

Policy Recommendations

Putting Economic Growth and Opportunity at the Heart of U.S. Foreign Policy

Two principles guide the Initiative for Global Development (IGD)'s policy agenda: first, poverty reduction and global development should be fundamental elements of U.S. foreign policy and second, economic growth is the best means of reducing global poverty.

IGD fosters private sector engagement to expand economic development in poor countries, recognizing that effective government policies are a necessary complement and catalyst to this engagement. Spurring growth, increasing employment and generating income in developing countries will require effective policies to build capacity, open markets, develop human capital and encourage private investment.

U.S. foreign assistance programs must target long-term investments that build infrastructure and foster enterprise development. U.S. trade policy should foster developing country participation in global markets to promote economic growth and improve lives. Most importantly, a comprehensive development strategy that incorporates U.S. trade and aid policies is crucial to their success, as are new partnership models that leverage the strengths of the private sector.

IGD is primarily concerned with these key questions:

- What are the success factors and best models for promoting growth and reducing poverty? What are the obstacles and how can we help overcome them?
- What can business do to promote open trade as a key development tool? What policy reforms would ensure that developing countries benefit more from integration into global markets?
- How can we improve our foreign assistance programs and leverage the strengths of the private sector to achieve broad-based, sustainable growth in the developing world?

IGD urges Congress and the administration to take the following actions to improve the effectiveness of U.S. development efforts:

- Ensure that development, as distinct from defense and diplomacy, has a voice in the formulation of U.S. foreign policy.
- Devise a comprehensive strategy for promoting development and reducing global poverty as key foreign policy objectives and identify a central point of responsibility to coordinate all trade, aid and economic development policies to maximize their impact.

- Take steps to restore USAID to its role as an empowered, professional development agency.
- Support the Millennium Challenge Corporation (MCC) and other models of developing country ownership, strategic investment and accountability, such as those being developed as part of the administration's food security initiative, and ensure that long-term investments in productivity and growth are a top priority of U.S. policy.
- Engage with representatives of U.S. business during the formulation of key development initiatives and legislation, where the private sector can play a strategic role and add valuable insight.
- Work together to enact comprehensive reform of U.S. preference programs to provide greater certainty and uniformity and grant Least Developed Countries 100 percent duty-free/quota-free access to the U.S. market.
- Ensure that U.S. foreign assistance, trade preference programs and free trade agreements support investments that help build the capacity of developing countries to participate in the global trading system.
- Work to re-energize the Doha Development Round and encourage the expansion of trade among developing countries and regions through bilateral support and as part of multilateral commitments.

To advance these goals, IGD is working to:

- Create a community of influential business leaders who are committed to reducing poverty through their core business operations and through collective advocacy in support of key policy reforms: more effective foreign assistance, support for innovative approaches like the MCC and food security initiative that prioritize long-term investments in economic development and growth, and trade policies that promote development as an integral part of our foreign policy.
- Through Frontier 100, develop targeted initiatives for U.S. and African CEOs to advance together, including facilitating access to finance and improving investor perceptions of Africa.
- Expand the dialogue between business and government to develop a more effective collaboration around strategic initiatives and to catalyze the contributions each can make to sustainable development.