Chapter 35

Worlds Apart? Economic Geography and Questions of "Development"

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Perhaps the old distinction between economic geography with its focus on economic life in the global North on the one hand, and development geography with its focus on the global South on the other, began to fade under the influence of world systems theory and dependency theory respectively. The *de facto* spatial division of labor that previously characterized the two fields was rendered questionable, or even nonsensical, once the world system with its interconnected North and South became the unit of analysis. More generally, the analytical categories of Marxian political economy that from the 1970s dominated economic geography made capitalism its object of analysis. Capitalism is global, and thus to carve out a separate study for development seemed redundant.

That said, economic geography's coverage of capitalism was exceedingly partial and specific. The focus of economic geography during the 1980s and 1990s was overwhelmingly the experiences of places, regions, and people in the global North. The urban spaces of North America and Europe received far more attention than the urban areas of the global South. And the rural global South, where the majority of the world's population lives, was all but ignored. Beyond the issue of this selective coverage, though, lies the unspoken assumption that the "rest of the world" (the global South) did not have much to offer analyses of the "West" (the global North) beyond observations about interconnectivity and globalization. If such an assumption lay dormant at the heart of economic geography, it was an explicit foundation of dominant approaches to development which took the global North as the defining space of modernity.

Recently there have been various calls for a postcolonial economic geography – an economic geography that does not just add a focus on the experiences of places and people in the global South but is "more conscious of its own perspectives and more open to embracing

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different perspectives through which to view economic processes" (Pollard *et al.* 2009: 139). A postcolonial economic geography would, as Jane Pollard and her colleagues have argued, entail a rejection of any starting point that understood the global South in terms of the experiences and norms of the global North and it would take seriously the very different ways the global North and global South experienced colonialism (Pollard *et al.* 2009). These arguments are paralleled by those of Roger Lee and Jennifer Robinson, among others, who argued that instead of falling into hierarchical modes of thinking about economic differences around the world, we should start by treating all experiences and all places as equally "ordinary" (Lee 2006; Robinson 2006). At the same time, Cheryl McEwan (2009) and others are formulating an alternative postcolonial development geography (Radcliffe 2005; Wainwright 2008). Certainly, in academe the hierarchical view of the global South as being in need of development in order to catch up with, or replicate, the experience of the already-developed North (a view embodied most obviously in modernization theory) has been thoroughly critiqued. However, while ideas of development were and are contested, development as a field of practice often still proceeds on the basis of a hierarchical understanding of global spaces (Li 2007).

Development as a field of practice has been investigated by scholars who have produced critical studies of the business of "doing" development. Examinations of development as practices through its projects, plans, and policies, and its agencies and institutions, have multiplied since a formative early study by James Ferguson (Ferguson 1994). Major development institutions, such as the World Bank, have received critical attention (Goldman 2005). So have the non-governmental organizations (NGOs) that proliferated during the 1990s with their cadres of relatively well-paid experts increasingly operating as "brokers" of development (Lewis and Mosse 2006). Many analysts have detailed how a host of non-state development institutions have been key shapers and purveyors of neoliberal development (Walker *et al.* 2008). But fewer noted the enrollment of neoliberal development, and its institutions, in the service of state-led projects, notably those that use the expansive language of "security" (though Mohan and Mawdsley 2007; Mawdsley 2007; and Essex 2008 are exceptions).

This chapter adds to these efforts by examining recent emphases in official US development policy. Beginning with the early phase of the US-led occupation of Iraq, I show how the merging of development and security led to a militarization of development, delivered at the project level via contracts issued to transnational engineering firms. This securitized development agenda has been marked by an overwhelming emphasis on infrastructure construction, for transport and communications in particular.

Force and Concrete: Destruction and Construction

The early period (2003 to roughly 2006) of the occupation of Iraq entailed practices that foreshadowed subsequent reconfigurations of development in official US policy. The first and second administrations of George W. Bush redefined US foreign assistance policy in ways that more or less marginalized the liberal ideas of development grounded in modernization theory with an emphasis also on improving human well-being (associated popularly with US Presidents Truman and J.F. Kennedy) that had animated earlier framings of US foreign aid policy. Instead, development policy was cast in a central but definitely subservient role in projects that advanced the geopolitical interests of the US state (particularly the "War on Terror" and associated "security" practices). President Barack Obama's administration

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subsequently moved away from the language of the "War on Terror" but continued to link development and "security."

During the first phase of the US occupation of Iraq (following the invasion in March 2003) the dominant discursive framing of Iraq was in terms of reconstruction and rebuilding. George W. Bush was keen to distance himself somewhat from "nation-building," preferring the terms "rebuilding" and "reconstruction." This was to placate neoconservatives who disapproved of US involvement in "nation-building" in Somalia, Haiti, Bosnia, Kosovo, and East Timor. Reconstruction shifted the rhetorical register to the United State's role rebuilding Europe and Japan after World War II (Fallows 2004). Indeed, neoconservatives looked routinely to Germany and Japan and to the successes of the Marshall Plan in their framings of Iraq. Heavyweight studies such as The Rand Corporation's *America's Role in Nation-Building: From Germany to Iraq* (Dobbins *et al.* 2003), and one from The United States Institute of Peace called *The Road Ahead: Lessons in Nation Building from Japan, Germany, and Afghanistan for Postwar Iraq* echoed this point, placing Iraq in an historical sequence starting with the Marshall Plan (Jennings 2003; see also Crane and Terrill 2003). A later report from the US Army repeated the same triumphalist story (see Figure 35.1) (US Army Corps of Engineers 2006).

Historically the rise of development as a modernist project was closely allied with post-war reconstruction. The World Bank's original full name at its founding in 1944 was the International Bank for Reconstruction and Development. "Reconstruction," though, was geo-code for Europe and Japan, while "Development" was the "rest of the world." In Iraq, however, these two terms once again came together: reconstruction meant development and development meant reconstruction.

Reconstruction/development in Iraq was operationalized through a contractual or procurement regime. The US Department of Commerce's 2004 *Business Guide for Iraq* introduced the Iraq economy in this way: "Agriculture, petroleum and infrastructure are the prime sectors that should provide a firm foundation for trade and investment in Iraq" (2004a: 11; see also Coalition Provisional Authority 2004a; US Department of Commerce 2004b). These three "prime sectors" were not weighted equally in reconstruction/development, though. In the first two years of the war/occupation only one contract worth US$36.9 million focused on Agriculture (seeds, fertilizer, and equipment). The petroleum sector received about US$4 billion (including controversial US Army Corps of Engineers' contracts to Kellogg Brown & Root (KBR), a subsidiary of Halliburton until 2007). Infrastructure accounted for the lion's share of the contracts in Iraq during this first phase, however. It was in the form of contracts for old-fashioned cement and iron, civil engineering and construction work tendered by the Corps and USAID (Open Society Institute and The United Nations Foundation 2003). At a Pentagon briefing in March 2004, Admiral Dave Nash, then in charge of contracts at the Coalition Provisional Authority (CPA), said "I'd like to take this opportunity to bring you up to date on where we are in Program Management Office, and specifically in the reconstruction in Iraq that was referenced, the $18.4 billion that Congress is sending over to the people of Iraq to rebuild the country." He then offered this clarification:

> There's $18.4 billion, of which [. . .] approximately $6 billion is for what I call non-construction – very important, but non-construction. Of that, [. . .] 6 billion, 2 billion is for democracy-building and very, very important programs that involve – don't involve the kind of procurement we've been talking about. Then $4 billion for goods and services and training. And then finally you have your $12.4 billion for construction, which is the remainder. (Nash 2004)

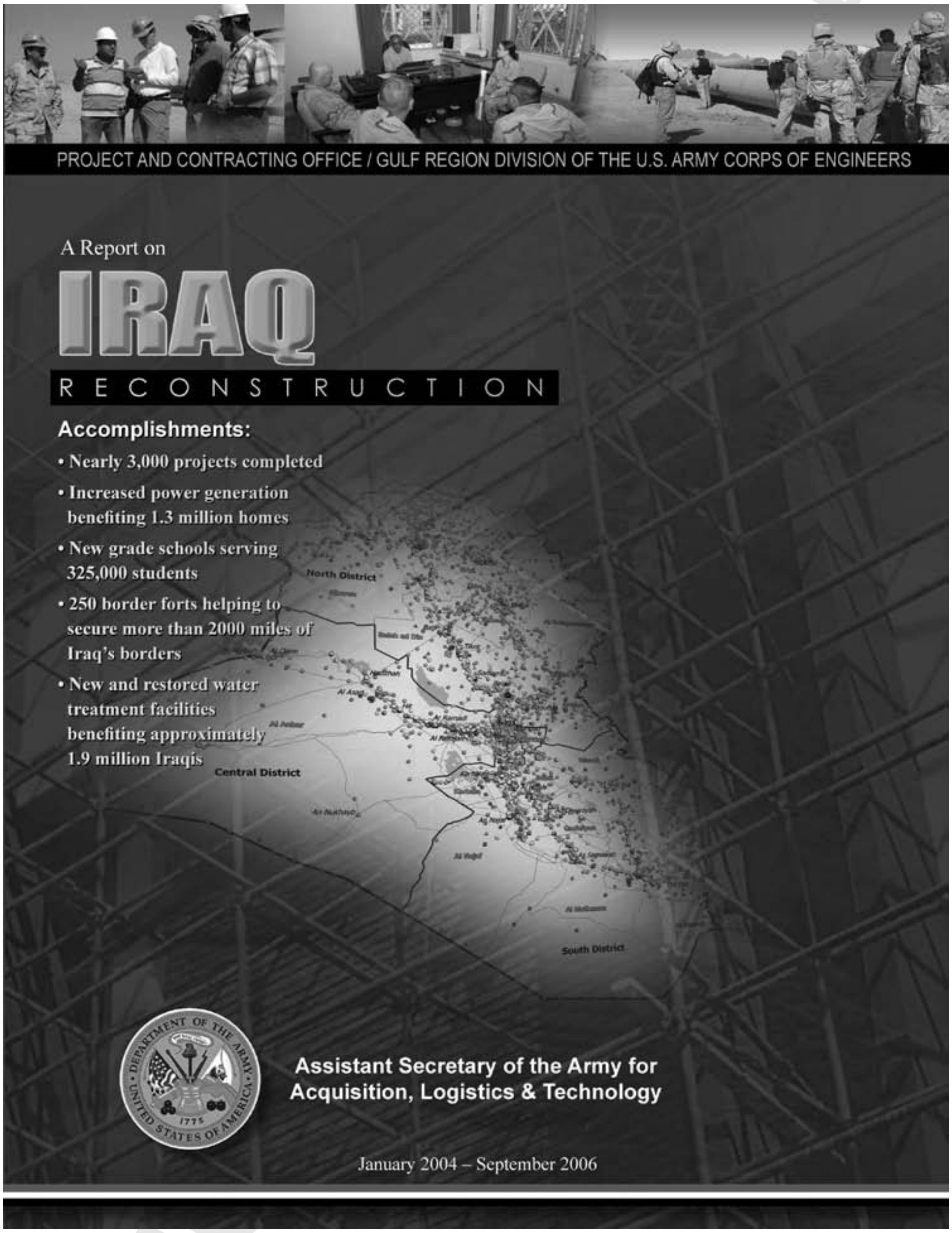

Figure 35.1 Cover of US Army Corps of Engineers' Report on Iraq Reconstruction.
Source: US Army Corps of Engineers (2006) Available at https://www.rebuilding-iraq.net/pls/portal/docs/PAGE/PCO_CONTENT/HOME/DOWNLOADS/RECONSTRUCTION_050107.PDF.

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Construction, while downplayed by Nash as a "remainder," was the defining and utterly central concern of the procurement regime of the CPA. The emphasis was on the construction of fixed capital and infrastructure in the form of airports, docks, roads, railroads, and fiber optics networks. In this way, developmental reconstruction of Iraq became construction in the vernacular sense as well.

In addition to discerning parallels with the Marshall Plan and ideas of post-war reconstruction, we can also see traces of a much older version of development in the web of contracted construction projects in Iraq: the bald colonial sense of development as development of natural resources. Reconstruction/construction was reminiscent of the colonial sense of development as transitive (rather than intransitive); that is, the verb took a subject and one or more objects, and development was understood as something that was actively done, rather than something that just happened as time passed (Arndt 1981). In 1895 Joseph Chamberlain, Britain's Secretary of State for the Colonies, famously said, "I regard many of our colonies as being in the condition of undeveloped estates, and estates which can never be developed without Imperial assistance" (quoted in Abbott 1971: 68; see also Cowen and Shenton 1996). Development as an imperial project was later encoded in Britain's 1929 Colonial Development Act based on the assumption that development of the colonies would be good for the colonies and good for Britain (Abbott 1971). In his analysis of "assistance recommended under specific categories of the Colonial Development Act 1929–1940," George C. Abbott found that 30% of the total amount disbursed was for projects in the category "internal transport and communication" (Abbott 1971: 74). In fact, the similarities to the CPA's disbursements are quite startling (Coalition Provisional Authority 2004b; US Dept. of Commerce 2004b). Both cases, despite a separation of 60 years, were marked by an "overwhelming concentration on economic infrastructure and capital projects" (Abbott 1971:76).

The subsequent Colonial Development and Welfare Act of 1940 enshrined the so-called "dual mandate" (Arndt 1981) that retained the development of resources through investment in infrastructure, and added a parallel concern with the welfare of subject peoples. In the early phase of the US occupation of Iraq, there were shadows of the 1929 Act, more faintly of the 1940 Act, but even more faintly still, traces of liberal development as it was understood in the post World War II era (see Sachs 1992). In addition, as Mark Duffield (1999; 2002a; 2002b) pointed out, "development" and "security" were already being conflated before the US-led invasion of Iraq. Development was "reinvented as a strategic tool," supplementing the "will to govern unstable areas of the global margins" (Duffield 2002b:1049). Duffield associated this "will to govern" by development not with any one state, but with "public-private networks of aid practice that bring together donor governments, UN agencies, NGOs, private companies, and so on" (2002b:1050). Iraq signaled an intensification of the conflation of development with security and a much closer (though not at all complete) association with one state (the United States) and its military. Moreover, the contractual regime in Iraq, part of the stunning expansion of contracts issued across the board by the US government (see Stanger 2009), resulted in major "windfalls of war" for certain US-based transnational contractors (Center for Public Integrity 2008).

Development as Soft Power

Simultaneous with the solidification of development as (re)construction in Iraq was the emergence in official US policy circles of an understanding of development as a tool of so-called "soft power." Development was wrested firmly away from any liberal pretensions.

This point was made very sharply by Andrew Natsios when, as Administrator of the US Agency for International Development (USAID), he gave a speech to the British Parliament on October 12, 2005 (in slightly revised form, Natsios 2006). Natsios laid out what he called "The US Perspective" on key issues in international development. It is an extraordinarily clear statement, from someone with firsthand experience at the highest levels in defining US development policies. He chided his European counterparts for being slow to grasp that they were living in a brave new world – one in which there was no longer much chance for "pure development" or "development abstracted from foreign policy concerns" (p. 131). Natsios did not claim that development was passé however. On the contrary, he argued for a stepped up strategic role for development "as a critical part of our foreign policy" (p. 132).

> I don't know how many times I have been engaged in conversation and debate by so-called development experts who say something like the following: "I don't do politics; I'm into development." This is a common mindset that artificially compartmentalizes "development" to its detriment, while it largely removes it from any strategic context. (Natsios 2006: 138)

He forcefully enrolled development in the service of the "Bush Doctrine" outlined in the famous 2002 *National Security Strategy* (Bush 2002). Development, as official US policy, was about "[o]pening up the developing world to economic opportunity and expanding the ranks of democratic states." These were tasks, Natsios explained, "vital to our own national security." He called this "transformative development" (Natsios 2006: 132).

Transformative development is a term that deliberately echoed "transformational diplomacy" as advocated by then US Secretary of State Condoleezza Rice. For Rice "development assistance" was simply an "element of national power":

> We will not meet the challenges of the 21st century through military or any other means alone. Our national security requires the integration of our universal principles with all elements of our national power: our defense, our diplomacy, our development assistance, our democracy promotion efforts, free trade, and the good work of our private sector and society. (Rice 2008)

Rice's ideas were themselves compatible with the so-called Bush Doctrine articulated in the 2002 *National Security Strategy,* and refined in the 2006 *National Security Strategy*. The 2002 document connected the dots between "weak states," poverty, and terrorism. In the 2006 document, Rice's main points about transformational diplomacy were repeated and development was described as "reinforc[ing] diplomacy and defense, reducing long-term threats to our national security by helping to build stable, prosperous, and peaceful societies" (Bush 2006: 33).

Here we see a discursive move that has proven influential: bringing the three "ds" (defense, diplomacy, development) into clear relation with one another. This articulation endured in later formulations of US development policy. Specifically, development was tied to defense and diplomacy, but in a subsidiary, reinforcing, role. This reformulation was mirrored by organizational changes in the bureaucracy of US development policy during the G.W. Bush presidency that led to development projects increasingly falling under the purview of the Department of Defense. As William Easterly exclaimed, "Foreign aid goes military!" (2008).

While "elevated" to the status of a soft power "asset," of the three "ds" (development, diplomacy, defense) only development did not have its own seat in the cabinet. There was a

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Department of State and a Department of Defense, but no Department of Development. Instead, development was administratively folded into diplomacy within the Department of State. Further, during the Bush years, the scales of power shifted between the two "big ds" (defense and diplomacy) with a noticeable rise in power of the Department of Defense relative to the Department of State. US diplomacy found itself relying on a shrunken staff while defense expanded in budget and personnel. Perhaps more relevant to this chapter, because of events in Iraq and Afghanistan the Department of Defense found itself increasingly doing development. Or, to reverse Easterly's quip, "the military goes foreign aid!" The US Defense Department has become a key development institution. As Robert Gates said as Secretary of Defense in November 2007 ". . . one of the most important lessons from our experience in Iraq, Afghanistan, and elsewhere has been the decisive role reconstruction, development, and governance play in any meaningful long-term success." Elsewhere in the speech he noted the military's greater involvement in so-called "soft power." But he was clearly uncomfortable with that role, calling for "a dramatic increase in spending on the civilian elements of national security – diplomacy, strategic communications, foreign assistance, civic action, and economic reconstruction and development" in order to relieve the stress on "the overextended military" (Gates 2007). In fact, Gates has been a vocal advocate for greater investment in the State Department. In a radio interview in January 2008, he noted:

> . . . when the Cold War was at its height, the US Agency for International Development had something like 16,000 employees. It has 3,000 now. One of the points that I make, if you took all Foreign Service officers in the world – about 6,600 – it would not be sufficient to man one carrier strike group. And right now, frankly, I think that the diplomacy, international economic assistance and so on have been significantly weakened (Gates 2008).

He went on to make the case that the resources required, from the perspective of the Department of Defense, were quite moderate:

> . . . the cost of increasing your capabilities on the diplomatic, economic side, is really pretty modest. The entire State Department budget is $36 billion. We spend that in the Pentagon on health care (Gates 2008).

Overall, the increasing merging of development with reconstruction in Iraq and Afghanistan during the Bush years resulted in a pronounced militarization of development. An influential Oxfam report of 2008 pointed out that while in 2002 the Department of Defense had managed 6% of US overseas development assistance, by 2005 it was up to 21% (Oxfam America 2008: 5). Proponents of USAID and of development more generally worried that longer term, people-centered development initiatives were being marginalized as development projects were increasingly framed only in terms of shorter term security interests (e.g. Brainard 2007; Lancaster 2007; Lancaster and Van Dusen 2005; Easterly 2008).

Such analysts have been more generous with their praise of other elements of US official development policy under George W. Bush, however. The President's Emergency Plan for AIDS Relief (PEPFAR) announced in January 2003, and US contributions to the multilateral Global Fund (full name: Global Fund to Fight AIDS, Tuberculosis, and Malaria) launched in 2002, are often mentioned as unexpectedly significant and effective contributions of the Bush administration to global health and development. A more controversial but more development-focused initiative of the Bush administration was the Millennium Challenge Corporation (MCC).

The Millennium Challenge Corporation

The intent to set up the Millennium Challenge Corporation was announced at the March 2002 United Nations Financing for Development Conference in Monterrey, Mexico, during a speech by then US President George W. Bush, who spoke of "a new compact for development." He elaborated:

> I have proposed a 50-percent increase in our core development assistance over the next three budget years. Eventually, this will mean a $5-billion annual increase over current levels. These new funds will go into a new Millennium Challenge Account, devoted to projects in nations that govern justly, invest in their people and encourage economic freedom. We will promote development from the bottom up, helping citizens find the tools and training and technologies to seize the opportunities of the global economy (Bush 2002).

The operational life of the Millennium Challenge Corporation began in 2004 with the launch of the Millennium Challenge Account. The MCC is an actual corporation with a Chief Executive Officer (CEO) and a Board of Directors. In addition to the CEO, board members include the Secretary of State who serves as the Chair of the Board, the Secretary of Treasury, the US Trade Representative, the Administrator of USAID, and four members "appointed by the President of the United States with the advice and consent of the US Senate" (MCC 2010). The Corporation was designed as a "lean" organization with a maximum of 300 staff and hailed by its promoters as a new type of aid organization directly born out of the confluence of neoliberal understandings of economic development and the thorough enrollment of development in a militarized national security agenda. A former CEO of the MCC characterized the Corporation as a "strategic, 'soft power' asset in America's foreign policy toolbox" (Danilovich 2008). The MCC represents development as soft power in the form of a corporation.

As a corporation the MCC seeks to partner with countries and offer development assistance in the form of compacts. In order to be eligible for consideration as a partner for the MCC, a country cannot be under sanctions (such as Cuba or Myanmar for example) and must not exceed a Gross National Income per capita ceiling (set at US$3855 for fiscal year 2010). Additionally, it must meet criteria that demonstrate it is on the "right path" as defined by Bush in Monterrey. That is, countries must show that they are "governing or ruling justly," "investing in their people," and "encouraging economic freedom" in order even to be considered by the MCC. Whether a country is eligible is determined on the basis of scores derived from tracking a matrix of 17 indicators (an increasingly common feature of development plans; see Roberts, Wright and O'Neill 2007). On the basis of their performance and scores, countries qualify to be selected to join MCC's Threshold Program. Under this program, countries receive small grants. As the MCC describes it, the Threshold Program is for countries that "come close to passing these criteria and are firmly committed to improving their policy performance" (MCC 2010). In 2010 there were 19 countries in the Threshold Program. In this status countries can then develop proposals designed to win a full blown "compact" with the MCC. In 2010 there were 20 active compacts. Compacts are generally for five years and each compact awards funds ranging from US$66 million for Vanuatu to US$698 million for Tanzania. As of 2010, the MCC disbursed over US$7 billion in compacts and over US$400 million in threshold grants. Madagascar was the first country to sign a compact with the MCC. It signed an almost US$110 million compact in 2004, followed in 2005 by Honduras (US$215 million), Cape Verde (US$110 million), and Georgia (US$295.3 million), and in 2006 Vanuatu (US$65.69 million). Overall, the MCC compacts are part of a broader normative developmentalist impulse to categorize countries and see them as being on a path, as exemplified by the concept of the "threshold" (see also Essex 2008).

As emerged in Iraq, the emphasis is on "country ownership" in which compact countries are expected to design their own projects but also to "take responsibility for their own development" as Condoleezza Rice put it (Rice 2006). Rice's language exemplified at once the paternalistic attitudes underpinning much of the logic of development but also neoliberal attitudes about responsibility and self-development ("technologies of the self"; Lemke 2001; Larner 2000). Of course, in a globalized world, and as dependency theory taught us long ago, treating national economies as if they are complete, bounded, and autonomous entities able to "own" their future direction is another developmentalist projection.

The MCC compacts are also notable for their uptake of strategies learned in other domains. Primarily they represent a continuation of conditionality. That is, tying development funds to conditions specified by the donor (as in Structural Adjustment Programs), and more subtly, to the disciplining effect of ratings both in the financial markets or global certification (as in certain trade and product sectors; Mutersbaugh 2005). Being accepted as a "Threshold Country" or a "Compact Country" has effects beyond the countries in those categories. As MCC CEO Danilovich explained: "According to the managers of the Doing Business project at the International Finance Corporation, twenty-four countries have specifically cited the Millennium Challenge Account as the primary motivation for their efforts to improve their business environment. This is what we call 'the MCC Effect'" (Danilovich 2006). This so-called "MCC effect" has a disciplining demonstration effect: "It's being looked on almost as a bond rating," Danilovich said. "There is huge competition to become eligible and get in the front of the line" (Danilovich quoted in Traud 2007). And elsewhere Danilovich has described this in terms of a "Good Housekeeping Seal of Approval" (Danilovich in Radelet 2009).

Overall, while its institutional form may be novel, the MCC operates according to a standard formulation of development. According to Emma Mawdsley, "We are confronted with a simple set of alignments, but none of the connecting mechanisms: neoliberal economic growth = poverty reduction = national security" (2007: 492). But how is neoliberal economic growth put into practice in the MCC's compacts? What is actually being done in the name of "poverty reduction through economic growth" (the MCC's slogan)? An examination of compacts reveals that apparently obligatory talk of poverty reduction, beneficiary groups, and consultative processes soon gives way to the familiar development practices of large-scale infrastructure projects actualized through webs of contracts and subcontracts (see Figure 35.2).

The vast majority of MCC compact funds are allocated for infrastructure. The Center for Global Development (CGD) has analyzed the 20 MCC compacts by sector and found that "the two most highly funded sectors are transportation which claims 38% of MCA's compact funds and agriculture which claims another 22%" (CGD 2010). In most compacts infrastructure projects account for over half the total value of the compact. In Vanuatu fully 83% of the MCC funds went to the construction of roads, wharves, bridges, and other transportation infrastructure.

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Success Story
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Vanuatu: Building a Road for Greater Possibilities

Supporting Women and the Disabled

Not too long ago, in the village of Meten on Efate Island, Vanuatu, a mother's trip to sell her flowers and produce at the main market place in Port Vila, Vanuatu's capital, would take hours on a narrow, dusty and pothole-ridden road. Flat tires were common and some trucks wouldn't even make it the whole trip. Women that did make it to the market would often arrive with back pains and damaged fruit and vegetables – barely marketable to customers looking for fresh produce. This was the condition of most of the roads on the island of Efate.

Brasio Kaltoua, First Vice President of Shefa Province (left) and Janet Orah, Women's Development Officer at the Shefa Provincial Government (center), attend a ribbon cutting ceremony for Meten's new roadside market on July 16, 2010.

Then in 2006, Vanuatu entered into a $66 million compact with the U.S. Government's Millennium Challenge Corporation (MCC) for road reconstruction. By repairing these badly riddled roads, women are gaining more and better transportation options to the marketplace in Port Vila. With an abundance of fresh flowers and produce, the market is full of more color and flavor than ever before.

Figure 35.2 Excerpt from MCC Press Release. Vanuatu: Building a Road for Greater Possibilities.
Source: Millennium Challenge Corporation (August 2010) Available at http://www.mcc.gov/documents/press/success-2010002036101-vanuatu-roads.pdf.

In many countries, infrastructure construction through the compacts adds to the emphasis on building infrastructure pursued by other development institutions. For example, the transportation construction carried out under the MCC compact in Honduras (accounting for about 58% of the compact's value) complements considerable expenditures on transportation in Honduras by the InterAmerican Development Bank (IDB), the World Bank, the Central American Bank for Economic Integration, and the OPEC Fund. In the Honduras compact the majority of MCC funding went to improve highway CA-5, the same road that the IDB committed $80 million in loans to improve (IDB 2007). The road's importance lies in the fact that it "links the capital city, Tegucigalpa, with Honduras' main industrial area, San Pedro Sula, and the only deep-water port in Central America, Puerto Cortes, on the Caribbean coast. To the south, it leads to the Salvadoran port of Cutuco on the Pacific" (IDB

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2007). Indeed, this highway is part of a major geoeconomic and geopolitical push establishing land bridges across Central America (Plan Puebla Panamá; IDB 2007). Nonetheless the Honduras compact's emphasis on the highway is justified in terms of the needs of small farmers. Then US Secretary of State Rice said at the compact signing ceremony "After consulting all segments of Honduran society, Honduras wisely decided to use this Millennium Challenge grant to improve the productivity of its farmers" (Rice quoted in US Department of State 2005). While defended as "more than just a road" the MCC reports that the Honduras compact's "$97.9 million to upgrade and expand 109 kilometers of Highway CA-5 North will decrease travel time while improving road conditions and safety. The project's overall goal is to reduce transportation costs for local producers, importers and exporters. It also seeks to accelerate the overall economic development of the Central American region by helping Honduras, El Salvador and Nicaragua take advantage of trading opportunities provided by CAFTA-DR (The Dominican Republic – Central America – United States Free Trade Agreement)" (MCC 2008).

In the case of Vanuatu in the Pacific, the geopolitical rationale for the MCC Compact is less clear. Perhaps because of this, in the summer of 2007 several US elected officials took it upon themselves to question the "simple set of alignments" that Mawdsley (2007) identified. In doing so, they openly called into question the content of the compact and the purportedly straightforward cause and effect link between transport infrastructure and poverty reduction (see Figure 35.2). The Vanuatu compact, while it is the smallest in total dollar amount, is the largest per capita and it has attracted some suspicion even from politicians who were quite supportive of the MCC's approach to foreign aid. Then Chairman of the US House Foreign Affairs Committee, the late Tom Lantos (Democrat, California), ordered a study of the MCC's Vanuatu compact, and said he suspected that it was ". . . a complete waste of taxpayer dollars." Lantos went on: "The MCC has promised to fork over $65 million to the government of Vanuatu, and it will have little or no impact on the local economy or poverty alleviation. It's hard to tell whether this MCC boondoggle is due to gross incompetence or deliberate malfeasance" (Lantos quoted in US House of Representatives, Committee on Foreign Affairs 2007a). Lantos co-authored, with former Chairman of the House International Relations Committee the late Henry Hyde (Republican, Illinois), the legislation that authorized the Millennium Challenge Account in 2004.

At the same time, the US House's Subcommittee on Asia, the Pacific, and the Global Environment's Chairman, who has some sense of the politics of development in Vanuatu, and before whom the hearings took place in summer 2007, presented an analysis that did not point the finger at the government of Vanuatu, but rather focused on the transnational contractors and development consultants. He stated in his remarks to the hearing "How can we be expected to believe that the Vanuatu compact will have a transformative impact on poverty when most of the benefits will be lavished on expatriates and big businesses? This strategy does not appear to dovetail with the broad philosophy of international economic development to help lift the poor" (Eni F.H. Faleomavaega (Democrat, American Samoa) (quoted in US House of Representatives, Committee on Foreign Affairs 2007b).

The Congressman's analysis highlights the complex economic geographies underpinning this particular development project. As this chapter demonstrates, the MCC and its compacts operate to achieve a securitized development agenda. The MCC is a neoliberal institution, but at the same time, it represents a familiar mode of development: the construction of infrastructure. Like the railroads of the late nineteenth century, the pipelines, roads, cables, and quays incorporate (or re-incorporate) spaces that are deemed somehow problematic and needful. It is perhaps clearest in the Honduran case, but in many of its endeavors, the MCC is working first and foremost to install the plumbing and wiring of a neoliberalized globalized economy. This work is framed by questions of US security, and is accomplished in the name of poverty reduction, often with farmers, women, disabled persons, and children featured as key beneficiaries (see Figure 35.2). Whether the simple equation Mawdsley (2007) identified leads to direct benefits for these often marginalized populations is another question, as Congressman Faleomavaega noted.

Certainly it is abundantly clear that a robust and growing cadre of transnational civil engineering contractors, such as US-based KBR, Bechtel, Fluor, and Louis Berger, play a significant but under-studied role in the economic geography of development aid. These corporations solidified and enhanced their competitive position during the "windfalls of war" period of US contracts in Iraq finding immense profitability in the co-joining of security and development in US policy (Center for Public Integrity 2008). This is contributing to the overall rapid growth of the engineering and contracting sector, as it becomes increasingly internationalized. The trade publication *Engineering News Record* reports that the world's top 225 international contractors (based on contract revenue from projects outside their home countries) "generated $390.01 billion in revenue in 2008 from projects outside their home countries, a startling 25.7% above the $310.25 billion in international revenue earned by the group in 2007" (*Engineering News Record* 2009). Further, the knowledge, networks, and personnel amassed by transnational contractors in "rebuilding Iraq" translated easily into the larger business of development contracting because, as discussed, these practices and their logics are in considerable alignment with one another (Devex 2010). While the practices of this group of firms are bound to be distinct, we may expect certain similarities with other transnational industries based in the global North (such as accounting and legal firms; Beaverstock 2004).

Conclusions

The recent flurry of responses from economic geographers to the *2009 World Development Report* from the World Bank highlights once again the disjuncture between economic geographers and development policy-makers. Above all, the *Report* is a manifesto for a certain hierarchical vision of development resting on the assumption that connection is key to development. That is, transport and communications infrastructure is the prerequisite for economic growth. This premise, along with an assumed positive relationship between agglomeration and economic growth, undergirds the *Report*. The importance of infrastructure to connect the world's diverse spaces and peoples also underlies the current emphasis in US policy on development as construction. There are aspects of this relation that might stimulate economic geographers interested in contemporary development practices. For example, they might consider the following: that willing funders of infrastructure are relatively powerful states (directly through programs such as the MCC and indirectly through institutions such as the World Bank); that there has arisen a faction of extraordinarily influential and profitable transnational engineering and contracting firms; that state-firm linkages are spawning associated agglomerations that are increasingly powerful (such as the Washington DC beltway and Northern Virginia "contractor-region"); that diverse financial markets have developed to facilitate contracting; and that the recursive flows of development aid "boomerang" back to the global North. The larger point is that though these observable trends are linked to "development," they are also dynamic practices that materially constitute new spatialities of capitalism in both the global South and global North, albeit of very different kinds. Therefore, there is much scope for exploring the economic geographies thrown up by the merging of development and security and the host of infrastructure projects this has engendered.

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