Combatting the Undercurrents of Globalization in the Developing World: The Next Frontier for the High Technology Industry

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Foreword

For Kenya, 2013 will be a historic year: the country celebrates 50 years of independence and for the first time, will hold elections under the New Constitution promulgated in 2010. Kenya and the sub-region are, moreover, beginning to experience significantly improved economic opportunities.

While there is much to be optimistic about in Kenya and throughout East Africa today, there are also some dark clouds on the horizon that could ultimately come to undermine what we hope is a bright future for our part of the world; terrorism, piracy, the illicit trafficking in arms, drugs, and people, as well as poaching and the smuggling of goods, insecure national boundaries, which promote criminality, instability and violent conflict. In turn, these activities’ impact on public health, educational and labor systems have negative effects on foreign direct investments, and ultimately undercut economic growth and development.

In this context, border insecurity is far from a security challenge alone. Indeed, it is a threat to the national development aspirations. In a globalized world, one also cannot underestimate how national insecurity may have international implications, including, for example, the dangerous possibilities that our territory could be used by non-state actors as a transshipment point for weapons of mass destruction.

Strengthening national borders and infrastructure, “societal security” for development, as discussed in this paper, is thus a bridge to achieving Kenya’s development as well as meeting international security objectives. The Kenyan Government, the nongovernmental community, and the Kenyan people are determined to fulfill national and international obligations and will work with both public and private sector partners to succeed.

The pragmatic approach advocated within these pages by the Stimson Center, are therefore welcome. For several years now, the Government of Kenya, Africa Peace Forum and the Stimson Center, have worked together to underscore how Kenyan and East African security and development challenges are increasingly interconnected and the measures required to address them. A major obstacle is capacity to efficiently participate in the global trade game, while making sure that our national borders are safe and secure against, what this report refers to as, the “undercurrents of globalization.”

Kofi Annan, at the end of his tenure as Secretary General of the United Nations, famously remarked that sustainable development is not achievable in the absence of security and that long-term security is not possible without development. This study puts forth one important piece of the puzzle, to pragmatically take steps to build capacity at the important nexus of security and development, and to leverage a wider
set of societal stakeholders, including the high technology sector, in achieving our common goals.

This report illuminates a global narrative for the trends Kenyans have identified on the ground, and stands ready to tap into previously unexplored resources and potentially fruitful partnerships with governments and the private sector. In doing so, we hope not only to help ourselves, but to set out on a tangible and pragmatic path forward that will improve the lives of our countrymen and serve as an example for other states regionally and worldwide to follow.

Let me conclude by extending sincere thanks to the Government of Sweden for continuing to stand by the people of Kenya. It is my hope that together we can take the next step in our relationship to achieve our joint national and global aspirations in the areas of peace, security, and development.

Ambassador Ochieng Adala
Acting Executive Director
Africa Peace Forum
Former Permanent Representative of Kenya to the United Nations
This Occasional Paper represents a broader initiative at the Stimson Center—The Hybrid World Initiative—that focuses on globalization, transnational challenges to this phenomenon, and what types of political, security, and development structures that are emerging in response. These pages identifies untapped opportunities for governments, the non-governmental sector and the high technology industry, including the aerospace, defense, security, communications and IT sectors, to deepen collaboration and by doing so achieve mutually beneficial security and development objectives in the developing world.

The paper provides the political context and a pragmatic way forward for public and private sector stakeholders to continue to leverage technology to achieve national and international security and development goals. Ultimately, it is a call to action to relevant defense, security and development stakeholders to initiate pilot projects that holistically bridge the divide between security and development, but also between key public and private sector actors.

We are indebted to the hundreds of government bureaucrats and senior officials in defense, security, and development agencies worldwide that informed this study. We have also met with parliamentarians and other policymakers covering the whole gamut of political ideology to test our ideas. We have sought out key perspectives from civil society organizations and the private sector and have presented our point of view to foreign affairs thought-leaders, as well as experts in other disciplines.

We are very thankful to those who informed this document, particularly our colleagues and friends in Kenya and throughout East Africa.

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Founded in 1989, the Stimson Center is a nonprofit, nonpartisan institution devoted to enhancing international peace and security through a unique combination of rigorous analysis and outreach. The Center’s approach is pragmatic—geared toward providing policy alternatives, solving problems, and overcoming obstacles to a more peaceful and secure world.
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Technology: a proven tool and force multiplier to achieve global goals

In the last 150 years, advanced technology has served as a critical tool and force multiplier to achieve national and international goals and, by extension, to furthering the human condition. It is well understood that technological innovation fueled the Second Industrial Revolution and spurred unprecedented economic progress. High technology put a man on the moon in the 1960s, and in recent decades, technology has connected people virtually in all corners of the world. What perhaps is less well recognized is that these and many other advancements have been the product of a proverbial handshake between the public and the private sector—a recognition that both had something to gain from the relationship. What is the great challenge technology and public-private sector partnerships will overcome in the 21st century?

Today, the world is, on average, richer, healthier, better educated, more democratic and less violent than at any other time in history. However, decades of unprecedented globalization have led to one of the greatest challenges to peace, security and development: the strengthening of transnational illicit networks within weaker nations, largely on the back of insufficient “societal security” capabilities. Indeed, this lack of “societal security” is defined as states’ inability to deter or manage numerous challenges, which transcend borders and governments, including the explosion of trafficking in small arms, drugs and humans, piracy, and the spread of dangerous technologies, such as those used for weapons of mass destruction. The inability of states to prevent these activities has, in turn, provided fertile breeding grounds for transnational criminal activities.

These undercurrents of globalization they fuel armed conflict and transnational crime, while also enabling terrorist activities and facilitating the spread of weapons of mass destruction. They undermine democratic principles, reduce public health, education, labor standards, and overall stifle legitimate economic progress. In a way, these undercurrents of globalization represent “development in reverse” and imperil security for all.

Successful responses to these complex challenges require the building of resilient and secure societies. Indeed, the high technology sector, comprised by aerospace, defense, security, communications and IT companies, has a critical role to play. For instance, the high technology industry has, and continues to develop, many of the solutions needed to fight international crime, secure global trade, facilitate food and energy security, combat public health scourges, and offer creative ways to strengthen states’ resiliency to natural disasters.

Importantly, this type of capacity-building is a cornerstone of developing countries’ security and development strategy, as a nation’s physical security and economic growth are underpinned by secure and resilient national boundaries, maritime environment and critical infrastructure. The objective is not to build security for the
sake of security, but to secure development through innovative and mutually beneficial partnerships between public and private sector actors.

The time is ripe to further this new frontier to the mutual benefit of the Global South and the high technology industry. Governments around the world have affirmed that security and development are intrinsically linked and the Millennium Development Goals states that the private sector is an important collaborative partner in making available new technologies to achieve progress in this regard.\textsuperscript{vii}

For its part, the high technology industry, in light of expected cuts to defense budgets within their traditional markets of North America and Europe, is looking for new sustainable partnerships and business models. Developing and emerging regions grappling with transnational threats that endanger their development and global security are a lush market over the next several decades as the world is expected to spend some $40 trillion on societal security and resiliency projects.\textsuperscript{viii} Partnerships between governments and the high technology industry are hence a win-win-win, as this model will (1) help achieve poorer countries’ development aspirations, (2) further developed nations’ security objectives, and (3) bolster businesses’ bottom lines.

This Occasional Paper provides the political context for relevant defense, security and development stakeholders, within and outside governments, to initiate or deepen this conversation. It also provides the example of a practical, scalable and implementable pilot project. Ultimately, the content within these pages is a call to action to operationalize a model that holistically bridges the divide both between security and development, but also between key public and private sector actors.

**The fruits of globalization and the undercurrents that threaten to spoil them**

Globalization represents one of the greatest success stories in human history. Not only has the volume of global trade tripled in recent decades, but developing countries’ share of that trade has gone from 10 to 40 percent.\textsuperscript{ix} As a result, emerging trade hubs are found in the “Global South” where financial flows are reaching unprecedented levels year after year.\textsuperscript{x}

Solely viewing the benefits of globalization through the prism of increased trade and financial flows, however, does not do it justice. Certainly, while much hardship remains in all corners of the world, the positive effects of globalization have significantly improved the quality of life for millions of people. For instance, the MDG target to halve extreme poverty by 2015 was achieved five years ahead of the deadline.\textsuperscript{xi} Between 1990 and 2010, over two billion people gained access to safer drinking water. In the last decade, global malaria deaths declined by more than 50 percent in many countries, and access to education, Internet and banking services has increased significantly.\textsuperscript{xii}
Yet, the impact of globalization has not been all positive. The same mechanisms that have brought about the positive effects of globalization are also the ones that threaten continued progress. In the words of U.S. President Barack Obama: “During the past 15 years, technology innovation and globalization have proven to be an overwhelming force for good. However, transnational criminal organizations have taken advantage of our increasingly interconnected world to expand their illicit enterprise.”

Undoubtedly, illicit enterprises today are highly adaptable and experts at identifying new partners in crime—governments, nongovernmental actors and private industry alike. They use modern information technology to avoid national and international law enforcement agencies while leveraging inefficiencies in the global supply chain security infrastructure to smuggle a wide variety of goods ranging from small arms, narcotics and tobacco to counterfeit consumer goods and undocumented migrants. While such illicit activities have a corrosive impact upon societies worldwide, they have a disproportionately negative impact upon developing and emerging states because of their limited or lack of societal security capacity (Consider, in textbox 1 three regional examples of how security and development challenges intersect).

### Textbox 1 Practical manifestations of the security/development nexus

**In Central America**, the illicit drug trade has led to skyrocketing rates of crime and violence, consuming nearly eight percent of the region’s gross domestic product (GDP). Additionally, many companies are relocating their operations to more stable regions as security challenges become too expensive to overcome.

**In Africa**, security problems, such as the unchecked flow of conventional arms across the continent, are also development challenges. They fuel conflict and ruin the possibilities for a healthy business climate, stymie the development of a functioning labor market and educational system, diminish revenues from tourism, and imperil foreign direct investments (FDI)—all of which are crucial for social and economic progress. Indeed, armed violence and civil wars, exacerbated by illicit flows of arms, account for a 15 percent reduction in the GDP annually in Africa.

**Throughout Southeast Asia**, every year, upwards of a quarter million women are trafficked and subjected to forced labor and sexual servitude. In addition to the clear human tragedy posed by human trafficking, it also enables transnational criminal organizations to capitalize on the demand for commercial sex and/or cheap labor and to generate huge profits. Of the $31.6 billion produced annually by this nefarious activity, 30.6 percent is attributable to the Asia-Pacific region. According to the United Nations Office on Drugs and Crime, “[t]rafficking victims have become another commodity in a larger realm of criminal commerce involving other commodities, such as narcotic drugs and firearms or weapons and money laundering that generates illicit revenues or seeks to reduce risks for traffickers.” Naturally, these interconnected shadow economy networks significantly undermine the legitimate economy of the region.
Emerging models for responding to the undercurrents of globalization

In response to the interconnected challenges posed by the undercurrents of globalization, states and multilateral organizations are increasingly designing capacity-building programs beyond traditional paradigms as we see growing inter-agency collaboration, as well as engagement with the private sector.

**Capacity-building at the intersection of security and development**

One example of an institution that encompasses a broad defense, security and development capacity-building range is the relatively recently established U.S. Africa Command (AFRICOM). Not only is its second-highest ranking official a civilian, AFRICOM works beyond the traditional defense and security paradigm in partnership with development-oriented government and non-governmental actors to achieve its mission. Since 2008, AFRICOM has been working with the private sector and regional African armed forces to increase countries’ security potential through border and port security capacity-building, as well as to train medics in African militaries, implement HIV/AIDS prevention programs, combat drug trafficking, build classrooms and participate in cattle-vaccination programs. Furthermore, the U.S. Agency for International Development (USAID) engages with AFRICOM to support host nation efforts to counter radicalization, recruitment and support to violent extremist organizations.\(^v\)

Likewise, on all continents, throughout government bureaucracies, defense, security and development resources are being pooled to maximize the capacity-building impact on the target country or region. Japan and Australia, for instance, are using development resources to upgrade security capacity in key Southeast Asian countries by deploying high technology to secure ports and the Malacca Strait from transnational criminals that threaten the economies of both the donor and recipient countries.\(^vi\) Denmark has also launched a new security/development framework that aims to improve Copenhagen’s stabilization and capacity-building efforts for reconstruction in fragile states by deepening the integration between diplomacy, defense and development.\(^vii\)

**Technology and public-private sector partnerships**

Besides the growing trend in capacity-building that aims to bridge the security and development divide, teaming up with relevant industry actors to further organizational goals is an expanding concept.\(^viii\) The United Nations Office on Drugs and Crime (UNODC), for example, has a program aimed at providing container security technology to member countries.\(^ix\) Under the initiative, the UNODC purchases the C-Hawk, a web-based application for border security agencies that allows for improved risk assessment and targeting, from the Canadian company TradeBytes Data Corp.
The C-Hawk is then provided free of charge to countries that meet certain criteria after intense collaboration and training. This program is profitable for the company, helps the UNODC in achieving its goals and provides developing countries with critical infrastructure needed for security and development.

The European Union, similarly, in its 2010 Internal Security Strategy (ISS), extended a hand to the security industry recommending that companies “work closely together with end-users…to deliver responses to the security challenges of our time…” EU’s initiative is timely. Traditional defense markets are expected to shrink significantly in the coming years, and in order to survive, high technology companies must reevaluate current business archetypes. The aerospace, defense and security sector is, as a consequence, looking for new partnerships and markets.

It is under the banner of doing well by doing good that the high technology industry can be incentivized to play a more progressive role in meeting the challenges associated with societal insecurity in developing and emerging regions. Such public-private sector partnerships open up new market opportunities for relevant industries, especially considering the estimated $40 trillion that will be available over the course of the next 25 years for building infrastructure and security to achieve societal resiliency.

From rhetoric to action: security/development capacity-building in Africa

Perhaps in no other part of the world is safeguarding against the undercurrents of globalization more urgent than in Africa. In the last decade or so, commerce in and out of the continent, as well as between African states, has skyrocketed and FDI is projected to reach $150 billion by 2015. Amplified economic integration into the global economy has been coupled with various forms of technological innovation, such as the advent of mobile technology, which has brought not only instant communications capabilities, but also banking capabilities to hundreds of millions of Africans. These developments have translated into significant human progress. Indeed, many countries are expected to reach key targets set out in the MDGs, by 2015 or shortly thereafter.

Because of these positive trends, the World Bank has stated that the continent “could be on the brink of an economic takeoff, much like China was 30 years ago, and India 20 years ago.” Unfortunately, however, a wide range of transnational challenges—from the illicit conventional arms trade to a wide range of transnational crime—threaten to stunt or even reverse Africa’s impending progress.

Porous borders and weak infrastructures at national boundaries are one common denominator for these and other security and development challenges in Africa. To that end, throughout the continent, many nations are working on or are receiving
ongoing training to create national maritime and border security strategies with an eye on generating a robust and secure framework for development.\textsuperscript{xxvi}

Kenya, for example, is working on a comprehensive national border security action plan that aims to safeguard the economic development progress made in recent years and to achieve longer-term goals, such as those laid out in its Kenya Vision 2030 plan.\textsuperscript{xxvii} To support these longer term plans the Kenya parliament recently adopted legislation with the specific aim to encourage the sort of public-private partnerships that this report is advocating. The Kenya Public-Private Partnership Act of 2012 underscores Kenya’s determination to increase investor confidence and attract more private capital in an effort to close a US$ 40 billion funding gap over the next eight years for crucial infrastructure projects.\textsuperscript{xxviii} These projects are urgently needed to overcome infrastructure bottlenecks, address security challenges and increase the quality of public services to Kenyan citizens. The law will make public-private partnerships in Kenya more attractive by providing a legal capacity for public bodies to enter into them, overcoming procedural hurdles and introducing transparency into the selection and evaluation process of projects, among other things. As Ambassador Ochieng Adala notes in the foreword to this paper, border insecurity in Kenya facilitates a wide range of security challenges that directly impinge upon the country’s ability to meet its development goals. It is in this context that border security is a bridge to achieving both development and security objectives.

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Textbox 2 Building a framework for development through border security: Identified high technology and training needs
While Kenya and other African nations are capable of implementing many facets of a comprehensive border security strategy, there are certain parts where significant outside assistance is needed. High technology and training are two of them and Textbox 2 lists some of those needs as identified by African states.

**Technology as a tool for security/development capacity-building**

From a public policy and industrial point of view, Sweden is one country well-suited to pilot a public-private sector partnership that uses high technology as a tool to achieve the security/development objectives as identified by the Kenyan Government. Sweden is the world’s largest aid donor in relation to gross national income and one of the world’s leading and most progressive development actors. Sweden also has one of the world’s most advanced security and infrastructure industries. Lastly, the Swedish government is keen on collaborating with the private sector to achieve developmental success. For instance, in 2007, the Swedish International Development Agency, in cooperation with the Swedish Agency for Economic and Regional Growth, launched the DemoEnvironment Program, which aims to introduce innovative environmentally conscious technology solutions in countries across the Global South. Through the program, Swedish clean tech company HiNation and Indian facility manager company Synergy Facilities Pvt. Ltd. have been awarded funding to facilitate the introduction and establishment of HiLight, a 100 percent solar-power lamp, across four Indian states that lack sufficient access to electricity. This initiative has many winners: for India, access to electricity is a staple necessary for economic growth and development in the 21st century; Sweden fulfills its development objectives, leveraging the private sector and technology; and the companies experience profit while also establishing long-term sustainable relationships with local actors and expanding their market share.

In an increasingly complex world, the public and the private sectors can leverage one another’s strengths even further. Indeed, opportunities are available in responding to the societal security needs of the Kenyan Government.

For the Swedish and other governments, as well as the commercial sector, engaging with the high tech industry in pilot projects involving societal security in developing and emerging parts of the world is a golden opportunity. It could:

- Fuse security and development capacity-building at the national, regional and international level;
- Capitalize on the nexus of wise public policy and profit; and
- Tap into the strengths of a broader set of global stakeholders.

The high technology industry has a responsibility to engage in this conversation not from the point of view to make a “quick buck” because the quarterly forecast
currently looks gloomy, but to be a part of an endeavor that will achieve development through the building of secure and resilient societies.

Of course, the technology and training in question are far from cheap for a country the size of Sweden. Yet, Sweden does not necessarily have to bankroll this investment itself. It can reach out to like-minded partners, including governments, multilateral organizations, other commercial sector and non-government actors to pool resources.

Consider, for example, how this type of partnership fundamentally falls in line with the programming and goals of the European Investment Bank (EIB). Indeed, this model of engagement matches the EIB’s overriding regional aims, including supporting EU priority objectives, reinforcing infrastructure to promote economic growth and development, promoting regional integration, and supporting EU presence in key regions through transfer of technology and know-how. Indeed, prospective pilot projects would be similar in nature to active and past projects carried out by the EIB, including the construction and modernization of border crossings between Georgia and Armenia in 2012, and upgrading of Port Autonome de Pointe Noire in Congo, such as key infrastructures and port’s capacity to handle increased traffic in 2009.

The model would also better leverage the resources of the security community to support EIB’s development objectives, the MDGs and as such complement EIB’s ongoing work in Kenya and East Africa. It is also likely to act as a catalyst in mobilizing local stakeholders and encouraging further public and private investment in this space beyond Kenya in the sub-region, in line with the Kenya Public-Private Partnership Act of 2012.

Beyond pilot initiatives in the sub-region, the model can be applied elsewhere as well. From Central America, to the Middle East, Southeast Asia and the Caribbean Basin, significant amounts of societal security capacity-building are required to combat a wide range of globalization’s undercurrents, such as facilitating energy security, adapting to the forces of climate change, fighting public health scourges or
transitioning from a tourist-based to a trade-based economy to achieve national and regional security/development objectives.

**Safeguarding societal technology assistance**

More deeply coordinating security and development capacity-building and more efficiently leveraging the private sector do not come without concerns. The idea, however, is not to create superfluous development projects to build security, but to build societal resiliency against the undercurrents of globalization that simultaneously reinforce sustainable development.

As such, by sharing security today, through the transfer of technology and training, we can provide a framework for sustainable development for the future. This approach also enables us to build collective security, which our interconnected world requires. Today, sharing security, much like sharing knowledge, is not a zero-sum game. When we share it, we multiply it as it also positively impacts national and regional development objectives.

Another concern with this model of engagement in the Global South is that technologies could end up in the wrong hands or be used for destructive purposes. For example, security technology often has dual-use application as products can be reconfigured alternatively for surveillance and reconnaissance in pursuit of traffickers or to engage in naval warfare. However, many of these challenges can be guarded against. Technology does not have to be transferred indefinitely to be used indiscriminately by the recipient state, but can instead be shared through trial contracts, which would give the partner country an opportunity to demonstrate, under a lease agreement, that it is utilizing the equipment in line with the mutually agreed concept determined by all parties involved, much like the UNODC model with the C-Hawk.

It is also worth noting that private industry now has much more to lose by exploiting new markets for short term financial gain. Emerging markets, home to 80 percent of the world’s population, are critical for any private sector actor with ambitions beyond its home shores. In turn, creating sustainable relationships with foreign governments and local enterprise and labor forces is critical to establishing a long term successful global business model.

**What’s next?**

In the foreword to this paper, Ambassador Adala addresses the nexus between security and development in relation to inadequate capacity at Kenyan national boundaries. There is a direct link, they suggest, between building societal security, such as border capacity, and achieving Kenya’s economic, social and political objectives. They also recognize that Kenya’s insecurity and underdevelopment have a
direct negative impact on global security, even the dangerous nexus between terrorist organizations laying their hands on weapons of mass destruction.

Similar testimony about the need for increased societal security and resiliency to achieve development can be found in all parts of the Global South. Developing and emerging economies are increasingly benefitting from the positive forces of globalization, but they are ill-prepared to manage the undercurrents of the same phenomenon. This is a danger to development and economic growth prospects across these regions and a security challenge for all. It is also an opportunity to more holistically approach capacity-building. Defense, security and development communities—within and outside of government—all have a vested interest in wider cooperation for societal security and resiliency capacity-building as the Global South continues to rise.
About the author

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The enormous scale of the Apollo program, as well as the novel technological challenges associated with it, meant that the government had to heavily rely on the private sector for its implementation. The result was that with few exceptions much of the flight hardware was built by private sector companies. Private companies would even operate missions. The government’s role was geared more toward planning the program, preparing guidelines for execution and overseeing the work accomplished. To this end, according to Henry Dethloff, a prominent historian, “NASA’s contracting drew on independent contractors for design and delivery and the Army’s traditional arsenal or in-house production and design capability…Thus, the NASA-contractor relationship could best be defined as a partnership rather than a customer-client relationship.” See: Henry C. Dethloff, Suddenly, Tomorrow Came: The NASA History of the Johnson Space Center (Washington D.C.: Dover Publications, Inc., 2012), p. 137. Although developed by the government, the private sector guided the commercialization of the Internet starting in the early 1990s when the management of the NSFN backbone was subcontracted to private firms. Following explosive demand for network service from the private sector several commercial Internet backbone networks emerged (such as Alternet, PSNet, and SprintLink). By 1997, there were at least 4 million hosts in the commercial domain, with commercial use overtaking research and educational use, which led the World Bank Group to declare, “The private sector had clearly taken the lead in providing both the Internet’s infrastructure and its content in the United States.” See: Primo, Carlos A. & Fink, Carsten, “The Private Sector and the Internet” – The World Bank Group July 1997, http://rru.worldbank.org/documents/publicpolicyjournal/122braga.pdf


While the implications of the undercurrents of globalization are greater for less developed nations, their impact is felt far beyond their borders. The most vivid example of how societal weakness and the transnational nature of today’s illicit networks define danger is Al Qaeda’s ability to establish strongholds in fragile states, from where they plan and execute devastating terrorist attacks worldwide. Revelations that A.Q. Khan, former head of Pakistan’s efforts to develop nuclear weapons, had successfully headed a nuclear black market demonstrate that individuals and other non-state actors like him are willing to export dangerous technologies for financial profit or other reasons by exploiting weak links in the global supply chain.

This statement is a spin-off from development economist Paul Collier’s point that violence and war is development in reverse that rests on the fact that countries that have seen violence over the last several decades experience poverty rates 21 percent higher than states that enjoyed peace. In addition, no country mired in armed conflict today is on track to achieving any of the Millennium Development Goals. See Paul Collier, “Development and Conflict,” paper for the Centre for the Study of African Economies, Oxford University, October 2004, p.1; Rajiv Shah. USAID 2012 Annual Letter, 2012, p. 20.

For instance, according to the Economic Development Institute of the World Bank, the development of infrastructure in East Asia has been “a necessary support for sustaining growth.” The report continues, “… ample evidence links growth and infrastructure in East Asia as follows: (1) Sustained...
infrastructure investment has coincided with rapid economic growth, especially since the mid-1950s. Today, infrastructure endowments in the six East Asian economies are substantial; (2) Sectoral priorities shifted as the production structure of the economy changed and as quality of life considerations became more important; and (3) Concerted efforts were occasionally undertaken in the form of specific, large investments. See Ashoka Mody, ed., *Infrastructure Strategies in East Asia: The Untold Story*, Economic Development Institute of the World Bank, 1997, xiii. viii United Nations Development Programme, Millennium Development Goal 8: A global partnership for development, http://www.undp.org/mdg/goal8.shtml. 


Vx Ibid. 


Vxvii In the last decade, Japan has demonstrated an increasingly progressive approach to coordinating capacity-building in defense, security and development. It has pursued these efforts with the stated goal of utilizing development activities to meet the needs of less developed states struggling with transnational criminal entities. Under the doctrine of “strategic use of aid,” Japan is donating high tech equipment and training to countries in Southeast Asia, the Middle East and Africa, with a view to build resilient societies that can more effectively withstand transnational challenges. In the case of Southeast Asia, Japan’s reasoning to build security capacity through the strategic use of aid is closely tied to Tokyo’s national security and economic interests. Japan is heavily reliant on secure trade and maritime transport in Southeast Asia, particularly the Malacca Strait. And because Japan’s efforts to build security capacity coincide with Southeast Asia’s development needs, the effort is both cost-effective and mutually beneficial. Australia too has elected to strategically use resources across traditionally siloed foreign policy areas. For example, between 2003 and 2010 the Australian Agency for International Development funded a major border control and port security project in the Philippines. The aim of the project was to, inter alia, assist the Southeast Asian country in meeting its obligations under the International Maritime Organization’s International Ship and Port Facility Security Code and improve maritime security. This is likewise a development project because secure and efficient trade is central to the country’s economic development model. 

Vxviii In 2010, Copenhagen created a Danish Stabilization Fund (DSF), fusing official development aid (ODA) and non-ODA financing to achieve joint coordination, cooperation, and integration between Danish security and development elements at all levels of government. Likewise, this endeavor includes capacity-building in recipient countries of relevant actors within the military, justice, and law
enforcement sectors to more efficiently and effectively combat illicit drug trafficking and terrorism. In practice, Denmark has, for example, initiated a new regional program in East Africa and the Horn of Africa that combines Danish security and development expertise and resources to counter piracy—a critical component of any development strategy as economies on the African continent are 80 percent dependent on a secure maritime environment. As such, Copenhagen has been active in building the maritime security capacities of the states in the region by providing assistance for the creation and expansion of coastguard functions and prison capacities in Somaliland and Puntland.

This is in part due to the fact that in the last two dozen years, the private sector has emerged to play a larger role in spreading economic growth to developing and emerging economy countries. Consider, for example, the trajectory of official development aid (ODA) versus foreign direct investment (FDI) over the last few decades. At the end of the Cold War, ODA was twice the size of private sector FDI. At the end of the 1990s, however, FDI was growing four times as fast as ODA, and today, it is nearly 10 times higher than aid. In a world where the private sector now constitutes a significant majority of the financial flows into developing countries, we need to significantly broaden our definitions of aid, assistance and development capacity building and how they should be used. Indeed, more and more development leaders are speaking up in favor of leveraging multinational enterprises, including finding nexus points where wise public policy meets market driven incentives.


United Nations, Goals Report, pp. 4-5.


On the sub-regional and regional levels, similar umbrella strategies are in place, or are gaining senior level attention—from the Southern African Regional Police Chiefs Cooperation Organization to the Southern Africa Development Community, the Regional Centre on Small Arms (RECSA) and the African Union.


Stockholm’s “Policy for Global Development,” for instance, states that it is the goal of the Swedish government to adopt and execute policy in all areas—from trade to agriculture, security, migration and economic policy—that furthers progress and sustainable development. Furthering “an environment supportive of poor people’s own efforts to improve their quality of life” is at the fore of this policy. In 2010, Stockholm released a White Paper also clarifying the national policy trajectory vis-à-vis peace and security capacity building for development. According to the Swedish directive, local priorities and development agendas should drive the support provided by the donor community, and in certain circumstances “[t]he strategic role of development assistance...is to contribute to the creation of a foundation on which long-term sustainable development and poverty reduction will be possible.” In Africa, a critical part of the foundation for developing any poverty-reduction strategy is a commitment to building broader societal security, particularly border capacity.


