Session 5: 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

Figure 1: Conflict types and battle deaths (trends over time). Data source: UCDP/PRIO database

Source: https://twitter.com/pdwilliamsngwu/status/1015288937663823872

Source: African Economic Outlook (2015)
## Critical Thinking

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

Source: 2019 African Economic Outlook
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
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

Tax Revenue
(percent of GDP, average 2012-14)

Note: excludes SACU revenue for Botswana, Lesotho, Namibia and Swaziland.

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
  • Mis invoicing 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)
US Global Assistance: 2018

$23,373,770,877 Total Spent

Total Spent by Organization (Millions of USD)

- USAID: 20050
- Treasury: 1530
- Millenium Challenge Corp.: 680
- State: 10.8
- Justice: 9.5
- Homeland Security: 13.4
- Defense: 6.4
- Transportation: 5

Total Spent by Category (Missions of USD)

- Health: 7000
- Humanitarian Assistance: 565.1
- Program Management: 577.5
- Economic Development: 1580
- Multi-sector: 1690
- Democracy, Human Rights and Governance: 2380
- Education and Social Services: 2800
- Peace and Security: 5050
- Environment: 1770

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)

<table>
<thead>
<tr>
<th>FMF</th>
<th>ASFF</th>
<th>INCLE</th>
<th>CSF</th>
<th>CTPF</th>
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<tr>
<td>$5,129</td>
<td>$3,652</td>
<td>$1,790</td>
<td>$1,113</td>
<td>$1,100</td>
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</tbody>
</table>

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

<table>
<thead>
<tr>
<th>FMF</th>
<th>ASFF</th>
<th>ERI</th>
<th>INCLE</th>
<th>CTPF</th>
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</thead>
<tbody>
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<td>$5,129</td>
<td>$3,449</td>
<td>$3,420</td>
<td>$1,141</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

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?