Session 6: Resources for National Security Strategy

Dr. Raymond Gilpin
Overview

• Recent Economic Growth Trends

• Importance of Resource Management

• Unpacking the Nexus

• Security for Whom?
Evolving Perspectives

2000

2011

2013
Conflict Trends

Source: African Economic Outlook (2015)

Source: https://twitter.com/pdwilliamsgwu/status/1015288937663823872
## Critical Thinking

<table>
<thead>
<tr>
<th>Simple</th>
<th>Boiling an egg</th>
<th>The old approach</th>
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<tbody>
<tr>
<td></td>
<td>a. Recipe</td>
<td>a. Identify current issue</td>
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<td></td>
<td>b. Results</td>
<td>b. Apply template or best practice</td>
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<td></td>
<td>c. Replicate</td>
<td>c. Expect results</td>
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<tr>
<th>Complicated</th>
<th>Building a plane</th>
<th>The current approach</th>
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<tbody>
<tr>
<td></td>
<td>a. Plan</td>
<td>a. Analyze current issue</td>
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<tr>
<td></td>
<td>b. Personnel, Partnerships</td>
<td>b. Secure assistance</td>
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<td>c. Adequate resources</td>
<td>c. Encourage partnerships</td>
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<td></td>
<td>d. Product</td>
<td>d. Apply template or best practice</td>
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<td>e. Replicate</td>
<td>e. Expect results</td>
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<tr>
<th>Complex</th>
<th>Raising a child</th>
<th>A preferred approach</th>
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<tbody>
<tr>
<td></td>
<td>a. Observe and Learn</td>
<td>a. Understand the issues</td>
</tr>
<tr>
<td></td>
<td>b. Understand resources</td>
<td>b. Learn from ecosystem</td>
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<td>c. Iterate</td>
<td>c. Strengthen teams and institutions</td>
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<td></td>
<td>d. Adapt</td>
<td>d. Iterate and adapt . . . . over time.</td>
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Recent Economic Growth

Source: 2019 African Economic Outlook

Source: African Economic Outlook (2015)
Growth and Inequality

Aspirational Africa
Africa’s middle class, % of population

- South Africa
- Nigeria
- Cameroon
- Ghana
- Kenya
- Sudan
- Sub-Saharan Africa*
- Uganda
- Madagascar
- Mozambique
- Tanzania
- Congo
- Ethiopia

Source: EIU Canback
*Excluding South Africa
†$10-20; ‡$20-50, per person per day at purchasing-power parity

2004:
2014:

Middle income†
Upper-middle income‡

Economist.com
Revenue Sources

• Domestic
  • Taxation
  • Borrowing

• External
  • Bilateral (*friendly governments*)
  • Multilateral (*international organizations: UN, IMF, World Bank, African Development Bank*)
  • Commercial (*firms operating in the country*)
The Tax Effort

Source: IMF Lesotho Consultative Report 2016:
Categories of IFF

- Globally, commercial activities as accounting for 65 percent of IFFs, criminal activities for 30 per cent and corruption for around 5 per cent. Similar proportions in Africa (Kar and Cartwright-Smith, 2010).

- Commercial
  - Abusive transfer pricing
  - Trade mispricing
  - Misinvoicing of services and intangibles
  - Unequal contracts
  - tax inversion

- Criminal
  - Money laundering
  - Organized crime
  - Criminal

- Corruption
Monitor IFF

Source: Africa progress Panel, “Equity in Extractives: Stewarding Africa’s natural resources for all” (2013)
$23,373,770,877 Total Spent

Total Spent by Organization (Millions of USD)

- USAID: 20,050
- Treasury: 680
- Millenium Challenge Corp.: 5,800
- State: 17,700
- Justice: 2,380
- Homeland Security: 2,800
- Transportation: 2,380
- Peace and Security: 15,800
- Environment: 1,577.5
- Humanitarian Assistance: 5,651
- Program Management: 5,775
- Economic Development: 2,800
- Multi-sector: 16,900
- Health: 5,050
- Education and Social Services: 7,000

Total Spent by Category (Missions of USD)

- Health: 5,050
- Humanitarian Assistance: 7,000
- Program Management: 1,577.5
- Economic Development: 1,580
- Multi-sector: 16,900
- Democracy, Human Rights and Governance: 5,651
- Education and Social Services: 2,800
- Peace and Security: 15,800
- Environment: 2,380

Source: https://www.foreignassistance.gov/explore
US Security Assistance

Figure 5. Top DOS/DOD Security Assistance and Cooperation Accounts, FY2016 estimate
(In millions of Current U.S. Dollars)

- FMF: $5,129
- ASFF: $3,652
- INCLE: $1,790
- CSF: $1,113
- CTPF: $1,100

Figure 6. Top DOS/DOD Security Assistance and Cooperation Accounts, FY2017 request
(In millions of Current U.S. Dollars)

- FMF: $5,129
- ASFF: $3,449
- ERI: $3,420
- INCLE: $1,141
- CTPF: $1,000

Notes: FMF=Foreign Military Financing; ASFF=Afghanistan Security Forces Fund; INCLE=International Narcotics Control and Law Enforcement; CSF=Coalition Support Funds; CTPF=Counterterrorism Partnership Fund; ERI=European Reassurance Initiative. For program descriptions, see Appendix A and Appendix B.

Source: https://fas.org/sgp/crs/natsec/R45091.pdf
Towards a Strategic Model

“Crime and Punishment: An Economic Approach”
Gary Becker: Nobel Prize in economics (1992)

• ... A rational choice where anticipated gains outweigh the likelihood and severity of punishment.

A. Building integrity: Addressing the ‘moral burden’

B. Increasing transparency: Rationalize processes (prevention, detection, prosecution, punishment) and enhance public awareness

C. Address Impunity: reward performers, sanction bad actors
Guiding Principles

• African Union Convention on Preventing and Combatting Corruption, Adopted July 2003; in force August 2006
• Strengthen and empower national/sub-national oversight institutions
• Prioritize public financial reviews in the security sector
• Leverage external assistance effectively
• Hope is not a strategy, countries need effective national security strategies
Questions/comments?