf
Trade: http://www.cgdev.org/doc/Policy_Memos/DFGF_Policy_Memo.pdf; <http://www.cgdev.org/content/publications/detail/967263>

Investment:

http://www.cgdev.org/doc/books/White%20House%20and%20the%20World/WHW_CH04.pdf; http://www.cgdev.org/doc/books/White%20House%20and%20the%20World/WHW_CH04.pdf; http://www.cgdev.org/doc/books/White%20House%20and%20the%20World/WHW_CH04.pdf; http://www.cgdev.org/doc/books/White%20House%20and%20the%20World/WHW_CH05.pdf; http://www.cgdev.org/doc/books/White%20House%20and%20the%20World/WHW_CH05.pdf; http://www.cgdev.org/doc/books/White%20House%20and%20the%20World/WHW_CH05.pdf

Migration: <http://www.cgdev.org/content/publications/detail/16558>; <http://www.immigrationpolicy.org/specialreports/raising-floor-american-workers>; <http://www.cgdev.org/>

http://www.cgdev.org/doc/books/White%20House%20and%20the%20World/WHW_CH09.pdf; <http://www.washingtonpost.com/wp-dyn/content/article/2010/01/22/AR2010012202274.html>; <http://blogs.cgdev.org/globaldevelopment/2010/01/reactions-to-my-proposal-for-a-new-visa-to-the-united-states.php>

Environment: <http://www.cgdev.org/content/publications/detail/16387>; <http://www.cgdev.org/content/publications/detail/1417884>; <http://blogs.cgdev.org/globaldevelopment/2009/01/my-partial-policy-wish-list-fo.php>

Security: http://www.cgdev.org/doc/weakstates/Full_Report.pdf; http://www.cgdev.org/doc/books/White%20House%20and%20the%20World/WHW_Intro.pdf; http://www.cgdev.org/doc/books/White%20House%20and%20the%20World/WHW_CH12.pdf

Technology: <http://www.cgdev.org/content/publications/detail/967265>; <http://www.cgdev.org/content/publications/detail/967265>