

Smart Power Fact Sheet

Building Economic Prosperity

Now more than ever, America's economy is linked with the global marketplace and dependent on worldwide trade and economic growth. Over the past 40 years, trade has tripled as a share of our economy and today more than 1 out of 5 American jobs is tied to international trade. America's fastest growing markets—representing roughly half of U.S. exports—are in developing countries. The International Affairs Budget is critical to promoting U.S. exports, protecting intellectual property rights, and advocating for American businesses abroad. U.S. businesses and entrepreneurs benefit significantly from programs in the International Affairs Budget that provide technical assistance, identify business opportunities, and help developing countries become more reliable trading partners.



International Affairs Budget at Work

The smart power tools funded by the International Affairs Budget promote global opportunities for American businesses by:

Creating American Jobs and Increasing Exports

Exports are the growth engine for the U.S. economy and account for more than 1 out of every 5 American jobs. In order to ensure competition between American and foreign exporters, the Export-Import Bank provides financing for export programs where private sector financing is not available and enables U.S. companies—large and small—to turn export opportunities into real sales.

Helping Small and Medium Sized Businesses Compete

America's fastest growing markets—representing roughly half of U.S. exports—are developing countries. The Overseas Private Investment Corporation (OPIC) provides political risk insurance and financing for private U.S. initiatives and investment, especially small business and microfinance, in 156 developing nations around the world.

Promoting Trade

The U.S. Trade and Development Agency (USTDA) identifies and prepares development projects with a high likelihood of U.S. manufactured goods being used during implementation. Approximately \$35 in U.S. exports results from every \$1 invested by USTDA.

Advancing U.S. Commercial Interests

Ensuring that private sector business concerns are represented in our diplomatic outreach is a key objective of the Office of Commercial and Business Affairs within the State Department, which works to promote U.S. business interests overseas.

Numbers That Matter

\$510 billion Amount U.S. exported to developing countries in 2009.

97% Almost every U.S. business that benefits from exports is a small or medium sized enterprise.

7% Increase in employment for every 10% increase in exports.

6 Other countries spend 6 times more than the U.S. to help small business exports.

\$1 Each dollar the U.S. spends to promote exports brings \$40 overall back to our economy.



Success Story:

Creating Jobs in America While Supporting Economic Growth Abroad

When city officials in Fes, Morocco needed help dealing with its waste management system, the U.S. Trade and Development Agency (USTDA) supported a long-term feasibility study to explore solutions that was conducted by a New Jersey-based firm, Edgeboro International. Not only have the citizens of Fes seen their quality of life improve through enhancements in waste management, but several U.S. firms have signed additional long-term contracts worth \$62 million in U.S. exports to construct and manage multiple projects as a result of the original study.

These programs, while helping others abroad, lead directly to the creation and support of jobs here at home. With the assistance of the Export-Import Bank, Florida-based small business recently completed a \$41 million project to supply the Ghana National Fire Service with much needed fire fighting vehicles and equipment. They contracted with U.S. manufacturers such as Wisconsin's Pierce Manufacturing Inc. to manufacture 100 firefighting vehicles. All together, the Ghana firefighting vehicles order represented more than 120,000 hours of American labor, supporting jobs in the United States requiring a high level of skill and experience, while also providing the citizens of Ghana with state-of-the-art equipment.

Business Leaders Voice their Support

"From an economic perspective, what happens in one country has ripple effects throughout the world. Funding from the International Affairs Budget, helps to strengthen the economies of developing nations around the world."

—Chris Policinski, President & CEO, Land O'Lakes

"In a globalized economy, our security and prosperity are linked with that of other nations. For just a little more than one penny of every dollar, investments in the International Affairs Budget are crucial to creating the stable market conditions in many developing nations for U.S. goods and services."

—James Bell, Corporate President, CFO and Executive Vice President, The Boeing Company

"As a business person, I understand the value of getting a good return on your dollar. And that's what we get when we fund our diplomatic efforts and international programs. Yes, it means needed humanitarian relief. Yes, it means more security for the American people in these troubled times. But from years of our company's experience, it also means jobs right here at home."

—James W. Owens, Chairman & CEO, Caterpillar

"As the leading member of the global economy, our companies continue to play key roles in markets and countries throughout the world. As more and more U.S. companies become involved in international trade, America's access to and leadership in foreign markets becomes more critical."

—Thomas J. Donohue, President and CEO, U.S. Chamber of Commerce



The USGLC is a resource for you. Please visit our website to learn more about smart power and the International Affairs Budget.
www.usglc.org

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Keeping America Safe

Threats to U.S. safety and security are no longer limited to conflicts between nations. Fueled by extremism and instability, today's challenges include terrorism, global pandemics, famine, and the complex challenges of fragile states. Responding to these types of threats requires strong development and diplomacy capabilities in addition to our military strength. The International Affairs Budget provides extensive counter-terrorism and counter-insurgency assistance to countries of high-priority for national security, such as Afghanistan, Iraq, Pakistan, Somalia, and Yemen. These civilian-led programs help build and train national army and police forces, support democracy and the rule of law, and improve destitute living conditions that can fuel extremism and anti-American sentiment. Investments in development and diplomacy reduce the burdens on our men and women in uniform and diminish the likelihood of costly military involvement.



International Affairs Budget at Work

The smart power tools funded by the International Affairs Budget strengthen America's national security by:

Supporting Our Allies

Providing security assistance to train and equip militaries for countries such as Egypt, Israel, Jordan, and Mexico strengthens our alliances with these partners. Close cooperation with foreign militaries promotes American military standards and practices, democratic values and respect for human rights.

Combating Weapons Proliferation

Non-proliferation programs promote close cooperation with countries such as Pakistan and Russia, working to secure their nuclear arsenals and prevent the spread of nuclear weapons and weapons of mass destruction to terrorists and rogue states.

Fighting Global Crime and Narcotics Trafficking

Working to fight organized crime abroad reduces the entry of illegal drugs into the U.S. Funding policing and judicial programs that combat transnational crime and narcotics activity in countries such as Afghanistan, Colombia, Iraq, and Mexico leads to less crime and violence at home.

Training Peacekeepers

The U.S. has trained more than 100,000 peacekeepers from other nations over the past five years, greatly reducing the threat of war and violence. U.S. supported peacekeepers currently operate in the Democratic Republic of the Congo, Liberia, Somalia, Sudan, and elsewhere.

"It has become clear that America's civilian institutions of diplomacy and development have been chronically undermanned and underfunded for far too long—relative to what we traditionally spend on the military, and more important, relative to the responsibilities and challenges our nation has around the world."

– Secretary Of Defense Robert Gates



Success Story:

Helping Poor Farmers Find Alternative Crops

In Colombia, the illegal narcotics trade has destabilized local communities, undermined the authority of the state, and moved dangerous substances into the United States. In this tense climate, illegal armed groups often battle each other for control of land to grow illegal drug crops, such as coca. The United States is engaged in numerous activities to combat this threat, including helping to provide alternatives to poor farmers and other vulnerable groups in places like the conflict-ridden Urabá region.

Today, the situation in Urabá is changing, thanks to the efforts of strong eradication and alternative development programs. There, a U.S.-funded project has helped poor farmers transition from the illegal drug economy to a legitimate business economy by sharing technical expertise on agriculture and small business development. Not only have these integrated development programs allowed farmers to earn a legal living, they also help make these communities safer for farmers and families to live.

The program in Urabá has reached approximately 1,500 Colombians, who, since 2003, have planted 1,677 acres of legal crops where illegal coca plants once grew. By making it possible for farmers to earn a legal living, the program is helping make communities safer and reducing drug production in the long-term.

Military Leaders Voice their Support

"We live in a dangerous world and a world of opportunity. Increasing our diplomatic and development resources is absolutely critical and money well spent to deal with the dangers and seize the opportunities. I commend the President for his commitment to these urgently-needed investments in our nation's economic and national security."

—General Colin Powell, U.S. Army (Ret.), February 2010

"The more significant the cuts [to the International Affairs Budget], the longer military operations will take, and the more and more lives are at risk!"

—Chairman of the Joint Chiefs of Staff Admiral Mike Mullen, in a handwritten note to Congress regarding the International Affairs Budget, May 2010

"The United States must combine its strong military with robust, effective civilian tools of international development and diplomacy to secure its national interests in an era when many of the challenges of the 21st century recognize no borders."

—51 Three and Four Star Retired Generals and Admirals, Letter to Congress 2010

"The United States cannot rely on military might alone to keep us safe from terrorism, infectious disease and other global threats that recognize no borders. Instead, we need to significantly increase our investments in diplomacy and development to promote global stability and expand the benefits of today's global economy."

—General Anthony Zinni, U.S. Marine Corps (Ret.), March 2008



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