

The Higher Road

Forging a U.S. Strategy for the Global Infrastructure Challenge

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THE ISSUE

Over the next 15 years, more hard infrastructure is projected to be built around the world than currently exists.¹ This global build-out is already underway, and the changes it brings will only accelerate. Infrastructure projects, especially in the transport, energy, information and communications technology (ICT), and water sectors, have long been recognized as the backbone of modern economies. Going forward, emerging digital infrastructure, including fifth-generation (5G) networks, remote sensing, and other advanced technologies, will be especially critical. As our infrastructure is transformed, so will be the economies it fuels, the regions it connects, and the global commons it underpins. These trends are too powerful and potentially beneficial for the United States to stop, and too consequential to ignore.

CSIS launched the Global Infrastructure Task Force to help forge a bipartisan, public-private consensus on a strategy for U.S. success in today's global infrastructure build-out. The task force was made up of a diverse set of experts with extensive experience in government, academia, multilateral institutions, and the private sector, co-chaired by former U.S. trade representative Charlene Barshefsky and former national security advisor Stephen J. Hadley. Read the full report at <https://www.csis.org/higherroad>.

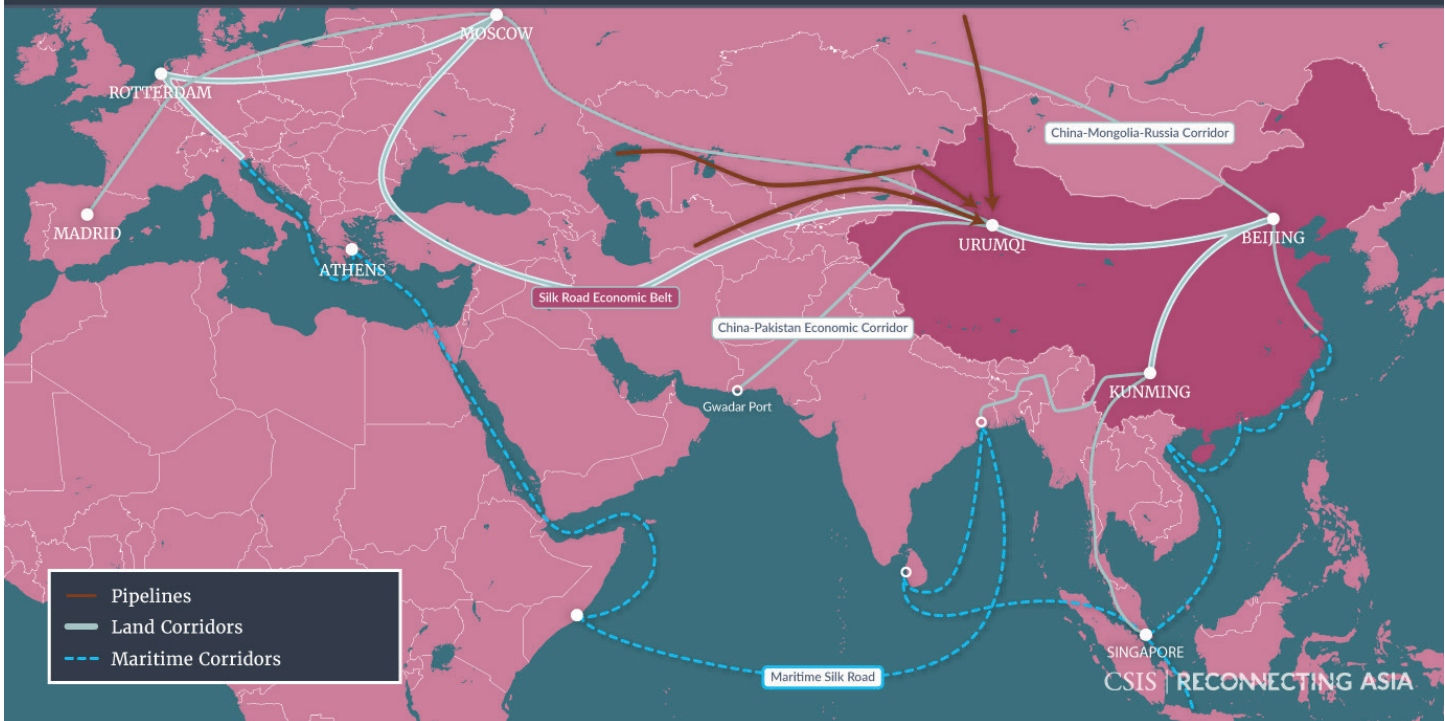
SETTING U.S. PRIORITIES

Now more than ever, infrastructure is a strategic issue. There is a spotlight today on infrastructure issues because of pressing global needs and competing visions for delivering these projects, with China's Belt and Road Initiative arguably the most significant and ambitious strategic initiative of the twenty-first century so far. The stakes are global and the impact fundamental to U.S. interests, in many dimensions: commerce, development, standards and rules, military and intelligence, alliances, and leadership.

Make no mistake. The United States is way behind the power curve. Incremental improvements will not do. The United States needs to take a series of bold steps to become competitive and to play a leading role in those infrastructure areas and geographic regions of importance to it. Enabling and energizing private business and private capital will be critical, but government has an essential catalyzing role to play. Doing what is required will be an enormous challenge, but the challenge can be met if recommendations like those in this report are taken seriously and adopted.

The United States has unique strengths to offer: innovative companies, technical expertise, rule of law, abundant and affordable sources of energy, deep pools of private capital, a network of partners and allies, and leadership roles in relevant multilateral institutions. Moreover, a critical mass of countries is emerging that could provide more alternatives for meeting infrastructure needs while establishing sound international principles for transparency,

China's Vision



quality, affordability, sustainability, resiliency, and social responsibility. U.S. leadership is required to harmonize these approaches, preventing fragmentation and ensuring that they are more than the sum of their parts. Collectively, the U.S. and like-minded countries and institutions must work together to convince China to adopt these principles so that the infrastructure it will inevitably finance, and build is of the quality, openness, and accessibility essential to the global commons.

Success also hinges on recognizing U.S. limitations. Given fiscal and political constraints, the United States has fewer public resources to contribute than some of its partners and competitors, making prioritization even more essential.

To make strategic choices, U.S. policymakers should adopt a three-part framework for setting U.S. priorities and effectively marshalling U.S. power.

1. **Compile an inventory of global infrastructure efforts and conduct an internal assessment to identify projects and geographies that are vital to U.S. economic and security interests.**
2. **Use that assessment to deploy and incentivize U.S. public and private sector resources in those key infrastructure types and geographic areas, in close coordination with U.S. partners and allies.**

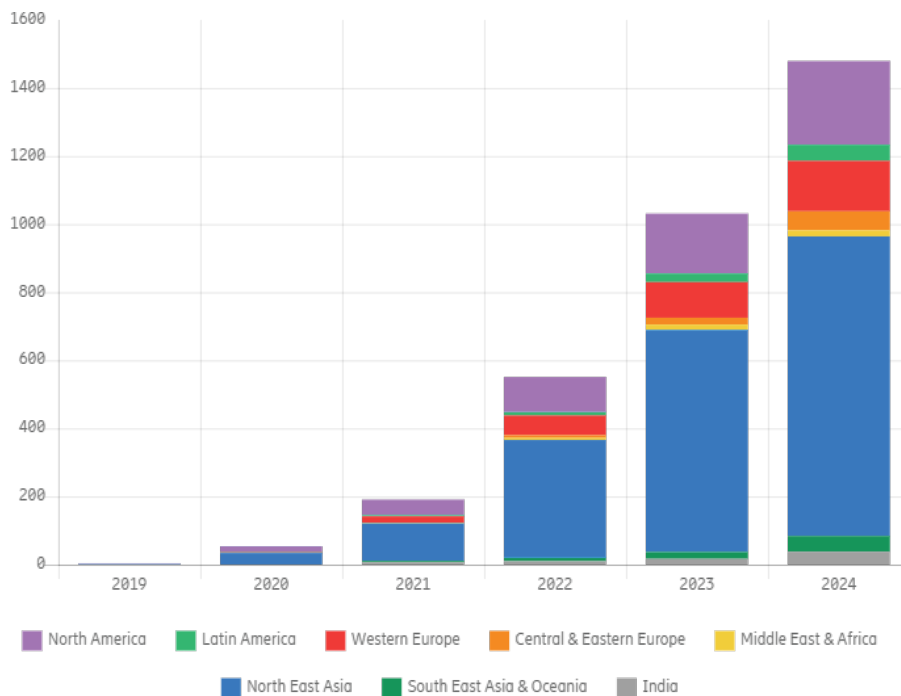
3. **Monitor and encourage the build-out of infrastructure that poses no risk to U.S. economic or security interests.**

RECOMMENDATIONS

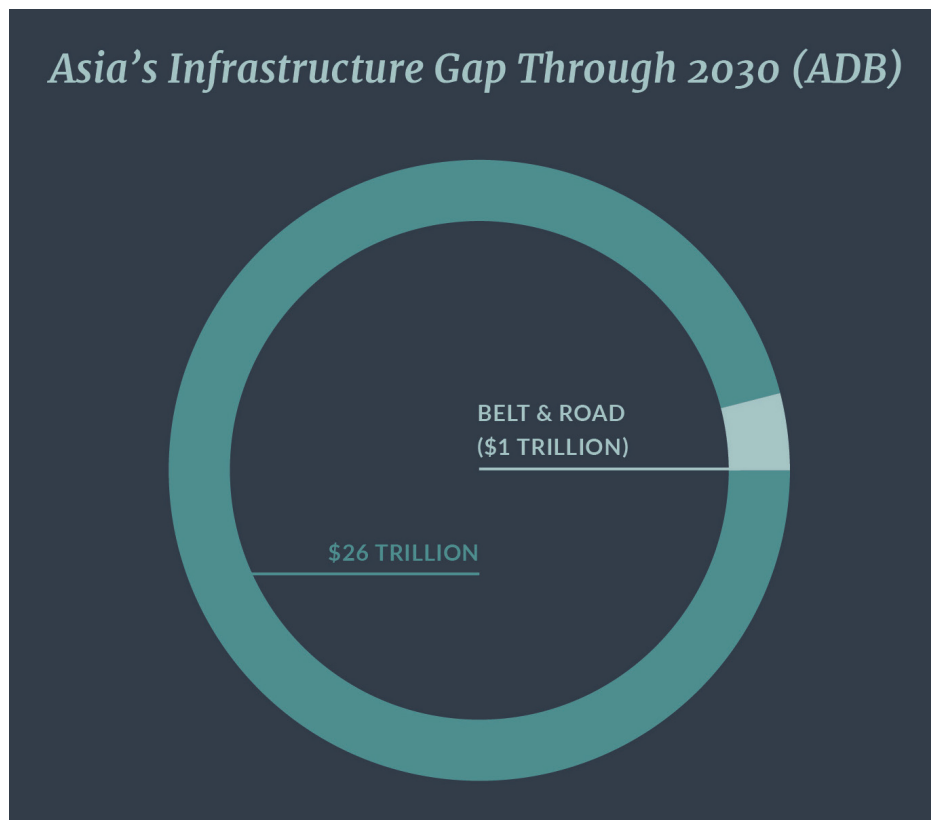
Along with this framework, the following seven elements are recommended for a U.S. strategy for global infrastructure. Specific implementation steps are detailed in the full report at <https://www.csis.org/higherroad>.

1. **Articulate a global vision.** Existing U.S. efforts should be brought together under the principles of openness, transparency, sustainability, social responsibility, local benefit, and resiliency.
2. **Work with allies and partners.** The United States should be a force multiplier, working with and through multilateral development banks, the G7, the G20, the Asia-Pacific Economic Cooperation forum, and others, particularly in regions where U.S. partners and allies are more deeply embedded.
3. **Elevate and lead the digital domain.** U.S. strengths and interests in traditional and emerging ICT infrastructure should be utilized to prevent other countries from monopolizing the world's digital infrastructure or unilaterally dictating the standards and rules governing it.

5G is expected to reach more than 1.5 billion subscribers in 2024²



Source: Ericsson Mobility Visualizer



Source: Asian Development Bank³

4. **Power the world toward a sustainable future.** The United States should support the development of infrastructure to enable cleaner-burning natural gas and liquefied natural gas (LNG), wind, solar, and other technologies that aid clean energy.
5. **Catalyze private sector financing.** Leveraging its private sector and its leadership in international institutions, the United States should help move more money off the sidelines and into the global infrastructure effort.
6. **Build partner capacity.** The United States should expand efforts to move officials in developing countries away from automatically picking the lowest bid while supporting concepts like life-cycle cost analysis and objective evaluation criteria for procurement decisions.
7. **Bolster U.S. government expertise and coordination.** The United States should recruit more expertise in strategic infrastructure areas and improve government-wide coordination under the direction of an assistant to the president and deputy director of the National Economic Council for Global Infrastructure.

ABOUT THIS BRIEF

This brief is based on a report of the CSIS Global Infrastructure Task Force launched in October 2018 to help forge a bipartisan, public-private consensus on a strategy for U.S. success in today's global infrastructure build-out. The task force was made up of a diverse set of experts with extensive experience in government, academia, multilateral institutions, and the private sector. Input from a core set of CSIS advisors was invaluable to the insights and recommendations of this report, along with the perspectives of several outside experts from a variety of agencies and organizations, for which we are very grateful. This project was made possible by generous support from Bechtel Group, IBM, and the Inter-American Development Bank. Its findings reflect a broad consensus of the participants, but each recommendation is not necessarily endorsed by all task force members and advisors. Everyone who participated in this effort did so in an individual capacity and not on behalf of the organizations with which they are affiliated.

ENDNOTES

1. Maxwell Gomera, "Nature vs. Infrastructure," Project Syndicate, December 28, 2018, <https://www.project-syndicate.org/commentary/applying-the-precautionary-principle-to-infrastructure-planning-by-max-well-gomera-2018-12>.
2. "Ericsson Mobility Visualizer," Ericsson, February 2019, <https://www.ericsson.com/en/mobility-report/mobility-visualizer?f=1&ft=1&r=2,3,4,5,6,7,8,9&t=1&s=1,2,3&u=1&y=2019,2024&c=1>.
3. Asian Development Bank, "Meeting Asia's Infrastructure Needs" (Manila: Asian Development Bank, 2017), <https://www.adb.org/publications/asia-in-frastructure-needs>.

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