

EXPEDITIONARY ECONOMICS: THE MILITARY'S ROLE
IN CONFLICT RELATED DEVELOPMENT

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The opinions and conclusions expressed herein are those of the student author and do not necessarily represent the views of the U.S. Army Command and General Staff College or any other governmental agency. (References to this study should include the foregoing statement.)

ABSTRACT

EXPEDITIONARY ECONOMICS: THE MILITARY'S ROLE IN CONFLICT RELATED DEVELOPMENT, Major Hugh W. A. Jones, 168 pages.

This thesis explores the role of the military in conflict related development, recently dubbed "expeditionary economics." The thesis examines this role through relevant strategic guidance, development protocol, economic theory, military expediency, and historical military precedent. This examination reveals that while the military has greatly improved the efficacy of its development efforts over the past decade of conflict, specific, practical doctrine is lacking and requires further refinement. Among other shortcomings, doctrine lacks a specific definition of the military's role in conflict related development. Additionally, the examination reveals a significant, disruptive lack of unity of effort in conflict related development in both historical and contemporary conflict related development.

The military has two primary tasks in conflict related development, conducting limited development immediately following the end of major combat operations, and controlling and coordinating civilian development efforts during operational phases II, III, and IV. Otherwise, any military development efforts are controlled and coordinated by the U.S. ambassador or designated representative. This thesis defines limited development as reinforcing security, providing humanitarian aid, and fostering stability through corps-type employment, providing basic living needs, and basic local infrastructure reconstruction. The military priority is to security, then humanitarian aid, then to fostering stability.

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I dedicate this thesis to future counterinsurgents in hopes that the work herein may make your task easier.

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ACRONYMS

CERP	Commander's Emergency Response Program
COIN	Counterinsurgency
COMISAF	Commander International Security Assistance Force
CORDS	Civil Operations and Revolutionary Development Support
DIME	Diplomatic, Information, Military, Economic (elements of national power)
DO	District Officer (in British DWEC organization)
DoD	United States Department of Defense
DSF	District Stability Framework
DWEC	District War Executive Council
FDI	Foreign Direct Investment
FID	Foreign Internal Defense
FM	Field Manual
GDP	Gross Domestic Product
IGO	Intergovernmental Organization
JIIM	Joint, Interagency, Intergovernmental, and Multinational
JP	Joint Publication
LOE	Line of Effort
NATO	North Atlantic Treaty Organization
<i>NDS</i>	<i>National Defense Strategy</i>
NGO	Nongovernmental Organization
<i>NMS</i>	<i>National Military Strategy</i>
<i>NSS</i>	<i>National Security Strategy</i>
PRT	Provincial Reconstruction Teams

<i>QDDR</i>	<i>Quadrennial Diplomacy and Development Review</i>
<i>QDR</i>	<i>Quadrennial Defense Review</i>
SOI	Sources of Instability
TFP	Total Factor Productivity
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USG	United States Government
VSO	Village Stability Operations

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CHAPTER 1

INTRODUCTION

To succeed, we must update, balance, and integrate all of the tools of American power and work with our allies and partners to do the same.

— President Barack Obama, *National Security Strategy*

A “whole of government” approach forms the core of current United States national security strategy. Through this approach, the U.S. seeks to ensure national security not only through military power projection, but also through the synergistic employment of all elements of national power, Diplomatic, Information, Military, and Economic (DIME).¹ Consequently, the U.S. military increasingly conducts warfare in a Joint, Interagency, Intergovernmental, and Multinational (JIIM) environment.² Determining how best to apply and employ these elements and organizations in concert is an evolving and challenging facet of modern warfare.

Instability characterizes the current operational environment. Among other conditions, a significant dichotomy in the distribution of wealth between developed and developing nations creates conditions of inequity that lead to instability. United States strategic policy, military and civilian, asserts that this instability fosters radicalism and increases the incidence of failed and failing states in addition to non-state actors hostile to the United States and its interests.³ Additionally, high population growth in generally under-developed areas (Africa, the Middle East, and South and Southeast Asia) increases the potential for future conflict over scarce, essential resources.⁴ For these reasons, many of these developing nations are likely to continue to be a source of conflict and instability. Since economic growth correlates negatively with instability, poor

governance, and violence, the more impoverished a nation, the more likely some form of U.S. military intervention.⁵ (Assuming it is in the interests of the United States to reduce global instability and hostile actors.) Thus, the United States can anticipate continued conflict and instability in these developing nations requiring a response from the United States government (USG) along the full spectrum of operations, ranging from peacetime military engagement to major combat operations. Recognizing this dynamic, the *National Security Strategy (NSS)* and the *Presidential Policy Directive on Global Development* elevate development as a primary security mechanism, equal in significance to defense and diplomacy.⁶ Facilitating the production, distribution, and consumption of goods and services worldwide in addition to promoting free market driven entrepreneurial economies is a component of USG policy.⁷

Along the spectrum of conflict, military involvement in economic development efforts principally occurs outside of general war under the stability operations operational theme. As major combat operations wane, military units transition from primarily offensive or defensive focused operations to stability operations.⁸ Stability operations seek to achieve a military end state, or create the conditions that allow the successful conclusion of U.S. military involvement and a transition to civilian instruments of national power. Stability operations seek to achieve five mutually supporting end state conditions: “a safe and secure environment, established rule of law, social well-being, stable governance, and a sustainable economy.”⁹ Military forces do not pursue these end state conditions in isolation or sequentially, but simultaneously along complementary, reinforcing lines of effort.¹⁰

The U.S. Army defines a sustainable economy as an economy in which the host nation government can self-sustain growth and demonstrates some degree of the following characteristics: macroeconomic stabilization; control over the illicit economy and economic-based threats to peace; market economy sustainability; individual economic security; and stable employment.¹¹ The sustainable economy end state condition springs from the well-documented relationship between economic growth and sustainable peace and security.¹² The development community sometimes refers to violence and poverty as the “dual traps.” This phrase refers to the close relationship between violence and poverty and their mutually corrosive effects. Violence and poverty exacerbate each other.¹³ Economic development, the process and policies by which individuals or organizations improve the economic, political, and social well-being of a given area or people, is the principal tool for achieving a sustainable economy.¹⁴

In accordance with USG policy and Presidential mandate, civilian development experts are the principal agents of economic development efforts.¹⁵ However, recent experience in Iraq and Afghanistan indicates that in unsecure environments the military will have to serve as the principal agent of economic development efforts until security improves to the extent that civilian experts can assume responsibility for this line of effort.¹⁶ This is particularly the case at the local level in a conflict environment. Furthermore, in conflict environments in which the U.S. military is a belligerent, the military controls a preponderance of personnel, access, and resources.¹⁷ Thus, the military conducts economic development along the spectrum of conflict between unstable peace and an insurgency, where an unsecure environment or a lack of capacity prohibits civilian development organizations from assuming full responsibility.

Issues and Problems

A review of strategic guidance, development protocol, and military doctrine illustrates that stakeholders, from the military to academics, acknowledge the importance of economic development in conflict resolution and sustained stability. Furthermore, policy makers, development experts, academics, and the military itself all acknowledge that the military has a role in conflict related development. However, there is considerable disagreement as to the specific role of the military in this development.¹⁸ So much attention has focused on defining the military's role in conflict related economic development that a nascent field of development theory has emerged around it, dubbed "expeditionary economics."¹⁹ Opinions on the military's role in economic development range from simply handing out humanitarian aid to nurturing entrepreneurship through quasi-venture capitalism. Although the U.S. Army *Stability Operations* manual references "economics" over 200 times, current doctrine provides little definitive guidance as to the military's role in expeditionary economics.²⁰ Because of this void in specific doctrine, both the military and development community lack a clear understanding of the military's role in expeditionary economics. The lack of a clear definition leads to confusion, redundancies, a lack of unity of effort, and other inefficiencies.

Purpose of the Study

The purpose of this thesis is to improve unity of effort and understanding within, and between, the military and other stakeholders in expeditionary economics. This study will provide improved unity of effort and understanding by defining the military's role in

conflict related development. Defining this role will also contribute to mission success and more effective conflict related development.

Research Questions

This thesis will seek to answer the primary research question: what should be the military's role, or specific function, in conflict related development? Five supporting secondary questions provide the information necessary to answer the primary question.

As the President is ultimately responsible for determining military and diplomatic policy, any definition of the military's role in expeditionary economics must align with Presidential policies, directives, and strategic guidance. The definition of the military's role in expeditionary economics must also align with subsequent tiers of strategic guidance as provided by the three primary USG stakeholders, the State Department, United States Agency for International Development (USAID), and the Department of Defense (DoD). Therefore, a secondary research question is: what does relevant strategic guidance (Presidential Directives, the *National Security Strategy (NSS)*, the *National Defense Strategy (NDS)*, the *Quadrennial Defense Review (QDR)*, the *Quadrennial Diplomacy and Development Review (QDDR)*, the *National Military Strategy (NMS)*, and overarching joint DoD doctrine indicate about the military's role in expeditionary economics?

Because USAID is the USG's lead development agency, the definition of the military's role in expeditionary economics must align with applicable USAID development protocol. This leads to another secondary research question: what is USAID development protocol for conflict related development?

The military's role in expeditionary economics should also nest with relevant academic theory and development best practices; therefore, a third secondary research question is: what do academic economic theory and development best practices indicate about the military's role in expeditionary economics?

As the military is primarily responsible for executing stability operations, of which expeditionary economics is a line of effort, an additional secondary research question is: what do historical and current military operations indicate about the military's role in expeditionary economics?

Finally, this study identifies the various proposed roles for the military in expeditionary economics: what are the major proposals for the role of the military in expeditionary economics, as proposed by USAID, Nongovernmental Organizations (NGOs), Intergovernmental Organizations (IGOs), and other relevant experts?

Assumptions

The analysis and recommendations of this paper rest on the following assumptions:

1. The United States will continue to conduct some form of proactive foreign stabilization efforts; in other words, United States foreign policy will not become isolationist.
2. The U.S. military will continue to conduct stability operations.
3. A sustainable economy will remain one of the strategic end state conditions stability operations seek to achieve.

4. A lack of security or means during some stability operations will prohibit USAID and other development professionals from executing all desired economic development efforts.
5. The military will not fundamentally change in structure. The military will not create a new, significant advisory or development capability beyond those currently in the organization. This assumption merits further discussion. Some counterinsurgency theorists, including John Nagl, have proposed the military create an advisory corps.²¹ As of yet, there has been no new military advisory or development corps created. Advisors largely remain ad hoc units comprised of service members pulled from other specialties. Additionally, considering the austere fiscal outlook for the military, it is unclear if the military can afford the opportunity cost of dedicating previously conventional combat power to create an advisory corps or economic development corps.
6. This study will accept widely held economic theory.

Definition of Terms

CERP. (Commander's Emergency Response Program) Discretionary funds from which commanders can fund projects they believe will improve the security conditions in their areas of operation. While CERP funds originally began as a discretionary source of money to fund short-term security enhancing projects, CERP funds have increased substantially in accordance with the "money as a weapons system" doctrine, from \$40M in 2004 to over \$1B in 2010.²²

Expeditionary economics. The military's application of economic principles and tools in support of security objectives.²³ (This thesis seeks to define the military's role in expeditionary economics.)

IGO. (Intergovernmental Organization) "An organization created by a formal agreement between two or more governments on a global, regional, or functional basis to protect and promote national interests shared by member states."²⁴

Line of effort. A line that "links multiple tasks and missions using the logic of purpose—cause and effect—to focus efforts toward establishing operational and strategic conditions."²⁵ "Lines of effort are essential to long-term planning when positional references to an enemy or adversary have little relevance. In operations involving many nonmilitary factors, lines of effort may form the only way to link tasks, effects, conditions, and the desired end state. Lines of effort help commanders visualize how military capabilities can support the other instruments of national power. They prove particularly invaluable when used to achieve unity of effort in operations involving multinational forces and civilian organizations, where unity of command is elusive, if not impractical."²⁶

NGO. (Nongovernmental Organization) "A private, self-governing, not-for-profit organization dedicated to alleviating human suffering; and/or promoting education, health care, economic development, environmental protection, human rights, and conflict resolution; and/or encouraging the establishment of democratic institutions and civil society."²⁷

Stability Operations. Encompasses "various military missions, tasks, and activities conducted outside the United States in coordination with other instruments of

national power to maintain or reestablish a safe and secure environment, provide essential governmental services, emergency infrastructure reconstruction, and humanitarian relief.”²⁸

Unified Action. “A comprehensive approach that synchronizes, coordinates, and when appropriate, integrates military operations with the activities of other governmental and nongovernmental organizations to achieve unity of effort.”²⁹

Unity of Command. Joint doctrine states that, “The purpose of unity of command is to ensure unity of effort under one responsible commander for every objective. . . .

Unity of command means that all forces operate under a single commander with the requisite authority to direct all forces employed in pursuit of a common purpose.”³⁰

While similar, Army doctrine expands on this concept, stating, “Applying a force’s full combat power requires unity of command. . . . Cooperation may produce coordination, but giving a single commander the required authority is the most effective way to achieve unity of effort.”³¹

Limitations

This analysis is being conducted in a time-constrained circumstance. The analysis will be conducted in seven months, concurrent with a full academic load of Command and General Staff College curriculum.

Due to a lack of extensive and accurate microeconomic and macroeconomic data on Iraq and Afghanistan, analysis will rely on limited existing macroeconomic data, widely accepted academic theory, and development best practice.

As an active duty officer with 13 years of service, despite best efforts to the contrary, the author may introduce some confirmation bias in favor of greater military responsibility.

Delimitations

Analysis will focus on reconciling disparate views of the military's role in conflict related economic development. Analysis will assess feasibility and suitability of the various roles of the military in expeditionary economics as proposed by development experts (USAID, NGOs, IOs, and other relevant experts). This assessment will consist of comparing them with: strategic guidance; development protocol and best practices; academic principles and theory; and military expediency. As such, analysis will focus more on the implications for current operations, strategic guidance, and policy. Additionally, because the current U.S. military priority is Afghanistan and major U.S. military efforts in Iraq have ended, analysis will focus mainly on Afghanistan.

Significance of Study

There is currently a void in doctrine regarding the practical execution of expeditionary economics. Due to this void, both the military and the development communities lack a clear understanding of the military's role in expeditionary economics. This lack of understanding leads to confusion, redundancies, a lack of unity of effort, and other inefficiencies. This study endeavors to improve unity of effort and understanding in, and between, the military and other stakeholders in expeditionary economics by proposing a definition for the military's role in expeditionary economics.

Summary

As a line of effort under an overarching counterinsurgency strategy, the U.S. military has conducted extensive economic development activities in both Iraq and Afghanistan. While doctrine and stakeholders, from the military to academics, agree that economic development is essential for sustained stability, there is considerable disagreement as to the role of the military in conflict related economic development. Opinions on the military's role range from simply handing out humanitarian aid to nurturing entrepreneurship through quasi-venture capitalism. Current doctrine provides little definitive guidance as to the military's role. This study will improve unity of effort and understanding within, and between, the military and other stakeholders in expeditionary economics by defining the military's role in expeditionary economics. Defining this role will also contribute to mission success and more effective conflict related development.

Analysis will reconcile disparate views of the military's role in conflict related economic development by assessing the feasibility and suitability of the various roles of the military in expeditionary economics as proposed by development experts (USAID, NGOs, IGOs, and other relevant experts). Analysis will assess these proposals by comparing them with: strategic guidance; development protocol and best practices; academic principles and theory; and military expediency.

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²⁰Crow and Peterson, “Expeditionary Economics”; David Anderson and Jonathan Schaffner, “The Void in Tactical Level Economic Doctrine,” *Small Wars Journal* 7, no. 10 (August 2011).

²¹John A. Nagl, *Institutionalizing Adaptation: It’s Time for a Permanent Army Advisor Corps* (Washington, DC: Center for a New American Security, June 2007).

²²Rebecca Patterson and Johnathan Robinson, “The Commander as Investor- Changing CERP Practices,” *PRISM* 2, no. 2 (March 2011); Special Investigator General for Afghanistan Reconstruction, *SIGAR Quarterly Report, January 2011* (Arlington, VA, January 2011).

²³Crow and Peterson, “Expeditionary Economics,” 3.

²⁴The Department of Defense, JP 1-02, *Department of Defense Dictionary of Military and Associated Terms* (Washington, DC: Government Print Office, July 2011), 179.

²⁵The United States Department of Defense, JP 5-0, *Joint Operation Planning*, xxii.

²⁶The United States Army, FM 3-0 (change 1), *Operations*, 7-10.

²⁷The United States Department of Defense, JP 1-02, *Department of Defense Dictionary of Military and Associated Terms*, 252.

²⁸The United States Army, FM 3-0 (change 1), *Operations*, 3-11.

²⁹The Department of Defense, JP 3-0 (change 1), *Joint Operations* (Washington, DC: Government Print Office, August 2011), xi.

³⁰*Ibid.*, A-2.

³¹The United States Army, FM 3-0 (change 1), *Operations*, A-3.

CHAPTER 2

LITERATURE REVIEW

Introduction

This chapter reviews relevant literature pertaining to secondary questions that will facilitate answering the primary question: what should be the military's role in conflict related development? The secondary questions developed in chapter 1 examine: relevant strategic guidance (Presidential Directives, the *NSS*, the *NDS*, the *QDR*, the *QDDR*, the *NMS*, and overarching joint DoD doctrine); current USAID conflict related development protocol; relevant academic theory; recent U.S. military development efforts in Afghanistan and Iraq; relevant historical military development efforts; and proposals by development experts (USAID, NGOs, IOs, and other relevant experts). Answering these questions is necessary to determine the military's role in conflict related development. Determining the military's role in conflict related development will improve unity of effort and understanding in, and between, the military and other stakeholders in expeditionary economics. Defining this role will also contribute to mission success and more effective conflict related development.

This chapter is organized into seven sections:

1. Introduction
2. Strategic guidance (Presidential Directives, *NSS*, *NDS*, *QDR*, *QDDR*, *NMS*, and overarching joint DoD doctrine)
3. Conflict related development protocol
4. Relevant Economic Theory
5. U.S. military development efforts in Afghanistan and Iraq

6. Relevant historical military development efforts
7. Proposals by development experts (USAID, NGOs, IOs, and other relevant experts).

Strategic Guidance

Through sequential Presidential Directives, National Security Strategies, and Presidential Policies, starting with President George W. Bush and continuing through the Obama administration, the White House has elevated development as a “core pillar of American power” equal to diplomacy and defense.¹ The President provided his most recent guidance in the *Presidential Policy Directive on Global Development* in September 2010. Senior policymakers throughout the USG have nested the NSS and subordinate strategies (the *NDS*, *QDR*, *QDDR*, *NMS*, and overarching joint DoD doctrine) with the *Presidential Policy Directive on Global Development*.

These various documents identify the importance of development to stability and recognize development as vital to U.S. national security and as “a strategic, economic, and moral imperative.”² The documents identify USAID as the “U.S. Government’s lead development agency.”³ The documents also identify the importance of a whole of government approach, which entails a holistic balancing and integrating of all the tools of U.S. power across departments and agencies.⁴ The documents state that U.S. national security efforts should “harness all the capabilities spread across the government in support of common objectives.”⁵ Joint doctrine labels the whole of government approach “unified action,” or the “synchronization, coordination, and/or integration of the activities of governmental and nongovernmental entities with military operations to achieve unity of effort.”⁶ Joint doctrine categorizes the elements of national power as Diplomatic,

Information, Military, and Economic (DIME).⁷ However, the *NSS* categorizes the elements of national power as defense, diplomacy, economic, development, homeland security, intelligence, strategic communications, the American people, and the private sector.⁸ Military doctrine also identifies USAID as the lead USG development agency, but states that the military must execute stability tasks, including development, when civilian agencies are unable to meet the requirement.⁹

Presidential Directives

The *Presidential Policy Directive on Global Development* provides policy guidance to USG agencies on core development objectives, the USG development operational model, and intended architecture. This directive is the most recent Presidential guidance on USG development strategy. The directive describes development as a “core pillar of American power” equal to diplomacy and defense, and “a strategic, economic, and moral imperative.”¹⁰ The document identifies USAID as the “U.S. Government’s lead development agency.”¹¹ The directive also identifies the ends, ways, and means of USG foreign development.

The directive states that the strategic end state of development is to “position ourselves to better address key global challenges by growing the ranks of prosperous, capable, and democratic states that can be our partners in the decades ahead.”¹² Thus, our national strategic development end states, as implied by the Presidential Policy Directive of Global Development, are:

1. U.S. capable of global influence.
2. U.S. increases number of global partners.
3. Global geopolitical stability.

4. Global economic stability.

The directive identifies the following four primary ways to achieve these ends:

1. Strengthen our international partners.
2. Build an inclusive global economy. (Promote free trade.)
3. Advance democracy.
4. Advance human rights.¹³

The directive lists the following priorities to guide the aforementioned strategic ends and ways:

1. Broad-based economic growth.
2. Building sustainable capacity in the public sectors of developing nations, at both the national and community levels.
3. Priority of effort to those regions and countries where conditions are best set for sustainable growth.
4. A whole of government approach using development efforts to include all applicable USG agencies, IGOs, NGOs, the private sector, and other stakeholders.
5. The use of innovations and technology to solve development challenges.
6. Tailored development strategies appropriate for the context, or balancing civilian and military power in conflict, instability, and humanitarian crises.
7. Accountability for both development efforts and aid recipients.¹⁴

USAID further refines the Presidential Policy Priorities into the following four guiding priorities:

1. Recommitting ourselves to the Millennium Development Goals by building sustainable governance and delivery systems to support healthy and productive lives. (The Millennium Development Goals are: (1) eradicate extreme poverty and hunger; (2) achieve universal primary education; (3) promote gender equality and empower women; (4) reduce child mortality; (5) improve maternal health; (6) combat HIV/AIDS, malaria and other diseases; (7) ensure environment sustainability; and (8) develop a global partnership for development.)
2. Investing in country-owned models of inclusive growth and development in a focused set of well governed, economically stable, globally connected, and market-oriented countries.
3. Developing and delivering scientific and technological breakthroughs.
4. Utilizing our expertise on humanitarian response and recovery in conflict settings.¹⁵

National Security Strategy

Written four months prior to the *Presidential Policy Directive on Global Development*, the *NSS* foreshadowed the policies identified in that subsequent directive. The *NSS* also identifies development as an integral tool of American power equal to diplomacy and defense. The *NSS* identifies the importance of development to stability and recognizes development as vital to U.S. national security and “a strategic, economic, and moral imperative.”¹⁶ The *NSS* also identifies the importance of a whole of government approach.¹⁷ The statement below captures the essence of *NSS* guidance reference economic development:

Development is a strategic, economic, and moral imperative. We are focusing on assisting developing countries and their people to manage security threats, reap the benefits of global economic expansion, and set in place accountable and democratic institutions that serve basic human needs. Through an aggressive and affirmative development agenda and commensurate resources, we can strengthen the regional partners we need to help us stop conflicts and counter global criminal networks; build a stable, inclusive global economy with new sources of prosperity; advance democracy and human rights; and ultimately position ourselves to better address key global challenges by growing the ranks of prosperous, capable, and democratic states that can be our partners in the decades ahead. To do this, we are expanding our civilian development capability; engaging with international financial institutions that leverage our resources and advance our objectives; pursuing a development budget that more deliberately reflects our policies and our strategy, not sector earmarks; and ensuring that our policy instruments are aligned in support of development objectives.¹⁸

National Defense Strategy

Written in 2008, prior to the Obama administration, the *Presidential Policy Directive on Global Development*, and the 2010 *NSS*, the *NDS* has less information about the actual conduct of economic development, and more on the importance of economic development for stability.¹⁹ The *NDS* discusses how a lack of economic development can exacerbate other social issues, increasing instability. The *NDS* identifies economic development as an essential component of stability operations and an ongoing military effort in our current wars. The *NDS* acknowledges that the military has created this development capacity out of necessity, in response to the inability of civilian development organizations to conduct development on the scale major stability operations require. However, the *NDS* also identifies the importance of a whole of government approach to stability related tasks, stating that the military's new development capabilities are "no replacement for civilian involvement and expertise."²⁰ The *NDS* reinforces the importance of building capacity in the host nation.

The use of force plays a role, yet military efforts to capture or kill terrorists are likely to be subordinate to measures to promote local participation in government

and economic programs to spur development, as well as efforts to understand and address the grievances that often lie at the heart of insurgencies. For these reasons, arguably the most important military component of the struggle against violent extremists is not the fighting we do ourselves, but how well we help prepare our partners to defend and govern themselves.²¹

Quadrennial Defense Review

Written in February 2010, prior to the *Presidential Policy Directive on Global Development* and the *NSS*, the *QDR*, like the *NDS*, has less information about the actual conduct of economic development, and more on the importance of and requirement for economic development. The *QDR* discusses economic development as essential to the prevention, deterrence, and resolution of conflict.²² The *QDR* also discusses the geopolitical instability that arises from a lack of broad-based economic development. Like other senior policy documents, the *QDR* also emphasizes the importance of a “comprehensive, whole of government” approach to all national security challenges and opportunities, stating that these challenges are complex and interagency in nature.²³ The *QDR* acknowledges the importance of civilian development and governance experts while calling for the military to retain the ability to conduct economic development and governance assistance.

As our experiences in Afghanistan and Iraq have shown, sustainable outcomes require civilian development and governance experts who can help build local civilian capacity. Although the U.S. military can and should have the expertise and capacity to conduct these activities, civilian leadership of humanitarian assistance, development, and governance is essential. The Department [DoD] will retain capabilities designed to support civilian authorities as needed.²⁴

The *QDR* states that civilian development capacity is currently inadequate to meet the requirements of current operations. Consequently, the *QDR* states that the military will continue to work with civilian development agencies to improve their capacity to

meet current operational demand while meeting this unmet requirement with military resources.²⁵

Quadrennial Diplomacy and Development Review

The *QDDR* is the principle strategic document for the State Department, subordinate only to the President's guidance. Completed in December 2010, the *QDDR* aligns with the *NSS* and the *Presidential Policy Directive on Global Development*. The *QDDR* formally adopts a lead-agency approach: "the State Department will lead for operations responding to political and security crises, while USAID will lead for operations in response to humanitarian crises resulting from large-scale natural or industrial disasters, famines, disease outbreaks, and other natural phenomena."²⁶ As other national strategy documents, the *QDDR* also reinforces the importance of the whole of government approach.²⁷ The *QDDR* continues to reinforce the importance of development, to national security and to global geopolitical stability. As identified in the *Presidential Policy Directive on Global Development*, the *QDDR* identifies the need to improve development performance. The *QDDR* outlines the strategy to achieve this improvement as:

1. Focusing development in six specific areas: "sustainable economic growth, food security, global health, climate change, democracy and governance, and humanitarian assistance."²⁸
2. Increasing emphasis on relying on host nations' systems and indigenous organizations.
3. Emphasizing accountability and transparency.
4. Improving coordination with other donors, NGOs, and the private sector.

5. Making investments predictable and sustainable by implementing multi-year plans for foreign assistance.
6. Conducting research into best practices.
7. Elevating USAID's representation in the interagency policymaking processes, by making USAID mission directors in the field the primary development advisors to U.S. Chiefs of Mission, and by confirming the USAID Administrator as Alternate Governor of select regional development banks.
8. Implementing the USAID Forward agenda, which includes establishing a Bureau of Policy, Planning, and Learning; strengthening USAID's budget management capacity; incorporating science and technology in development efforts; and reforming procurement systems.
9. Building USAID's human capital by increasing the number of USAID Foreign Service Officers, expanding mid-level hiring, and creating a new Senior Technical Group Career Track to provide a career path for USAID's technical experts.²⁹

National Military Strategy

Completed in February 2011, the *NMS* aligns with the *NSS* and other Presidential guidance and directives. The *NMS* identifies development as an integral tool of American power equal to diplomacy and defense. The *NMS* identifies the importance of development to security and stability and recognizes development as vital to U.S. national security. The *NMS* also identifies the importance of a whole of government approach.³⁰ *NMS* acknowledges that the military plays a supporting role in economic development efforts, “leveraging our capabilities and forward presence, we must play a

supporting role in facilitating U.S. government agencies and other organizations' efforts to advance our Nation's interests."³¹ With respect to USAID, the *NMS* specifically states, "we must be prepared to support and facilitate the response of the United States Agency for International Development and other U.S. government agencies' to humanitarian crises."³²

Joint Doctrine Regarding the Role of the Military in Expeditionary Economics

The fundamental mission of the Department of Defense is to "fight and win our Nation's wars."³³ Military involvement in expeditionary economics occurs during stability operations. Within the stability operations operational theme, the military is most active in economic development during counterinsurgency (COIN) operations. The majority of U.S. COIN operations occur within a larger Foreign Internal Defense (FID) campaign. COIN operations occur outside of FID only if there is no host nation government to support through FID. COIN operations outside of FID are transitory, as U.S. forces rapidly work to establish host nation sovereignty.³⁴ Although the military lacks specific doctrine regarding the role of the military in expeditionary economics, joint doctrine does provide some overarching guidance regarding organization and responsibilities during FID and COIN in JP 3-22, *Foreign Internal Defense* and JP 3-24, *Counterinsurgency Operations*.

JP 3-22, *Foreign Internal Defense* identifies the State Department as "generally the lead government agency" in FID operations.³⁵ It further identifies USAID as the USG agency responsible for conducting "nonmilitary assistance programs designed to assist certain less developed nations to increase their productive capacities and improve their quality of life."³⁶ JP 3-22 defines U.S. DoD responsibilities in FID as security assistance

and international logistics.³⁷ Security assistance is “the provision of defense articles, military training, and other defense-related services by grant, loan, credit, or cash sales in furtherance of U.S. national policies and objectives” and “all military operations in support of FID.”³⁸ JP 3-24, *Counterinsurgency Operations* echoes the guidance provided in JP 3-22, giving primacy to other government agencies.

COIN is primarily political and incorporates a wide range of activities, of which security is only one. Unified action is required to successfully conduct COIN operations and should include all host nation (HN), US, and multinational agencies or actors. Civilian agencies should lead COIN efforts. When operational conditions do not permit a civilian agency to lead COIN within a specific area, the joint force commander (JFC) must be cognizant of the unified action required for effective COIN.³⁹

Department of Defense Directive 3000.05 more explicitly states the military’s requirement to perform stability tasks (and thereby expeditionary economics): “Many stability operations tasks are best performed by indigenous, foreign, or U.S. civilian professionals. Nonetheless, U.S. military forces shall be prepared to perform all tasks necessary to establish or maintain order when civilians cannot do so.”⁴⁰

Joint doctrine is consistent with other strategic guidance. It calls for unity of effort in a whole of government approach to expeditionary economics, drawing on the respective strengths of each element of national power. Additionally, joint doctrine indicates a supporting role for the military in expeditionary economics. However, DoD Directive 3000.05, and the “operational conditions” caveat in JP 3-24, require that the military perform stability tasks (including economic development) if insecure environments, a lack of capacity, or other operating conditions preclude applicable civilian agencies from executing their respective roles. Regardless, joint doctrine

unequivocally establishes civilian agency primacy as a goal for conflict related development.

Summary of Strategic Guidance

Strategic guidance regarding development is clear. The various documents and policies summarized in this section express the importance of development to stability and recognize development as vital to U.S. national security. The policies identify USAID as the lead development agency. The policies also reinforce the importance of a whole of government approach, which entails a holistic balancing and integrating of all the tools of U.S. power across departments and agencies. Military doctrine supports civilian agencies as the lead agency in stability tasks whenever they possess the capability to conduct these operations, but also asserts that the military must conduct these tasks when civilian agencies are unable to conduct them. The *Presidential Policy Directive on Global Development* identifies the ends, ways, and means of USG foreign development. The ultimate national development objectives are to gain influence and foster international geopolitical and economic stability. The *Presidential Policy Directive on Global Development* also identifies the need for a tailored approach, one that appropriately balances civilian and military strengths and capabilities. The policy directs U.S. development efforts to accomplish this by strengthening our international partners, promoting free trade, advancing democracy, and advancing human rights.

Conflict related development protocol

The USAID publication: *A Guide to Economic Growth in Post-Conflict Countries* clearly outlines current USAID conflict-related development protocol.

USAID, other international governmental development agencies, and NGOs generally follow similar versions of a phased, yet simultaneous development framework.⁴¹ The phases are not fully discrete, but rather a line of effort indicating relative, successive, overlapping priorities, similar to the simultaneous combinations of operational themes along the spectrum of conflict. The sequence depicted in figure 1 provides general guidelines annotating best practices, not a prescriptive recipe. Development practitioners implement the phases of conflict related development with informed nuanced judgment and application. The phases occur simultaneously as conditions allow, but generally proceed in a linear progression along a spectrum of effort. In general, the phases progress from relatively basic to relatively more complex, i.e. from “provide humanitarian aid” to “foster stability.”

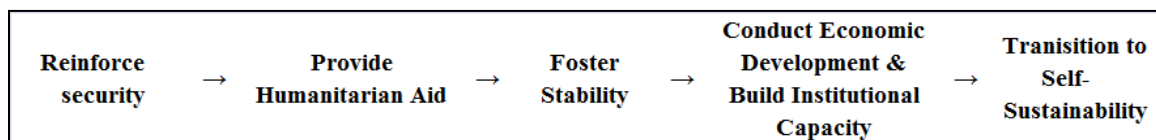


Figure 1. Generic Development Framework

Source: Created by author, adapted from June Reed, “Expeditionary Economics-Phases, Initiatives, and Implementation” (West Point Senior Conference, West Point, NY, May 2011).

These phases are further explained below:

1. Reinforce security: expand physical security. Without some base level of security, aid workers cannot work and economic and development activity cannot occur. Work to establish the rule of law and a secure environment.

2. Provide Humanitarian Aid: provide necessary life-saving aid to support basic human needs. Humanitarian aid creates dependency and inhibits the provision of like goods and services in the private market. Development entities phase out humanitarian aid as soon as the private market can phase in.
3. Foster Stability: work towards normalcy by providing corps-type employment (mass, unskilled manual labor employment), alleviating poor living conditions, beginning local infrastructure reconstruction, enabling microeconomic activity, establishing governance, etc.
4. Conduct Economic Development and Build Institutional Capacity: full development activities: economic development, creating private and governmental capacity and competence at the local and national level.
5. Transition to Self-Sustainability: advise and assist as necessary to maintain vibrant, self-sustaining economy, transition to responsible and productive member of the international community.

It is important to note that there is tension between the phases. For example, humanitarian aid and corps-type employment create dependence and are not self-sustainable. Development experts must balance conflicting efforts based on conditions; they balance urgency and effectiveness versus long-term efficiency.⁴² For a stylized diagram of how USAID visualizes, implements, and dedicates resources among these phases, see figure 2.

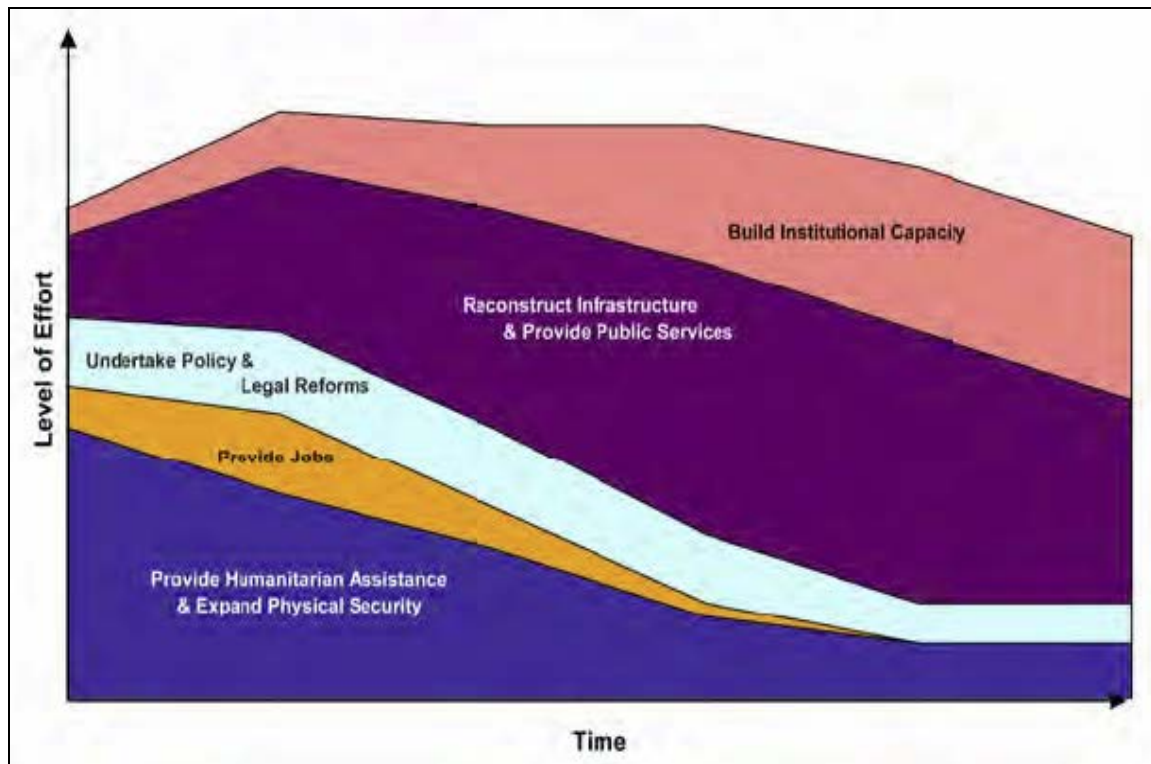


Figure 2. Post-Conflict: Economic Growth Program Emphases

Source: The United States Agency for International Development, *A Guide to Economic Growth in Post-Conflict Countries* (Washington, DC, January 2009), ix.

The nine principles of reconstruction and development that guide USAID reconstruction and development efforts are ownership, capacity building, sustainability, selectivity, assessment, results, partnership, flexibility, and accountability.⁴³ These principles of reconstruction are defined in table 1.

Table 1. USAID Principles of Reconstruction and Development

Ownership	Build on the leadership, participation, and commitment of a country and its people.
Capacity Building	Strengthen local institutions, transfer technical skills, and promote appropriate policies.
Sustainability	Design programs to ensure their impact endures.
Selectivity	Allocate resources based on need, local commitment, and foreign policy interests.
Assessment	Conduct careful research, adapt best practices, and design for local conditions.
Results	Direct resources to achieve clearly defined, measurable, and strategically focused objectives.
Partnership	Collaborate closely with governments, communities, donors, non-profit organizations, the private sector, international organizations, and universities.
Flexibility	Adjust to changing conditions, take advantage of opportunities, and maximize efficiency.
Accountability	Design accountability and transparency into systems and build effective checks and balances to guard against corruption.

Source: Created by author, adapted from Andre S. Natsios, “The Nine Principles of Reconstruction and Development,” *Parameters* 35 (Autumn 2005): 4-20.

Relevant Economic Theory

Basic Economics

Economics is the study of the choices people [and organizations] make to attain their goals, given their scarce resources.⁴⁴ Scarcity of resources is fundamental to economics. Scarcity drives economics and hence expeditionary economics. Units have limited time and resources. Decisions involve tradeoffs and opportunity costs. Pursuing a school or clinic in one town means these resources are unavailable for other projects. Therefore, expeditionary economics seeks to maximize “the bang for the buck,” or given our strategic end state, expeditionary economics seeks to maximize the degree of stability

achieved per resource expended. Admittedly, measuring stability and economic growth at the local level is somewhat subjective, but this remains the fundamental consideration.

There are three fundamental principles of economics.⁴⁵ These principles form the foundation for all subsequent economics and expeditionary economics is no exception, they are: people are rational, people respond to incentives, and optimal decisions are made at the margin.

People are rational

People will make choices that maximize their utility (or “satisfaction”). If people are irrational or non-rational, then we cannot accurately model their behavior through economics. Such actors are the minority. Expeditionary economics does not seek to affect the irrational and non-rational, but rather the majority who rationally pursue their own self-interest. The implication of this principle is that the majority will choose to support the United States and host nation if they view this choice as best serving their own self-interest and vice versa. For example, if the Taliban represents a superior option (economically and socially) to the U.S. sponsored host-nation government in terms of their own utility, the rational majority will support the Taliban. Ultimately, counterinsurgents seek to influence this majority to support the host nation government.

People respond to incentives

People respond to both social and economic incentives. Social norms drive social incentives, such as bringing a bottle of wine to a dinner party, or perhaps suicide bombing (clearly not a utility maximizing decision from a secular economic perspective).⁴⁶ Economic incentives are factors of remunerative value that motivate a

subject's behavior. Economic incentives are not necessarily monetary; goods and services can also serve as economic incentives. An example of an incentive and "response" is an offer to pay a worker a bonus to show up to work on time. The individual worker may not show up on time every single day, but out of a large group, on average, they are more likely to show up on time with the incentive than without. The implication of this principle is that expeditionary economics should attempt to create incentives for desired behavior. The "Sons of Iraq" initiative is an excellent example of creating both social and economic incentives for desired behavior, supporting the U.S.-led coalition and the government of Iraq.⁴⁷

Optimal decisions are made at the margin

As all resources are scarce and decisions involve tradeoffs and opportunity costs, the optimal use of resources dictates that an activity (or development initiative) continue to the point where marginal (or incremental) cost is equal to the marginal benefit. In the case of expeditionary economics, a development initiative is continued as long as the marginal cost is less than or equal to the incremental stability it produces. Marginal cost is somewhat difficult to quantify in expeditionary economics, as it would include funds, troops, time, resources, etc. The principle is more important than objective quantification. The principle indicates that military units target development efforts where they will achieve maximum stability per unit of cost (resources: time, funds, troops, etc.).

The Irrational Effect of "Free"

A finding from the nascent field of behavioral economics, the irrational effect of "free," is particularly important to consider in development where the vast majority of

goods and services are free. Free goods and services have an irrational impact on decision-making. Consumers value free goods and services inconsistently with the utility they derive from them. For example, in an experiment, testers offered consumers a choice between a single Lindt (expensive) chocolate for \$0.15 or a single Hershey's Kiss (inexpensive) for \$0.01. Based on market value, the Lindt was a much better decision, and consumers rationally selected the Lindt, 73 percent of the time. When experimenters reduced the Lindt to \$0.14 and the Hershey's Kiss was free, the consumers chose the Hershey's Kiss 69 percent of the time. The second set of choices is inconsistent with the first set of choices. Behavioral economists have confirmed this experiment and its findings in numerous experiments and real world commercial relationships.⁴⁸ These findings demonstrate that recipients of free goods and services will over-consume offered goods and services and may even select sub-optimal, or irrational, bundles of goods and services. The implication for development is that consumers of (free) development or humanitarian assistance may not select the optimal bundle of assistance. Associating some sort of cost, opportunity or otherwise, should improve selection.

Moral Hazard

Depending on the structure of aid, there is also an element of moral hazard involved in free project funding, or grants. Moral hazard occurs when there is an inconsistency in risk (or cost) sharing between the principal(s) and the agent(s). If the principal assumes the risk (or cost) and the agent does not share that risk, then the agent tends to make decisions inconsistent with the interests of the principal.⁴⁹ For example, an individual with full medical insurance may engage in more risky behavior because he or she does not have to pay the entire cost associated with that risky behavior. In

development, this can occur in a variety of circumstances. For example, if funding is unlimited from the perspective of the agent, there is no opportunity cost to wasteful projects. The moral hazard stems from the U.S. military (the principal) bearing all of the costs while the community (agents) bear none. This moral hazard can result in the community acting in ways inconsistent with the interests of the U.S. military. Again, associating some sort of cost, opportunity or otherwise, should mitigate moral hazard.

Long Run Economic Growth Theory

Economists use Gross Domestic Product (GDP), or similar measurements, to determine a nation's total production and approximately, its income. Private enterprises drive economic growth. The more productive a nation, the more goods and services it can produce from a given amount of resources. The more productive a nation, the lower the relative cost to produce goods and services, and the more economically competitive they become. Thus, *ceteris paribus*, an increase in productivity results in an increase in national well-being, normally measured by GDP per capita, or some similar measurement. This increase in productivity drives economic growth. It is crucial to note that long run economic growth equates to growth in the private sector. While a government can temporarily increase GDP through increased government spending, this is unsustainable and can "rob Peter to pay Paul." In general, increased government spending takes resources from the private sector, diminishing the private sector's opportunity for growth. Three factors principally determine a nation's ability to produce goods and services:

1. Capital: capital includes both capital stock and human capital. Capital stock is the total amount of physical capital (manufactured goods used to produce

other goods and services) available in a country. Human capital is the accumulated skills and education of workers

2. Labor: the availability and cost of labor
3. Technology (sometimes referred to as Total Factor Productivity (TFP)): the processes used to produce goods and services. (An increase in technology or total factor productivity means more output is produced with the same input, thus at a lower cost per unit.)⁵⁰

Increases in labor and capital are both subject to the law of diminishing returns (see figure 3), thus economists conclude that the key to long run economic growth is an increase in technology or TFP. An increase in technology or TFP shifts the production function up, avoiding diminishing returns. Economists disagree about the principle sources of TFP increases, but prevailing thought identifies macroeconomic stability, effective institutions, open markets, education, infrastructure, and research and development as possible contributors to technology improvement (for additional discussion, see the “Economic Convergence” Section).⁵¹ While increasing technology is the primary consideration for long-run economic growth, a decrease in any of these factors will significantly reduce productivity.

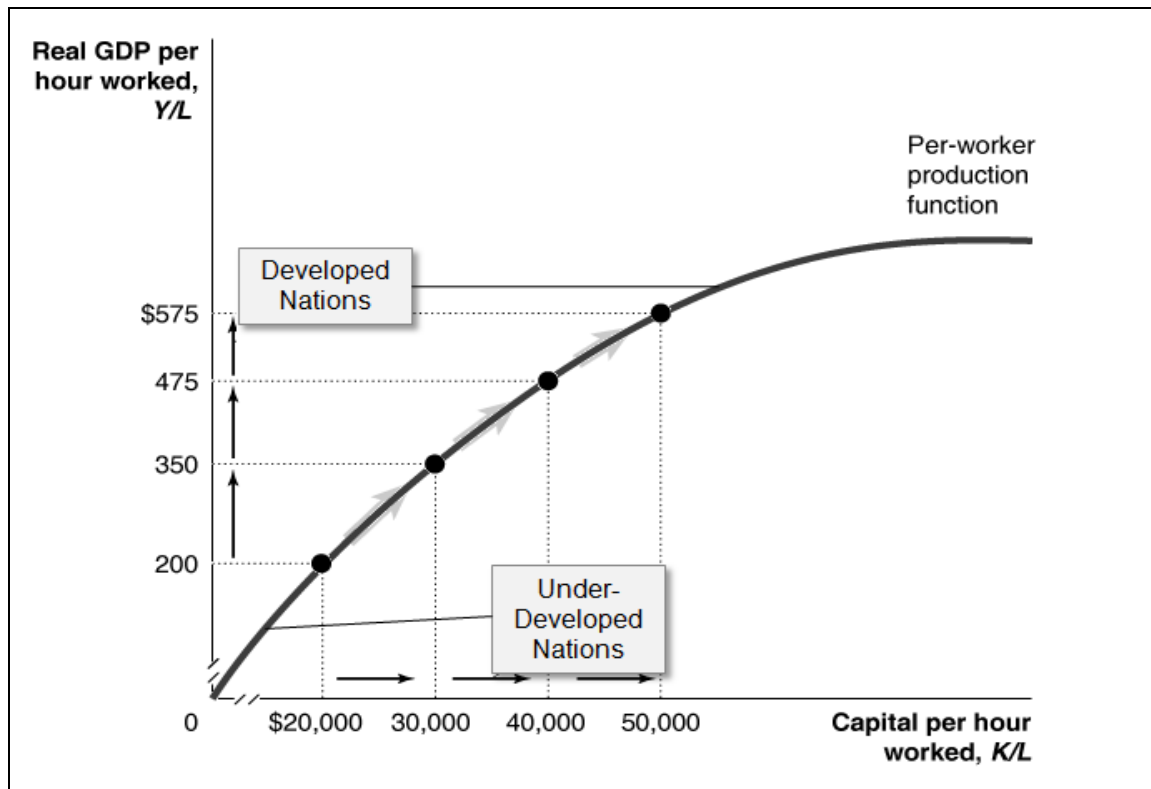


Figure 3. Per-Worker Production Function, holding technology constant

Source: Adapted from Glenn R. Hubbard and Anthony O'Brien, *Economics*, 2nd ed. (Upper Saddle River, NJ: Pearson Prentice Hall, 2009), 736.

Military units will conduct expeditionary economics in an environment in which conflict has reduced productivity due to the destruction of human and physical capital and enabling institutions. It is important to observe that in the model above, decreases in capital cause an accelerating decrease in production. Thus, in a conflict environment a loss of human and physical capital significantly retards productivity.

Economic Convergence or Catch-up Effect

As under-developed nations are the principal sources of instability, and thus the most likely candidates for intervention, expeditionary economics should focus primarily

on these types of economies. Economic convergence, or the catch-up effect (and the lack thereof), is the most targeted economic theory regarding developing nations. Current economic theory postulates that less developed economies' income per capita will tend to grow at faster rates than more developed economies, given similar inputs. This rapid growth is principally due to the reduced impact of the law of diminishing returns with respect to capital in countries with low levels of capital. Countries with low levels of capital (industrial goods) experience huge gains in productivity (increased output at a lower cost) with the introduction of even modest levels of capital (see figure 3).⁵² Some developing nations do, in fact, catch-up, while others do not (see figure 4).

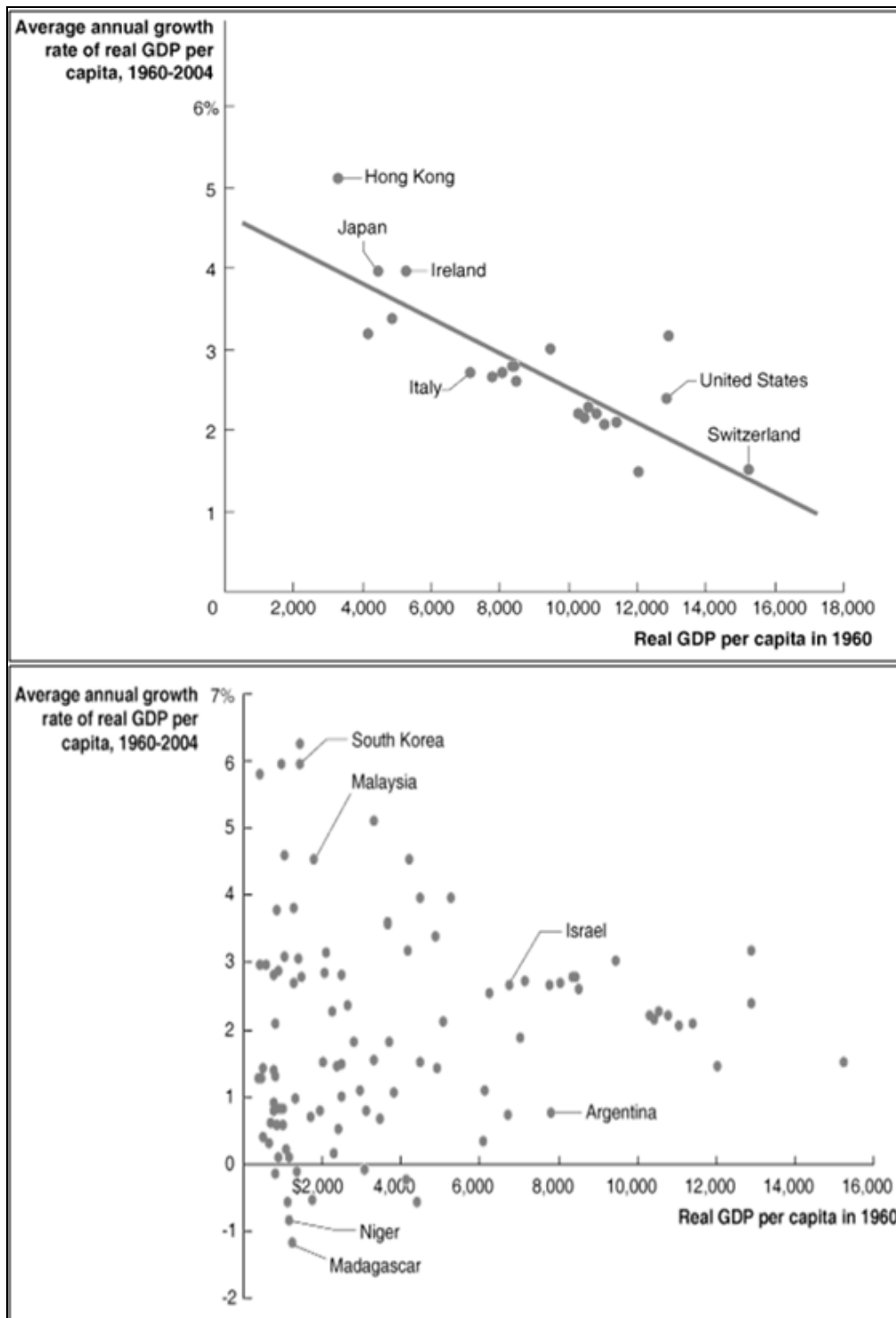


Figure 4. Average Annual Growth Rate of real GDP per Capita (1960-2004) over Real GDP per capita in 1960

Source: Glenn R. Hubbard and Anthony O'Brien, *Economics*, 2nd ed. (Upper Saddle River, NJ: Pearson Prentice Hall, 2009), 748.

Those developing nations that have failed to catch-up are the more likely concern of expeditionary economics. Although there is some disagreement, economists generally identify seven reasons these countries fail to catch-up and develop. These reasons are: weak or no macroeconomic institutions; a failure to enforce the rule of law (an ineffective legal system); wars and revolutions; poor public health and education; low rates of saving and investment; closed markets; inflexible workforce; and a lack of macroeconomic stability.⁵³ These seven reasons are explained below.

Weak or no macroeconomic institutions

Post-conflict and failed or failing states in conflict environments are typically unable to perform even basic governmental activities. Weak macroeconomic institutions affect the efficiency of an economy similarly to a lack of technology. While efficient institutions allow an economy to produce the same output with fewer inputs, weak institutions lower incentives to invest, to work, and to save. The most essential macroeconomic institutions include: (1) the legal system (discussed in detail below), (2) functioning markets, (3) financial institutions, and (4) economic activity enabling government bureaucracy.

Failure to enforce the rule of law (Ineffective legal system)

From an economic perspective, other than physical security, property rights, contract enforcement, and controlling corruption are the critical legal actions that enable economic activity.

Property rights secure physical and intellectual property from seizure. Entrepreneurs, the principal agent of economic growth, will not assume the risks of

business in an environment in which basic private property rights are unsecure. This prevents an economy from leveraging the primary means of economic growth.

Contract enforcement allows entrepreneurs and businesses to conduct economic transactions outside of face-to-face interaction with reasonable assurance that the counterparty will honor a contract. Businesses cannot operate efficiently in a market economy in which an independent mechanism does not exist to enforce contracts. Without contract enforcement, all transactions must be face-to-face transactions. The requirement for face-to-face transactions impedes production and efficiency.

Corruption, the illegitimate use of power for personal gain, acts as a tax, which retards economic activity. However, corruption does not provide the government with revenue for public goods and services. Corruption increases the cost to produce and sell goods and services, forcing consumers to pay a higher price, reducing the quantity transacted and international competitiveness. Regardless of the culture, context, or location, corruption and wealth are inversely related.⁵⁴ UN surveys indicate that corruption in Afghanistan may extract almost \$2.5B from the Afghan economy, or the equivalent of an 18.64 percent “corruption tax” on top of government taxes.⁵⁵ It is important to note that some low-level corruption is simply due to wages below subsistence levels or inadequate operational funding. In many cases, low-level workers steal or solicit private remuneration to provide for basic needs or to enable the execution of their duties. For example, in Afghanistan, a local official was soliciting private compensation for taxi fares in order to travel to mediate land disputes; otherwise, he would pay these fares out of pocket.⁵⁶

Wars and Revolutions

Armed conflict destroys human and physical capital and disrupts economic activity. Conflict also creates huge amounts of additional risk and uncertainty that has the natural effect of decreasing spending and investment. The deleterious effect of conflict on economic activity is a chief concern of expeditionary economics. Not only has conflict destroyed human and physical capital and disrupted economic activity, this destruction is still occurring, materially impeding economic development efforts. Conflict also typically results in a “brain drain,” as many of the most educated and capable flee. Finally, conflict also tends to destroy or severely degrade enabling institutions.

Poor public health and education

These conditions erode human capital, the first through a higher death rate and the second by failing to create human capital. Additionally, poor public health results in a resource allocation towards caring for the infirm rather than other potentially more productive ends.

Low rates of saving and investment

This condition contributes to a cycle of poverty by denying entrepreneurs and businesses access to funds to borrow for investment in the capital necessary for economic growth. Because entrepreneurs and businesses cannot borrow to invest in capital, economic growth stagnates; incomes remain low as do savings, and subsequently, investment.

Closed markets

Closed markets create stagnation in an economy (North Korea, U.S.S.R., Cuba, etc.) Open markets allow for Foreign Direct Investment (FDI), breaking the cycle of poverty due to low rates of saving and investment. FDI provides access to imported inputs, new technology, and larger markets, which all lead to higher wages and prosperity. Finally, over time the discipline of the market tends to create more competitive and productive industries in open markets.

Inflexible workforce

An inflexible workforce erodes labor productivity. When an economy allows for efficient labor “churn” (quick hiring and firing of workers) it allows for the most efficient matching of worker skills to jobs (increases productivity) and avoids creating disincentives to firms hiring new workers.⁵⁷

Lack of macroeconomic stability

Macroeconomic instability hampers growth by distorting prices and incentives. Inflation slows growth by discouraging saving and investment. The macroeconomic focus should be price stability, deficit avoidance, tight monetary policy, and prudent exchange rate alignment. Although potentially impractical initially, developing nations should work towards reducing government consumption as a percentage of GDP. Private industry grows an economy, not government spending.

Comparative Advantage

Most economists agree that comparative advantage drives international trade. As discussed above, international trade is essential to developing nations, allowing inflows

of funds, technology, inputs, etc. Comparative advantage is the ability of an individual, firm, or nation to produce a good or service at a lower opportunity cost than competitors. Again, opportunity cost is the forgone next best alternative. Comparative advantage typically stems from one or more of four factors:⁵⁸

1. Climate and natural resources.
2. Relative abundance of labor and capital.
3. Technology.
4. External economies. (Synergy and cost savings derived from the proximity of mutually supporting businesses and industries, i.e. Silicon Valley, Wall Street, Hollywood, etc.)

This theory means that if a nation, area, or business specializes in whatever goods and services it has a comparative advantage in, it will maximize its productivity with respect to competitors. It can then trade for those goods and services in which a competitor possesses a comparative advantage. For example, Afghanistan has a comparative advantage in the relatively low skilled labor required for horticulture. More specifically, Afghanistan has a competitive advantage in crops that do not require refrigeration, such as poppies (opium), dried fruit, nuts, etc.⁵⁹ Additionally, both Afghanistan (minerals and natural gas) and Iraq (petroleum) possess significant natural resources.⁶⁰ Economic development efforts must incorporate efforts to identify and promote those goods and services in which an area has a comparative advantage.

As an economy matures, comparative advantages shift (see figure 5). Empirical data indicates that an economy follows natural progression from a primarily agriculturally based economy, to an industrially based economy, to a services based

economy. Thus, developing nations, who are not extraction based, most likely derive a majority of GDP from agriculture, as in Afghanistan. Industrial and services based economies require increased levels of capital and human capital. Contrast those types of economies with an agriculturally based economy that benefits from the cheap, unskilled labor common in less developed economies.

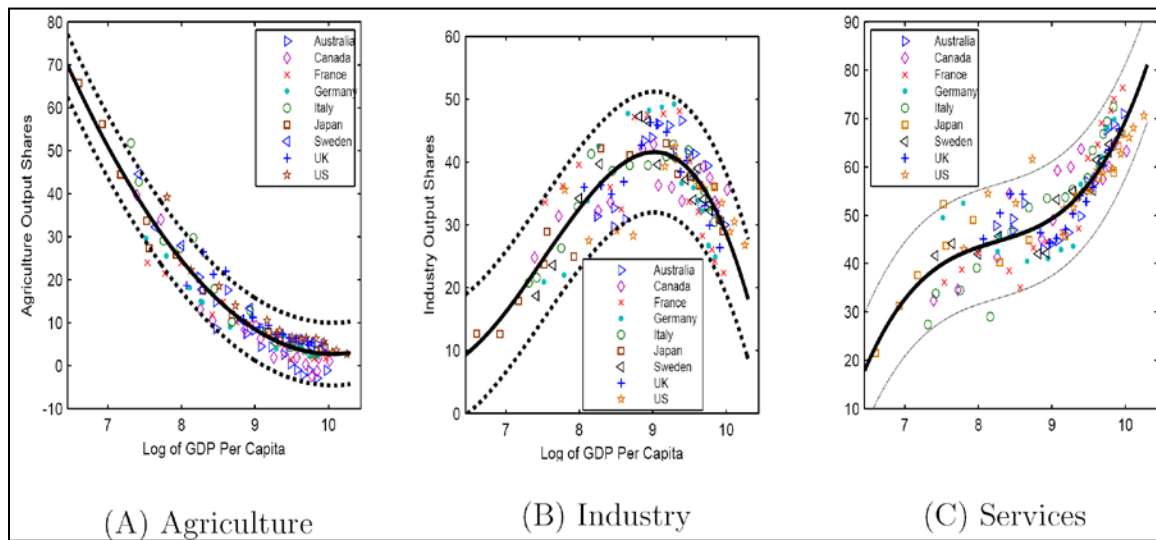


Figure 5. Structural Transformation and Development

Source: Bah El-hadj, *Structural Transformation in Developed and Developing Countries* (Auckland, New Zealand: University of Auckland, 2008), 6.

U.S. military development efforts in Afghanistan and Iraq

Although lacking widespread expertise or a practical framework for expeditionary economics, the military has been conducting extensive ad hoc economic development in both Iraq and Afghanistan for over a decade, both unilaterally and in conjunction with host-nation, foreign, and USG civilian personnel.

Unfortunately, a candid assessment of the effectiveness of military economic development efforts reveals a telling lack of expertise and doctrine. Landscapes across Iraq and Afghanistan are dotted with “monuments to failure”: abandoned, incomplete, unused, and misused taxpayer-funded projects, not to mention gross mismanagement, brazen embezzlement, theft, and rampant corruption in the host nation.⁶¹ Despite over \$70 billion dollars of security, reconstruction, and development aid to Afghanistan since 2002, GDP per capita, \$900, has only grown by \$100 since 2002 and unemployment, 35 percent, has only decreased by 5 percent since 2006.⁶² Additionally, Transparency International ranks Iraq and Afghanistan in the top four of the most corrupt nations in the world, both worse than in 2005.⁶³ Admittedly, economic development in a conflict environment is extremely difficult, with approximately half of the countries emerging from war relapsing into conflict or becoming systemically aid dependent.⁶⁴ In fact, due to aid-fostered dependence, many countries who receive U.S. development assistance are poorer now than prior to receiving development assistance.⁶⁵ Although U.S. development efforts in Afghanistan have certainly yielded significant improvements in infrastructure, education, and healthcare, when viewed in consideration of the cost, the effectiveness is questionable. While the military’s efficacy in expeditionary economics has improved over the past decade, measures of effectiveness such as unemployment, GDP per capita, and others, indicate the need for a practical framework and guiding doctrine units can execute on the ground. As it stands now, expeditionary economic success is illusive, uncertain, and comes at significant cost.

Economic Development in Military Operations

As mentioned in chapter 1, military involvement in economic development principally occurs outside of general war under the stability operations operational theme. Although military units conduct limited stability operations at all points along the spectrum of conflict, stability operations typically become the primary focus following major combat operations.⁶⁶ These stability operations seek to achieve a military end state, or create the conditions that allow the successful conclusion of U.S. military involvement and a transition to civilian instruments of national power.⁶⁷

The military has conducted the majority of recent stability operations as part of a larger COIN campaign in both Operation Enduring Freedom and Operation Iraqi Freedom. COIN operations are a “mix of offensive, defensive, and stability operations.”⁶⁸ Although COIN efforts involve operations all along the spectrum of operations, stability operations typically comprise the majority of COIN efforts.

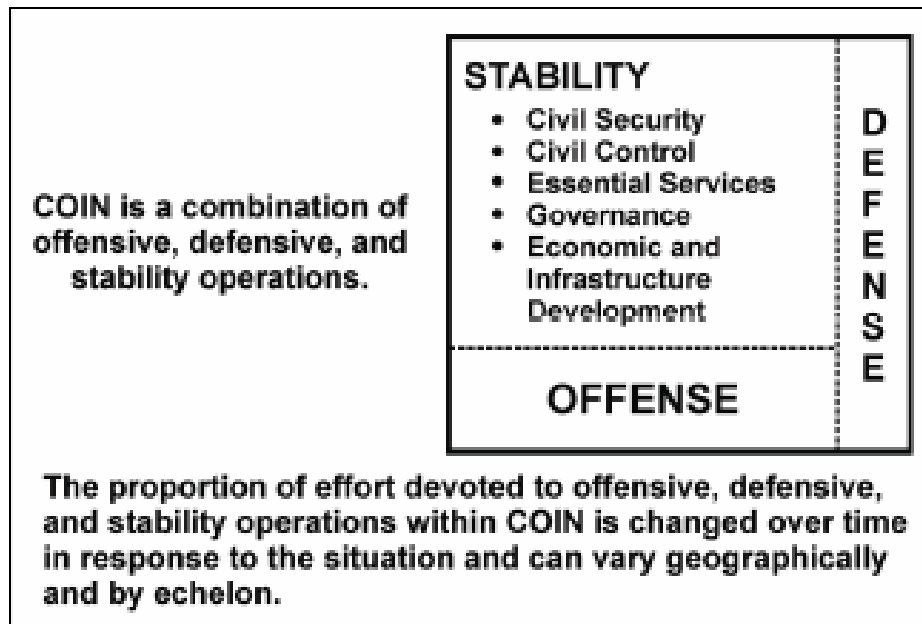


Figure 6. Aspects of Counterinsurgency

Source: The United States Army, FM 3-24, *Counterinsurgency* (Washington, DC: Government Printing Office, October 2009), 1-19.

The DoD has a useful framework that categorizes the phases of military operations, and depicts the relative weight of efforts by phase of conflict, including stability operations. Figure 7 depicts these phases and associated efforts. COIN efforts and associated stability operations principally occur during phase IV, as annotated in figure 7.

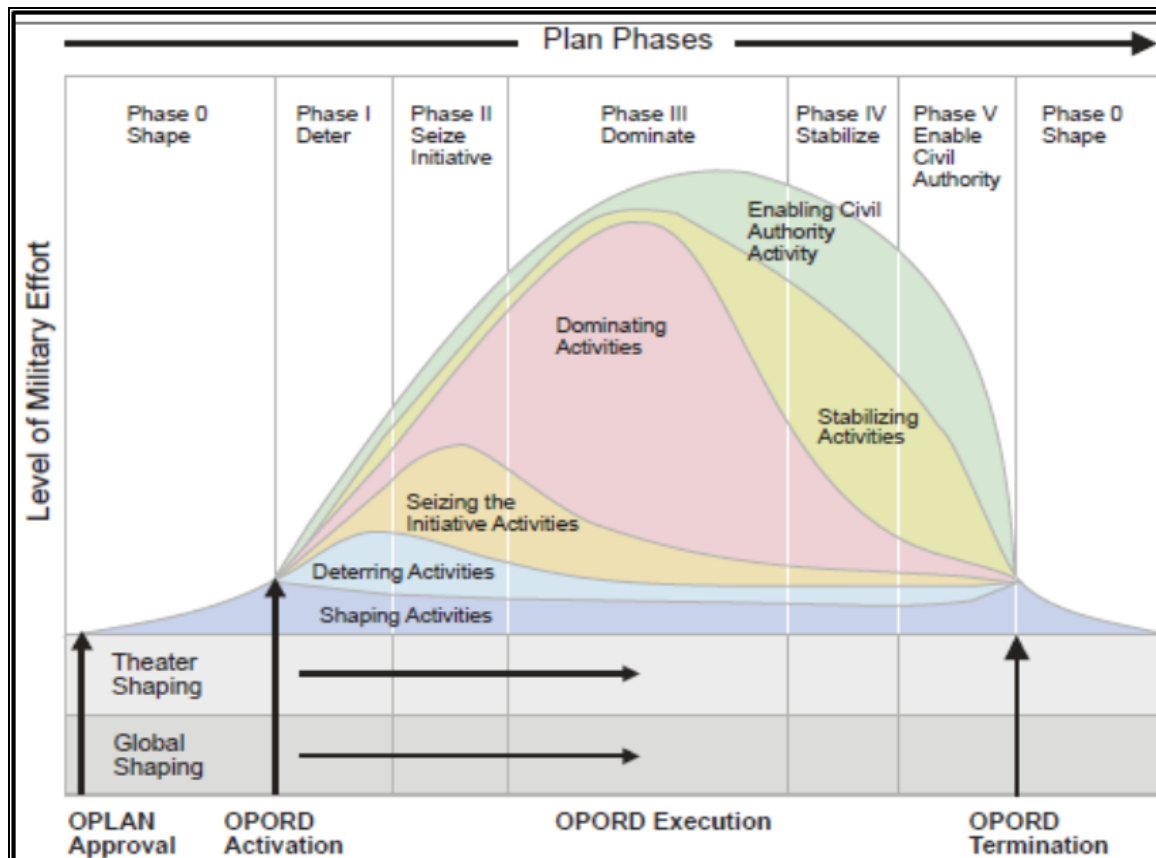


Figure 7. Operation Phases

Source: The United States Department of Defense, JP 5-0, *Joint Operation Planning* (Washington, DC: Government Printing Office, August 2011), III-39.

Phase 0, the “shape” phase, comprises the majority of DoD and USG efforts around the world and represents a steady state, or normalized level of activity. Military doctrine describes this phase as, “Joint and multinational operations—inclusive of normal and routine military activities—and various interagency activities are performed to dissuade or deter potential adversaries and to assure or solidify relationships with friends and allies.”⁶⁹

Phase I, the “deter” phase, represents an escalation over phase 0, in this phase the USG seeks to deter a specific threat or behavior. “The intent of this phase is to deter

undesirable adversary action by demonstrating the capabilities and resolve of the joint force.”⁷⁰ Importantly, if deterrence is successful, military operations skip phases II and III and progress to phase IV or phase V, as phases II and III are no longer necessary.

Phase II, the “seize initiative” phase, is an escalation over phase I, where DoD is conducting operations and applying military power. This phase focuses on setting the conditions for decisive operations in phase III, or seeks “to seize the initiative through the application of appropriate joint force capabilities.”⁷¹

Phase III, the “dominate” phase, begins with DoD transitioning from setting conditions to conducting decisive operations to successfully end military operations. Phase III focuses on major combat operations. The phase “focuses on breaking the enemy’s will for organized resistance or, in noncombat situations, control of the operational environment.”⁷²

Phase IV, the “stabilize” phase, is a transition phase from primarily military operations and military power to an increasing emphasis on civilian power. As implied by the name, and as depicted in figure 7, the majority of stability operations occur during this phase. The existence of a functioning government or organization that can assume governance drives the duration and complexity of this phase. The “phase is required when there is no fully functional, legitimate civil governing authority present. The joint force may be required to perform limited local governance, integrating the efforts of other supporting/contributing multinational, IGO, NGO, or USG agency participants until legitimate local entities are functioning.”⁷³ This phase ends with a transition to civilian control.

Phase V, the “enable civil authority” phase, returns authority and responsibility to civilian leadership, and signals the end of major military involvement. “The goal is for the joint force to enable the viability of the civil authority and its provision of essential services to the largest number of people in the region.”⁷⁴

The stability operations that occur primarily in phase IV, as depicted above, seek to achieve five mutually supporting end state conditions: “a safe and secure environment, established rule of law, social well-being, stable governance, and a sustainable economy.”⁷⁵ Military forces pursue these end state conditions simultaneously along complementary, reinforcing lines of effort.⁷⁶ The goal is to synergistically combine these lines of effort and end states to effect the military end state and a transition to civilian authority. Figure 8 depicts an example of how these lines of effort coalesce into a comprehensive stability operations campaign.

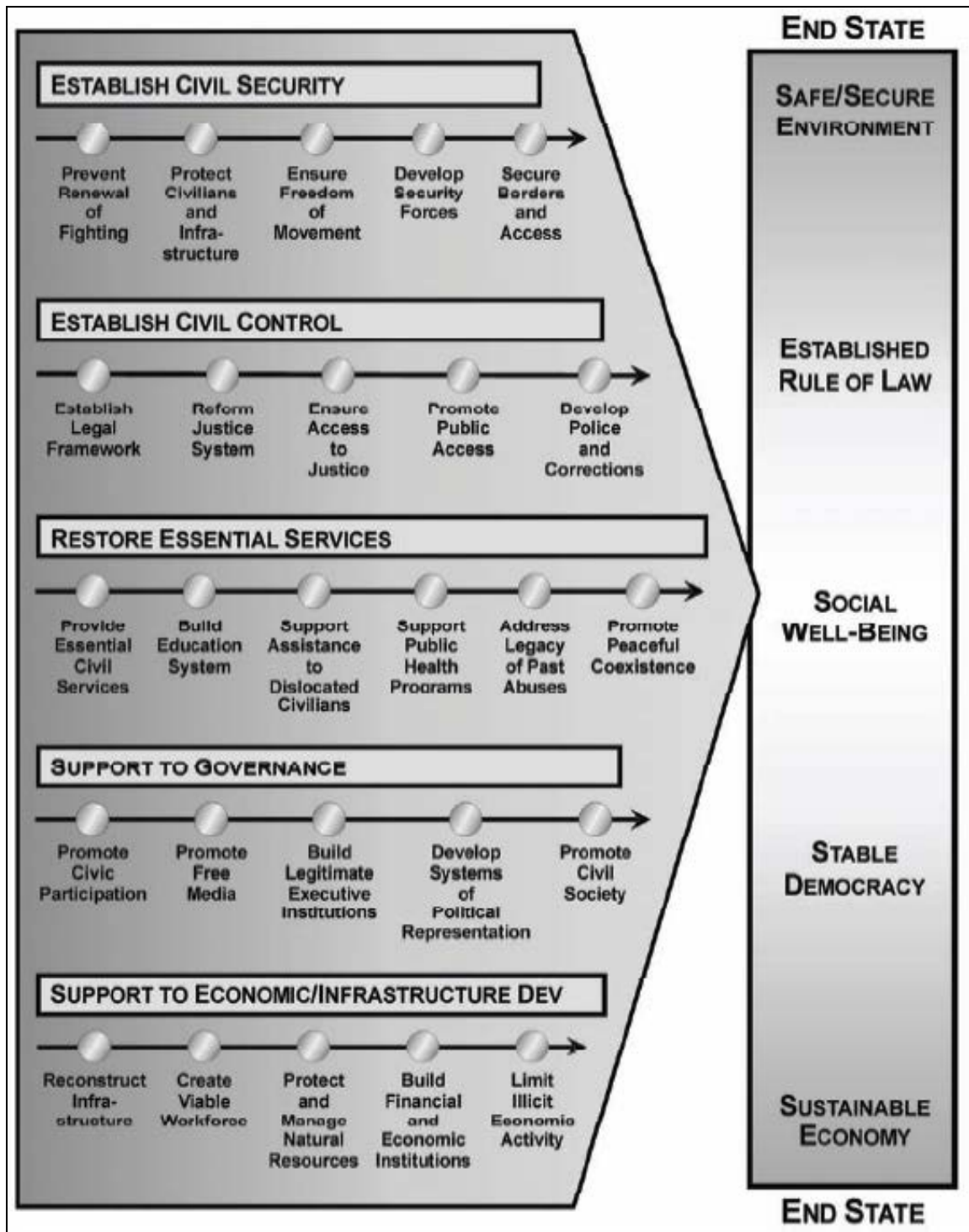


Figure 8. Example Stability Operations Lines of Effort

Source: The United States Army, FM 3-07, *Stability Operations* (Washington, DC: Government Print Office, October 2008), 4-10.

As depicted above, a sustainable economy is one line of effort within a larger stability operations campaign. The U.S. Army defines a sustainable economy as an economy in which the host nation government can self-sustain growth and demonstrates some degree of the following characteristics: macroeconomic stabilization; control over the illicit economy and economic-based threats to peace; market economy sustainability; individual economic security; and stable employment.⁷⁷

Current Structure and Organization

Currently there are four principle agents conducting economic development in Afghanistan: NATO forces (led by the U.S. and conducted largely through CERP funds), USG civilians, other IGOs, such as the UN, and NGOs. Over the last 10 years, the USG has appropriated well over \$110B towards relief and reconstruction in Afghanistan and Iraq.⁷⁸

NGOs and IGOs Conducting Development in Afghanistan

A multitude of NGOs and IGOs conduct development in Afghanistan. Major IGOs include the United Nations (UN), the International Monetary Fund, the World Bank, the International Federation of Red Cross and Red Crescent Societies, and the European Union. Over 172 registered NGOs operate in Afghanistan, with an unknown number of additional unregistered NGOs.⁷⁹ This myriad of NGOs and IGOs have a similar myriad of *raison d'être* and mandates. The scale, scope, and mandate of NGOs are particularly varied.

The major IGOs focus within their respective mandates. The overall UN objective in Afghanistan is to promote peace and stability, focusing on political and humanitarian

concerns (health and food distribution). The UN works towards these objectives with multiple agencies and programs.⁸⁰ The five main UN priorities are:

1. Peace, reconciliation and reintegration.
2. Human rights protection and promotion.
3. Sub-national governance and the rule of law.
4. Maternal and newborn health.
5. Sustainable livelihoods.

The International Monetary Fund focuses on “providing technical assistance to develop monetary instruments, strengthen the central bank, modernize foreign exchange regulations, revamp tax and customs administration, and enhance public financial management.”⁸¹ The International Monetary Fund focuses primarily on providing grants and credits (interest-free loans) “for financing the country’s recurrent budget and investment needs.”⁸² This financing includes economic development (agriculture and rural development, justice, private sector development, capacity development, education, urban development, transport and energy) and government operating costs, such as civil servant salaries.

USG Agencies Conducting Development in Afghanistan

A review of the USG agencies and departments conducting development in Afghanistan reveals that nine USG agencies were conducting some form of development in Afghanistan in FY2009. USAID conducts the vast majority of this development (57 percent), followed by DoD (29 percent), and the State Department (13 percent).⁸³ These three agencies conduct 99 percent of the USG development in Afghanistan in total.⁸⁴

However, the Department of Agriculture, the Department of Health and Human Services,

the Department of Justice, the Trade and Development Agency, the Department of the Treasury, and the Department of Energy all conducted development in Afghanistan in 2009, focusing on their respective areas of expertise.⁸⁵

In concert with the whole of government approach, each USG agency focuses their development efforts in their respective areas of expertise. USAID development focuses along traditional development lines as identified in section three of this chapter. The State Department focuses its development efforts primarily on governance. The State Department Bureau of Conflict and Stabilization Operations, a successor to the Office of the Coordinator for Reconstruction and Stabilization, largely directs these efforts in Afghanistan and other conflict environments. The mission of the Bureau of Conflict and Stabilization Operations is “to advance U.S. national security by driving integrated, civilian-led efforts to prevent, respond to, and stabilize crises in priority states, setting conditions for long-term peace.”⁸⁶ The military focuses development efforts more on stability, increasingly towards transportation (roads). (See detailed discussion on page 60.) Figure 9 illustrates that the scale of USAID and State Department development is growing with respect to development conducted by the military.

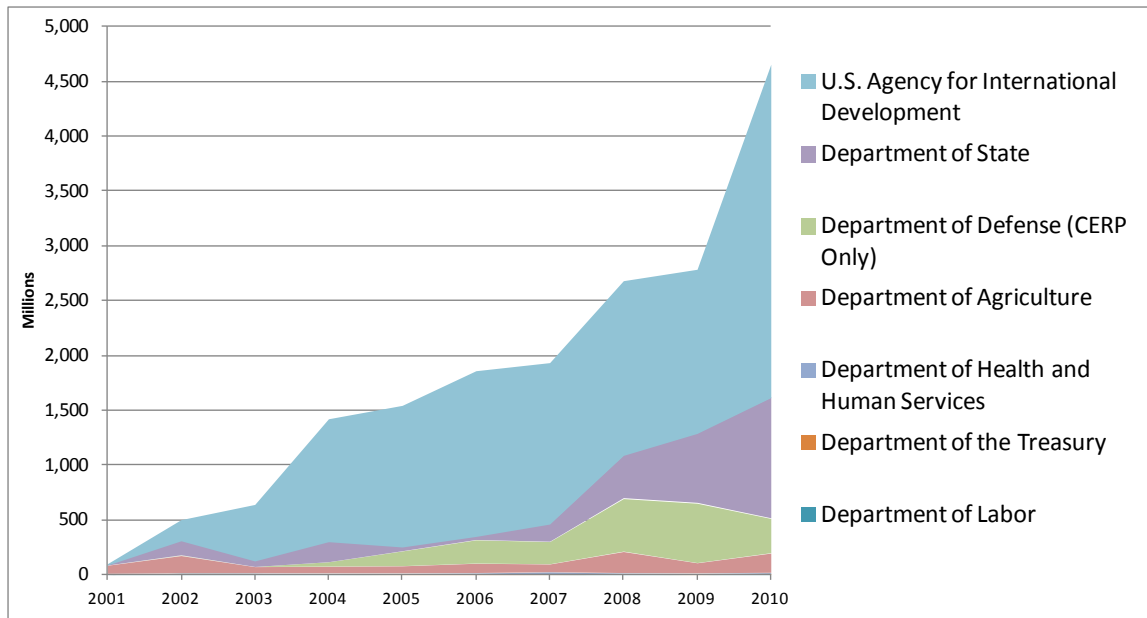


Figure 9. U.S. Economic Assistance to Afghanistan over Time

Source: The United States Agency for International Development, *USAID Greenbook: U.S. Overseas Loans and Grants, Obligations and Loan Authorization*, <http://gbk.eads.usaidallnet.gov/data/country.html> (accessed 11 March 2012).

It is also important to note that both the State Department and USAID have an extremely limited number of USG personnel in Afghanistan to conduct and supervise development efforts. In June of 2011, there were 1,040 non-DoD USG officials in Afghanistan, including approximately 500 State Department employees and approximately 300 USAID employees.⁸⁷ At the same time, there were approximately 130,000 NATO troops in Afghanistan, including roughly 90,000 U.S. troops.⁸⁸ Thus, in Afghanistan there is one State Department employee for every 180 American Soldiers, and one USAID employee for every 300 American Soldiers. This is not necessarily a lack of State Department or USAID commitment. The overall ratio of State Department and USAID personnel to Department of Defense personnel worldwide is 1:210, and approximately 1:350 in terms of budget. Unquestionably, military resources absolutely

dwarf those of both the State Department and USAID, both in Afghanistan and around the world.⁸⁹

While the Department of Defense, the State Department, and USAID all employ vast numbers of contractors in Afghanistan, the State Department and USAID rely much more significantly on contractors. The ratio of contractors to USG personnel in Afghanistan is approximately 1:1 for the Department of Defense, 18:1 for the State Department, and 100:1 for USAID. USAID therefore contracts the vast majority of its efforts. In fact, USAID employs almost three times as many U.S. contractors in Afghanistan as actual USAID employees.⁹⁰ Considering these metrics, it is apparent that USAID outsources a significant portion of its development efforts in Afghanistan to both U.S. contractors and foreign nationals. Increasingly, USAID uses contractors, NGOs, and IGOs to expand its capacity.

Afghanistan Field Structure

In Afghanistan, civilian and military elements working within a parallel command structure conduct development. USG field structure in Afghanistan organizes personnel into two parallel chains, personnel overseen by the ambassador, and personnel commanded by the Commander of the International Stability Forces (COMISAF) (see figure 10). The Afghanistan field structure organizes elements in both chains in similar echelons, but neither has authority over the other.⁹¹ This command structure fails to achieve unity of command, which means “unity of effort under one responsible commander.”⁹² The parallel command structure violates this principle of war and instead attempts to achieve unity of effort through coordination. In addition to USG elements, there are numerous and extensive IGOs and NGOs conducting development in

Afghanistan that fall outside of this command structure. Despite efforts to achieve unity of effort, this command structure has resulted in a significant lack of coordination and insufficient control of development projects. In many cases, this lack of unity of effort has resulted in fraud, waste, corruption, working at cross purposes, and other inefficiencies.⁹³ Multiple Special Inspector General for Afghanistan Reconstruction reports, Special Inspector General for Iraq Reconstruction reports, and other independent reports have confirmed and identified that a lack of unity of effort, coordination, and subsequent inefficiencies are systemic and persistent across U.S. development efforts in Iraq and Afghanistan.⁹⁴

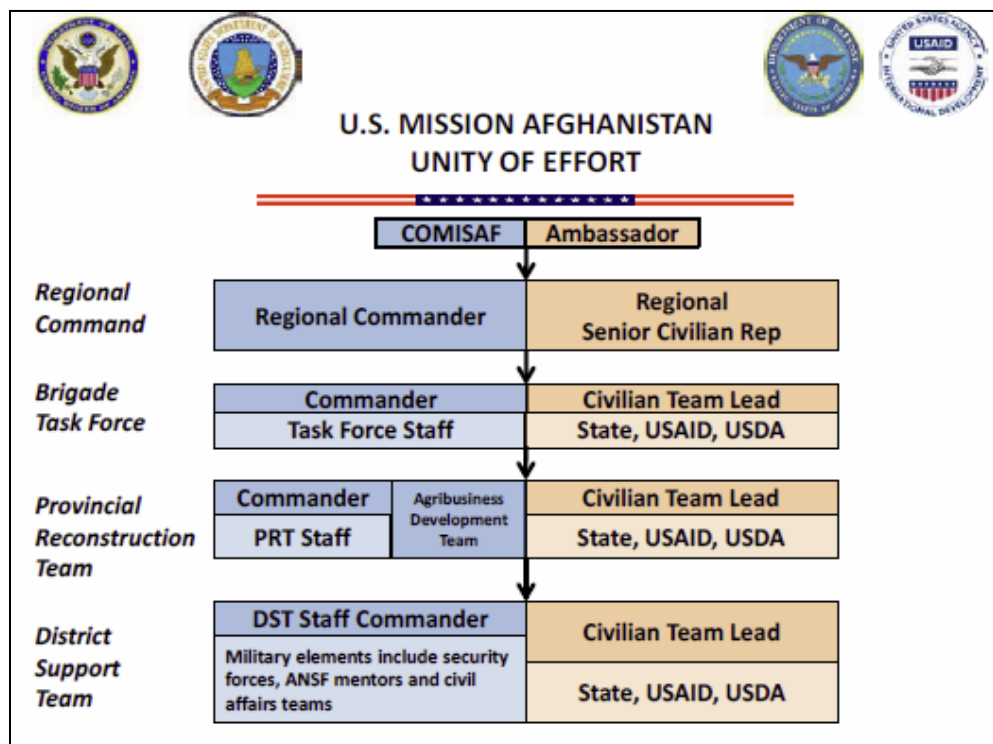


Figure 10. U.S. Mission in Afghanistan Field Structure

Source: Special Inspector for Afghanistan Reconstruction, *SIGAR Audit-11-2 Strategy and Oversight/Civilian Uplift* (Arlington, VA: Office of the Special Inspector General for Afghanistan Reconstruction, October 2010), 3.

Provincial Reconstruction Teams

Provincial Reconstruction Teams (PRTs) are one of the primary organizations available to the military focused on development at the provincial level in a conflict environment. To varying degrees, both military and civilian members comprise these teams. Ideally, the PRT is composed of military civil affairs specialists and civilians development experts, supplemented with a security detachment. However, this organization varies widely based on availability of personnel, the security situation, and USG capacity.⁹⁵ In many cases, the military fills more positions on the PRT than is ideal due to a lack of available civilian personnel.⁹⁶ For example, in 2009, the military filled approximately 95 percent of all PRT positions in Afghanistan.⁹⁷ Importantly, despite a security detachment, PRTs cannot operate in significantly unsecure areas due to civilian agency security caveats.⁹⁸ The interagency PRT operates at the provincial level and is “an interim civil-military organization designed to operate in an area with unstable or limited security.”⁹⁹ The PRTs focus primarily on governance, security, and reconstruction and ideally work in conjunction with the U.S. military provincial-level commander. Many times the degree of cooperation between the military unit and the PRT is personality and relationship driven. The degree of cooperation, or unity of effort, between the PRT and the military unit frequently determines the efficacy of both PRT and military operations.¹⁰⁰ A lack of PRT access and capacity typically results in tactical units augmenting PRT efforts, or conducting development efforts independently.¹⁰¹

Commander’s Emergency Response Program

Commander’s Emergency Response Program (CERP) funds are the principal means through which the military conducts expeditionary economics. Commanders

identify CERP as the most flexible and responsive source of funds to conduct local governance and development.¹⁰² While CERP funds originally began as a discretionary source of money to fund short-term security enhancing projects, CERP funds have increased substantially in accordance with the “money as a weapons system” doctrine, from \$40M in 2004 to over \$1B in 2010.¹⁰³ CERP funds are now over 1/10th of Afghanistan’s GDP.¹⁰⁴ Thus, CERP is one of the most significant economic activities currently ongoing in Afghanistan. This relative significance is why it is critical that CERP funding fosters the right conditions and incentives. The military employs CERP funds along a broad spectrum of stabilization and development-oriented projects (see figure 11). CERP funding has evolved over time into the military’s primary development program.

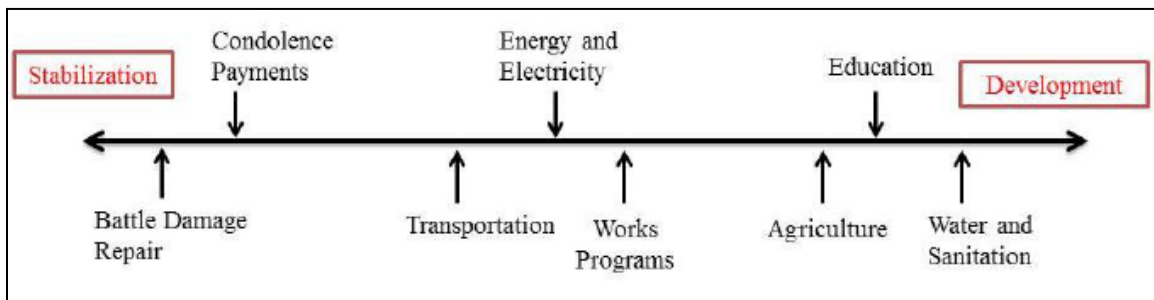


Figure 11. CERP Disbursement on the Spectrum of Stabilization and Development

Source: Gregory Johnson, Vijaya Ramachandran, and Julie Walz, “The Commander’s Emergency Response Program in Afghanistan and Refining US Military Capabilities in Stability and In-Conflict Development” (West Point Senior Conference, West Point, NY, May 2011), 14.

In an effort to improve accountability, the military has increasingly centralized and bureaucratized CERP funds requiring new and evolving steps of review (see figure 12).

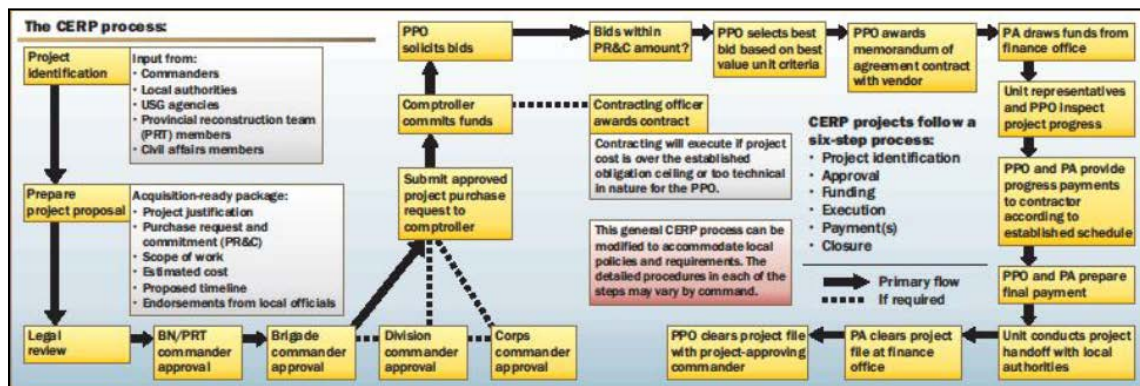


Figure 12. The CERP Process

Source: U.S. Forces Afghanistan, *Publication 1-06: Money As a Weapons System Afghanistan* (Kabul, Afghanistan: ISAF, February 2011), 101.

Although these steps and associated guidelines increase the time and bureaucracy required to access funds, commanders retain control of significant amounts of CERP funding within reasonable timeframes. In ideal circumstances, an O-6, Colonel, Brigade commander can employ up to his or her \$500k CERP approval threshold, in 30-60 days, from inception to execution of the project, and an O-5, Lieutenant Colonel, Battalion commander can employ up to his or her \$100k CERP threshold, in a similar timeframe.¹⁰⁵ Regardless of the timeframe, some commanders feel constrained by the bureaucracy associated with employing CERP funds.¹⁰⁶ Despite the bureaucratic constraints, the relatively decentralized nature of CERP funds allows for subordinate commander discretion and initiative, but a lack of interagency and NGO coordination can

result in a lack of unity of effort between the various organizations conducting development.¹⁰⁷

Figures 13 and 14 show CERP disbursements by sector, and illustrate how those allocations have changed and grown over time. CERP disbursements are increasingly allocated towards transportation, most specifically, road development.

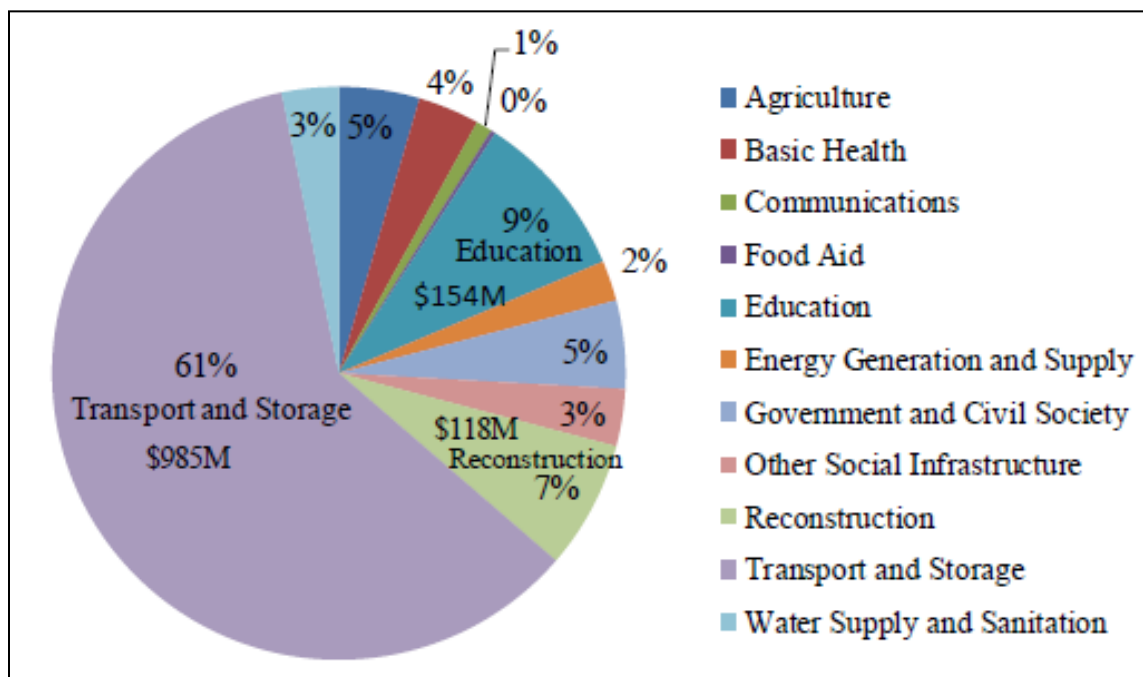


Figure 13. CERP Disbursements by Sector in Afghanistan (2004-2009)

Source: Gregory Johnson, Vijaya Ramachandran, and Julie Walz, “The Commander’s Emergency Response Program in Afghanistan and Refining US Military Capabilities in Stability and In-Conflict Development” (West Point Senior Conference, West Point, NY, May 2011), 9.

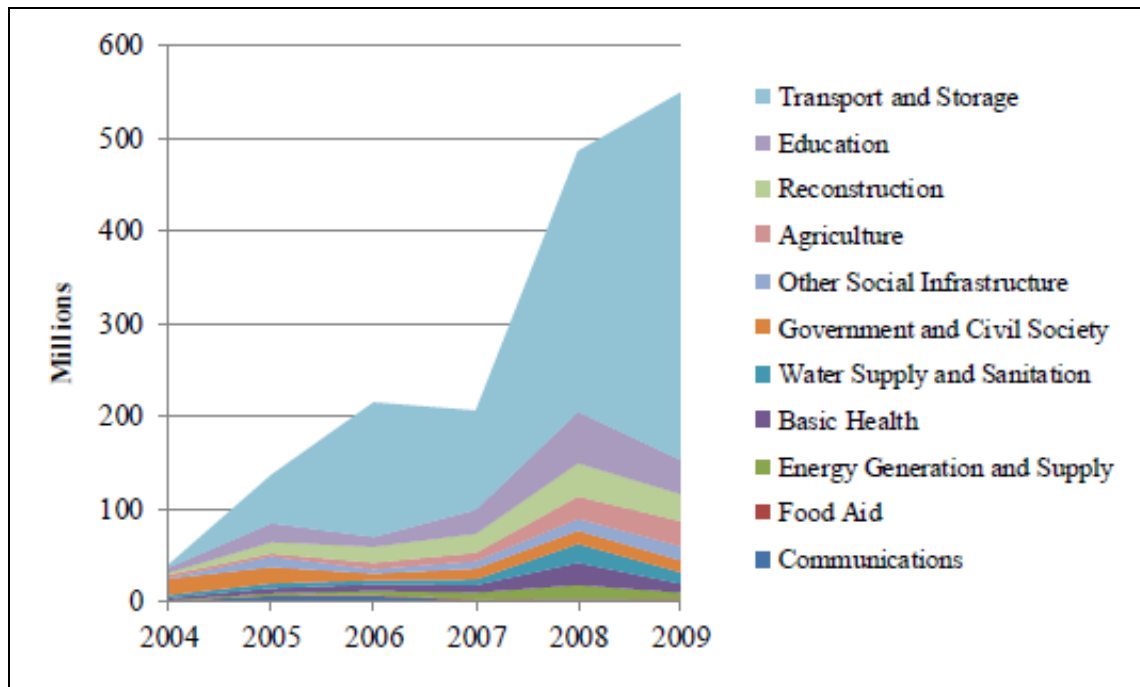


Figure 14. CERP Disbursements by Sector over Time

Source: The United States Agency for International Development, *USAID Greenbook: U.S. Overseas Loans and Grants, Obligations and Loan Authorization*, <http://gbk.eads.usaidallnet.gov/data/country.html> (accessed July 20, 2011).

In actual implementation, many military units take the “money is ammunition” adage literally, attempting to achieve “overwhelming combat power” through the expenditure of as much ammunition (money) as possible. Some units execute the economic equivalent of the “spray and pray.” In some cases, the quantity of projects conducted and funds expended have become performance evaluation metrics, the more the better. This mindset creates the incentive for military units to execute as many ad hoc projects as possible with limited consideration of their stability and development effectiveness or cost-benefit analysis.¹⁰⁸

Military units tend to concentrate CERP development projects in more violent areas. This is a natural byproduct of these areas being the primary focus of military

operations. This tendency has unintended consequences: it creates a perverse incentive for instability, does not incentivize stability and security, and leads to increased risk of project failure due to insurgent activity.¹⁰⁹

Annual turnover of military units and a nine-month rotation of Provincial Reconstruction Teams (PRTs) create the conditions for a focus on short-term projects; leads to unfinished projects; impedes adequate project assessment, understanding, and quality control; and disrupts continuity.¹¹⁰ A new policy of nine-month “boots on the ground” for conventional deployments will only exacerbate this effect.

Combined with the issues identified above, many tactical military units lack economic development expertise and focus primarily on security operations.¹¹¹ Thus, many CERP funded development projects are ad hoc expenditures of massive funds. These are ready targets for manipulation and personal gain by opportunistic local officials and businesspersons.¹¹² In some cases, U.S. forces supervise projects naively and loosely, on a “good faith” basis. These projects successfully create the conditions for Afghan corruption. Despite good intentions, U.S. forces have left terrible and pervasive corruption in both Afghanistan and Iraq through injudicious massive development spending. In a survey conducted by the United Nations Office on Drugs and Crime (UNODC), the Afghan people identified corruption as their biggest problem; approximately 52 percent of Afghans pay at least one bribe to public officials each year.¹¹³ Communities witnessing the waste and corruption ostensibly supported by U.S. forces become frustrated and disenfranchised, eroding local support for both the host nation government and U.S. forces, buttressing the insurgency.¹¹⁴ Extensive empirical evidence indicates that widespread corruption strangles economic growth (refer to the

section on economic convergence). Despite this, many development practitioners, including some members of the military, view corruption as something to “live with” rather than a perverse practice they must confront and work to reduce.¹¹⁵ Ironically, in addition to laissez faire supervision of projects, the other extreme end of the spectrum also occurs, particularly at the tactical level. Tactical units may complete seemingly arbitrary projects themselves, with little or no community action, initiative, or ownership.¹¹⁶ This begets a project the community may not actually care about, and creates dependency and a lack of ownership. Additionally, research conducted by the Feinstein International Center at Tufts University indicates that local populations tend to view development projects in which they have limited participation or ownership negatively, as attempts to purchase loyalty.¹¹⁷ These outcomes, corruption, dependence, and a lack of ownership are undesirable.

These critiques do not imply that CERP has been a failure, when well employed; CERP allows a relatively quick, responsive, and flexible development program that injects funds into the lowest levels of the host nation economy. Employment at the local level allows CERP funded projects to avoid some of the waste associated with the legions of contractors and subcontractors that plague larger development projects.¹¹⁸ Empirical evidence shows that labor-intensive CERP funded projects have a material effect on reducing labor-intensive violence in the short term. More specifically, employment opportunities increase the opportunity cost of insurgent activities. A National Bureau of Economic Research study finds:

a 10% increase in labor-related [CERP] spending generates a 15-20% decline in labor-intensive insurgent violence [gunfire, kidnappings, and torture and execution]. Overall the 10% spending increase is associated with a nearly 10%

violence reduction, due to reduction in attacks which kill civilians, but increased attacks against the military.¹¹⁹

However, an overall assessment of the efficacy of CERP funded development reveals the need for refinement and guiding principles for the disbursement of CERP funds in expeditionary economics.

Innovations in Military Development

Individual units have identified some of the aforementioned issues related to the conventional application of CERP funds and adjusted accordingly. In the best traditions of a dynamic and adaptable force, units within the U.S. military have adjusted their employment of CERP funds to improve effectiveness. In addition to the “CERP as a budget” and the Village Stability Operations initiatives described below, there are other successful initiatives conducted by dynamic units on the ground.

“CERP as a Budget” Innovation

One innovative adjustment is the “CERP as a budget” concept developed by Colonel Randy George and Task Force Mountain Warrior in 2009-2010. The CERP as a budget concept is to use a fixed amount of publically announced CERP funds as a budget for local governments, at the district and provincial level.¹²⁰ Although provided as a budget, TF Mountain Warrior still disbursed the funds and retained oversight. They also created absolute transparency by disseminating the “budget” via word of mouth, radio broadcasts, and pamphlets. Local development councils and communities chose the projects within the budget. Task Force Mountain Warrior observed immediate positive effects. The public announcement of funding levels allowed price discovery and exposed the corruption and profiteering conducted previously by local officials and contractors.

Additionally, real control of resources empowered local governments and enabled increased civic interaction. Finally, the increased local government and civic participation increased the efficiency of projects. These effects increased both government capacity and legitimacy. Task Force Mountain Warrior “spent less and got more” in terms of local utility, development, civic participation, government participation, credibility, and stability. Of note, this method also addresses the moral hazard issue identified in section 4 of this chapter. In addition to the CERP as a budget initiative, the unit retained funds for small-scale, community identified, labor intensive work, conducted in direct support of stability objectives, such as providing employment during peak “fighting season.” Of course, the initiative came with its challenges, such as dealing with the exposed corruption. However, the overall effects proved a significant improvement over past operating procedures.¹²¹

Village-Stability Operations

Another example of effective Army innovation is a bottom-up stability and development model developed largely by U.S. special operations forces, Village-Stability Operations (VSO). In this model, Special Forces teams partnered with Afghan commandos, work to stabilize strategically important villages. While Special Forces use a nuanced application of the model, the basic methodology progresses through four phases: shape, hold, build, and expand and transition. The Special Forces team remains embedded in the village until a credible, functioning security and governance structure exists. While relatively time consuming, this method has yielded great success in many of Afghanistan’s rural villages.¹²²

Other instances of Contemporary Military Development Efforts

It is important to note that current military efforts in expeditionary economics are not limited solely to Afghanistan and Iraq. The military is also engaged in economic development efforts in other areas, such as the Horn of Africa. An in-depth analysis of these efforts on the periphery indicates that military efforts here have been largely ineffective in achieving sustainable development. Analysis also indicates that many of the issues identified in Iraq and Afghanistan also exist in military development efforts in the Horn of Africa. It seems that these efforts have succeeded only in gaining access and some reluctant acceptance of U.S. military presence, with some minor, mostly local, development successes.¹²³ However, the assets devoted to these efforts are relatively minimal, and increased access and acceptance may be the only reasonable end states given the limited resources committed and employed.

Relevant historical military development efforts

District War Executive Councils in the Malayan Emergency, 1948-1957

In Malaya in the 1950s, the British conducted a successful COIN campaign resulting in a free and democratic government. Part of this COIN campaign included local economic development projects, such as: “improvements to Malay kampong life, e.g., in water supplies, bridle paths, the provision of electric lights” and “land administration generally.”¹²⁴ The British also created both economic incentives for cooperation, as mentioned above, and disincentives to insurgent activity, such as food rationing and restrictive economic controls. The British rewarded cooperative villages and punished uncooperative villages with economic measures. As economic theory

would predict, these efforts were successful in shaping local support for the counterinsurgency and weakening support for the insurgents.¹²⁵

A single District Officer (DO) supervised British COIN efforts at the local level. The DO reported to the British Advisor for that particular state, or region. In turn, the regional British Advisors reported directly to the High Commissioner, General Gerald Templer, who also served as the overall military commander. Thus, in order to combat the Malayan insurgency, the British consolidated civil and military power in a single position.¹²⁶ This organizational structure provided unity of command, and subsequently, effective unity of effort across the elements of British power in Malaya.

The DO supervised and conducted local development efforts through an interagency committee that he chaired. The committee, the District War Executive Council (DWECC), was composed of “an army officer, a police officer, a Home Guard officer, and the district school administrator and public works officer,” in addition to the DO.¹²⁷ The DO was responsible for coordinating all COIN efforts, “social, political, economic, police, and military.”¹²⁸ The DO was also responsible for developing Malayan governance.¹²⁹ Through this structure, all efforts were coordinated and directed towards overarching COIN objectives. Prior to assuming their post, subject matter experts fresh from the field instructed DOs at a purpose-made school in theater.¹³⁰

Although anecdotal and only one part of a larger COIN campaign, British efforts to use economic tools and principles appear to have been successful. As economic theory predicts, the local population responded to economic incentives created by the British, who rewarded cooperative districts and punished uncooperative districts with economic measures. These efforts resulted in greater support for the counterinsurgency and less

support for the insurgents.¹³¹ The streamlined command structure allowed for exceptional coordination and unity of effort.¹³² The program also successfully worked to develop Malayan governance.¹³³

Civil Operations and Revolutionary Development Support, Vietnam, 1967-1971

In Vietnam, the U.S. constructed an organization similar in intent to the British DWEC in Malaya, the Civil Operations and Revolutionary Development Support (CORDS) program. General Westmoreland, the senior military commander, and other key officials developed CORDS in response to the realization that: “It is abundantly clear that all political, military, economic, and security (police) programs must be completely integrated in order to attain any kind of success in a country which has been greatly weakened by prolonged conflict.”¹³⁴ The Secretary of Defense, Robert McNamara, and members of the National Security Council such as Robert W. Komer, corroborated General Westmoreland’s conclusion. Komer went further, arguing that only the military had the resources and influence to command and control the “pacification” effort.¹³⁵ Most reviews of the Vietnam conflict cite a lack of unity of effort between the various government agencies involved as a significant source of friction and inefficiency, and as a potentially decisive factor.¹³⁶

In response to these arguments and a lack of efficacy in previous efforts, President Johnson unambiguously granted General Westmoreland full control of pacification, creating a three-star equivalent civilian position under Westmoreland for the deputy in-charge of CORDS. CORDS integrated all civilian agencies involved in development (or pacification) into the military hierarchy.¹³⁷ Of note, not all USG civilian agencies

operating in South Vietnam were involved in pacification. Pacification focused on the rural provinces in South Vietnam; therefore, CORDS granted General Westmoreland less authority over civilian government personnel than General Templer exercised in Malaya. The CORDS structure was repeated at the corps level. Each corps commander had a deputy for CORDS, typically a State Department civilian, who was responsible for supervising military and civilian pacification in the corps area of operations. Corps deputies for CORDS supervised province advisory teams, who, in turn, supervised district advisory teams.¹³⁸

At the provincial level, a South Vietnamese colonel, the province chief, headed each province assisted by a U.S. province senior advisor, civilian or military. The province chief “supervised the provincial government apparatus and commanded the provincial militia as well as Regional Forces and Popular Forces (RF/PF).”¹³⁹ The province chief and his American advisor were responsible for security, governance, and development in the rural provinces.¹⁴⁰ Each province senior advisor had a large staff to assist in these meeting these responsibilities. As in the British DWEC, these staffs were also multiagency, with military personnel largely focused on security, and civilian personnel focused on governance and development, including “public health and administration, civil affairs, education, agriculture, psychological operations, and logistics.” (See figure 15.)

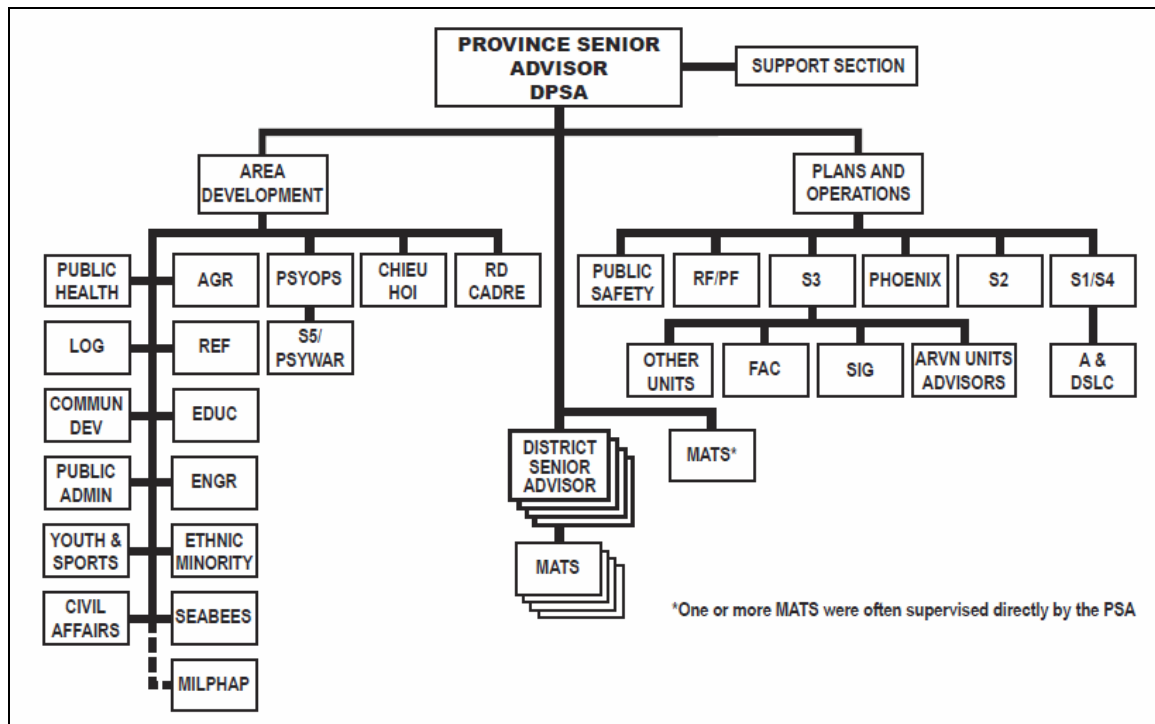


Figure 15. CORDS Provincial Organization

Source: Dale Andrade and James H. Willbanks, "CORDS/Phoenix. Counterinsurgency Lessons from Vietnam for the Future," *Military Review* (March/April 2006): 15.

The province senior advisor also supervised district advisors, who had a similar mission and organization, albeit on a smaller scale (a staff of around eight).¹⁴¹ District and province advisors conducted significant local economic development, increasing funds spent on development and pacification from \$582M to \$1.5B between 1966 and 1970.¹⁴²

As with the British DWEC, the effects of economic development efforts by the CORDS program are difficult to isolate. However, overall there was a 20 percent increase in "relatively secured" villages from 1968 to 1970, the height of the program.¹⁴³ Additionally, it is important to note that anecdotal evidence indicates that the CORDS teams significantly reduced local corruption by integrating local South Vietnamese

government into the program at the provincial level and below.¹⁴⁴ Most experts agree that CORDS was an effective program launched too late to affect the outcome of the war.¹⁴⁵

Proposals by development experts (USAID, NGOs, IOs,
other relevant experts)

There is an enormous breadth of opinion on the military's role in expeditionary economics. These opinions range from proposing that the military simply hand out humanitarian aid to proposing that the military nurture entrepreneurship through quasi-venture capitalism, from the very basic to the very complex. Typically, those in the development community object to military infringement in their traditional role and the securitization of development, and therefore prefer a basic role for the military.¹⁴⁶ Those outside the development community fall at various points along the spectrum. A portion of those outside the development community, frustrated with perceived incompetence in the various governmental development agencies, see the military's involvement as an opportunity to effect change in the development community. It is the absence of a widely accepted and doctrinally aligned definition of the military's role in expeditionary economics that motivates this thesis.

Current Model (based on Afghanistan)

Currently in Afghanistan, there exist four elements conducting development: USG civilians, NATO forces (largely led by the U.S. military), NGOs, and international governmental organizations, such as the UN. Within the USG, there is a parallel command structure with USG civilians under the Ambassador and the U.S. military under the COMISAF. While there are continuing efforts to improve coordination between the four elements conducting development in Afghanistan, there is a systemic and persistent

lack of coordination and unity of effort resulting in numerous inefficiencies. In light of experience in Malaya and Vietnam, and U.S. military doctrine regarding unity of command, the lack of unity of effort in Afghanistan most likely results from the parallel command structure, or the absence of a single unifying commander. Currently, the distinction between USAID development efforts and those of the military in Afghanistan tend to involve scale, scope, and the level of USG personnel involvement. USAID projects tend to be larger, USAID tends to target projects more at a national level, and USAID tends to use more contractors. However, these distinctions are increasingly blurry as military development funds increase and projects grow in scale.¹⁴⁷

USAID Proposal (Military as an enabling agent of USAID)

USAID identifies itself as the principal USG development agency. USAID officials prefer a basic role for military development. In its District Stability Framework (DSF) USAID states, “Stability Operations and Stability Assistance are distinctly different from Development. Development assistance is NOT a military task.”¹⁴⁸ Notwithstanding the tenuous distinction between stability assistance and development, DSF espouses that the military should design projects that contribute to stability by addressing local Sources of Instability (SOI), but are not development focused in nature.¹⁴⁹ “Sources of instability” are “issues locals identify which undermine government support, increase support for insurgents, and/or disrupts the normal functions of society.”¹⁵⁰ The USAID publication, *A Guide to Economic Growth in Post-Conflict Countries*, does not identify a specific role for the military outside of providing transportation, logistics, and security.¹⁵¹ In the USAID model, the military would

primarily support and enable USAID development, essentially providing transportation, logistics, and security, while conducting essentially no stand-alone development by itself.

NGO and IGO Proposal

The majority of development professionals in NGOs and IGOs object to the “securitization” of development. Many development professionals feel that the pursuit of national security objectives through development as pursued by the military is incongruent with sustainable development. Accordingly, these development professionals propose a relatively limited role for the military in development. They propose the military limit activities in development to security related development, or Foreign Internal Defense. More specifically, most development professionals feel that the appropriate role for the military in development is partnering with the host nation government to improve the host nation’s military professionalism and ability to provide security.¹⁵²

Of course, the pool of NGOs and IGOs is sufficiently broad that there is significant variance in the level of cooperation and alignment with the USG.¹⁵³ The USG provides significant funding to numerous NGOs and IGOs who conduct development on behalf of the United States. Those NGOs and IGOs who receive funding from the USG are more amenable to conducting development in line with U.S. interests and in conjunction with USG agencies. An example of an IGO funded by and largely aligned with USG interests, is the United Nations Development Programme (UNDP). In FY2009, USAID contributed over \$1.7B to various UN development programs, and was one of the top two donors to the UNDP.¹⁵⁴ Programs such as these, that receive funding from the USG, align more closely with U.S. interests than those that do not. USAID is increasingly

moving towards using third parties to conduct development.¹⁵⁵ This is part of a larger strategy to improve efficiency and may stem from USAID's limited capacity or their limited access in non-permissive environments such as Somalia.

In light of limited USAID capacity, future development will undoubtedly involve USG agencies, NGOs, and IGOs. As mentioned above, USAID policy identifies the use of NGOs and IGOs to augment USAID development as a continuing imperative.¹⁵⁶ However, while the USG can influence NGOs and IGOs, to varying degrees, these organizations remain inherently independent. In general, they do not support the military conducting economic development, and, as mentioned above, propose that the military limit its role to partnering with the host nation government to improve the host nation's military professionalism and ability to provide security.

Schramm Proposal (military as a primary development agent)

In his article, "Expeditionary Economics: Spurring Growth After Conflicts and Disasters," Carl Schramm, formerly president and CEO of the Ewing Marion Kauffman Foundation, proposes that the military "play a leading role in bringing economic growth to devastated countries."¹⁵⁷ He proposes that the military accomplish this largely through fostering entrepreneurial capitalism. Schramm predicates his proposals on the conclusion that conventional development efforts have been largely unsuccessful. This critique of conventional development efforts is not unfounded. Numerous books and journal articles are critical of conventional development efforts, citing the dependency, stagnation, and other inefficiencies these efforts can create.¹⁵⁸ Additionally, monitoring and evaluating success in international development has proven difficult.¹⁵⁹ Regardless of the actual efficacy of conventional development, Schramm argues that because the military has the

means and the access, and because government development projects have historically been largely unsuccessful, the military can use its access, resources, and flexibility to conduct development in pursuit of national security. In this role, the military would serve as primary development agents, fostering entrepreneurship and capitalism, in a “messy,” bottom-up approach.¹⁶⁰

CORDS and DWEC Models (Civilian development under military command)

Both the U.S. CORDS program and the British DWEC offer an interesting model for expeditionary economics, which achieves interagency unity of effort and unity of command under a single military commander. This model also seems best aligned with the economic principles of division of labor and specialization, in that agencies focus on their respective areas of expertise. In this model, a local interagency committee, chaired by a single responsible individual, administers all COIN efforts: social, political, economic, police, and military. (See Section 6 for a detailed discussion, under “Relevant historical military development efforts.”)

Summary

This chapter reviewed relevant literature pertaining to the secondary questions that will allow answering the primary question: what should be the military’s role in conflict related development? Those secondary questions include: relevant strategic guidance (Presidential Directives, *NSS*, *NDS*, *QDR*, *QDDR*, *NMS*, and overarching joint DoD doctrine); current USAID conflict related development protocol; relevant academic theory; recent U.S. military development efforts in Afghanistan and Iraq; relevant historical military development efforts; and proposals by development experts (USAID,

NGOs, IOs, and other relevant experts). Answering these questions is necessary to determine what the military's role in conflict related development should be. Determining the military's role in conflict related development will improve unity of effort and understanding in, and between, the military and other stakeholders in expeditionary economics. Defining this role will also contribute to mission success and more effective conflict related development.

¹The President of the United States, *Presidential Policy Directive on Global Development*, 1.

²*Ibid.*

³*Ibid.*, 5.

⁴The President of the United States, *National Security Strategy*, 14-16.

⁵The President of the United States, *Presidential Policy Directive on Global Development*, 2.

⁶The Department of Defense, JP 3-0 (change 1), *Joint Operations*, xi.

⁷The Department of Defense, JP 1, *Doctrine for the Armed Forces of the United States*, I-8 - I-10.

⁸The President of the United States, *National Security Strategy*, 14-16.

⁹The United States Department of Defense, JP 3-24, *Counterinsurgency Operations* (Washington, DC: Government Printing Office, October 2009), x; The United States Department of Defense, *Department of Defense Directive 3000.05* (Washington, DC: Office of the United States Deputy Secretary of Defense, November 2005), 2.

¹⁰The President of the United States, *Presidential Policy Directive on Global Development*, 1.

¹¹*Ibid.*, 5.

¹²*Ibid.*, 1.

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¹⁴*Ibid.*, 1-8.

¹⁵The United States Agency for International Development, *USAID Policy Framework*; The United States Agency for International Development, *USAID and the President's Global Development Policy*, 23 September 2010, <http://www.usaid.gov/unga/ppd.html> (accessed 29 October 2011).

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³⁷*Ibid.*

³⁸*Ibid.*, I-10.

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⁴⁰The United States Department of Defense, *Department of Defense Directive 3000.05*, 2.

⁴¹The United States Agency for International Development, *A Guide to Economic Growth in Post-Conflict Countries* (Washington, DC: January 2009).

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⁴³Andre S. Natsios, “The Nine Principles of Reconstruction and Development,” *Parameters* 35 (Autumn 2005).

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¹⁴⁹The United States Agency for International Development, Development vs. Stability.

¹⁵⁰Mirko L. Crnkovich, *District Stability Framework (DSF)* (Briefing, Washington, DC: U.S. Agency for International Development: Office of Military Affairs, December 2010).

¹⁵¹The United States Agency for International Development, *A Guide to Economic Growth in Post-Conflict Countries*, 6, 70, 80.

¹⁵²Bradbury and Kleinman, *Winning Hearts and Minds?*; Susan, B. Epstein, *Foreign Aid Reform, National Strategy, and the Quadrennial Review* (Report for Congress, Washington, DC: Congressional Research Service, February 2011).

¹⁵³The United States Army, FM 3-24.2, *Tactics in Counterinsurgency* (Washington, DC: Government Printing Office, April 2009), 3-3 - 3-6.

¹⁵⁴United States Office of Management and Budget, *Annual Report of United States Contributions to the United Nations* (Report for Congress, Washington, DC: Office of Management and Budget, June 2010); United Nations Development Programme, *UNDP in Action-Annual Report 2010/2011* (Annual Report, New York: UNDP, 2011).

¹⁵⁵The United States State Department, *Quadrennial Diplomacy and Development Review* (Washington, DC: Government Printing Office, December 2010), 94.

¹⁵⁶The United States Agency for International Development, *USAID Policy Framework*.

¹⁵⁷Schramm, "Expeditionary Economics," 93.

¹⁵⁸Castillo, "The Economics of Peace"; William Easterly, *The Elusive Quest for Growth: Economist's Adventures and Misadventures in the Tropics* (Cambridge, MA: The MIT Press, 2002); David Anderson, *Remodeling Pre/Post Conflict Development Assistance for Weak and Failing States* (Kansas City, MO: Kauffman Foundation, May 2010), 104-123.

¹⁵⁹Richard Blue, Cynthia Clapp-Wincek, and Holly Benner, *Beyond Success Stories: Monitoring and Evaluation for Foreign Assistance Results. Evaluator Views of Current Practice and Recommendations for Change* (Washington, DC: USAID, May 2009).

¹⁶⁰Schramm, "Expeditionary Economics."

CHAPTER 3

RESEARCH AND EVALUATION METHODOLOGY

Introduction

Chapter 2 reviewed relevant literature pertaining to the secondary questions that are necessary to answer the primary question: what should be the military's role in conflict related development? Those secondary questions include: relevant strategic guidance (Presidential Directives, *NSS*, *NDS*, *QDR*, *QDDR*, *NMS*, and overarching joint DoD doctrine); current USAID conflict related development protocol; relevant academic theory; recent U.S. military development efforts in Afghanistan and Iraq; relevant historical military development efforts; and proposals by development experts (USAID, NGOs, IOs, and other relevant experts). Determining the military's role in conflict related development will improve unity of effort and understanding in, and between, the military and other stakeholders in expeditionary economics. Defining this role will also contribute to mission success and more effective conflict related development. This chapter summarizes the research process and develops a methodology for evaluating the various proposed roles for the military in expeditionary economics. This evaluation methodology has four primary evaluation questions, with supporting secondary questions.

The chapter is organized in four sections.

1. Introduction
2. Research process
3. Source criteria
4. Evaluation criteria development.

Research Process

In order to gather the information needed to address the secondary questions, information was gathered from the following sources, by question:

What does relevant strategic guidance (Presidential Directives, the *NSS*, the *NDS*, the *QDR*, the *QDDR*, the *NMS*, and overarching joint DoD doctrine) indicate about the military's role in expeditionary economics?

Information includes applicable Presidential Directives and policies, the *NSS*, the *NDS*, the *QDR*, the *QDDR*, the *NMS*, the *USAID Policy Framework 2011-2015*, and overarching joint DoD doctrine.

What is USAID development protocol for conflict related development?

USAID conflict related development protocol is identified in the USAID publication, *A Guide to Economic Growth in Post-Conflict Countries*, the USAID DSF program, the *USAID Policy Framework 2011-2015*, and various journal articles, reports, and development publications.

What do academic theory and development best practices indicate about the military's role in expeditionary economics?

In addition to the author's general academic study, experience, and courses, information was collected from numerous economics textbooks, development books, academic journals, papers, and articles.

What do current and historical military operations indicate about the military's role in expeditionary economics?

Modern historical examples of the use of economic development in conjunction with military operations were researched. In addition to Operation Enduring Freedom

(Afghanistan) and Operation Iraqi Freedom (Iraq), the two most salient historical examples are the Malaya Emergency and the Vietnam War. These historical examples are reviewed in chapter 2. In order to understand these efforts, information was gathered from numerous articles and books.

What are the major proposals for the role of the military in expeditionary economics?

The various proposals were collected from multiple sources, including USAID protocol, journal articles, and conference presentations.

Source Criteria

Sources for this thesis include academic works, peer-reviewed periodicals, first person accounts, books, and official government documents and publications.

Evaluation Criteria Development

This section will use the information from the literature review to develop questions for evaluating the proposed role for the military in expeditionary economics. The questions evaluate whether or not a given proposed role for the military aligns with (1) strategic guidance, (2) development protocol and best practices, (3) academic principles and theory, and (4) military expediency.

Is the proposal aligned with strategic guidance?

Strategic guidance from the President through the Secretary of State and the Secretary of Defense indicate three imperatives for conflict-related development. These imperatives are: USAID is the lead agency, any approach must be a synergistic whole of government approach, and the military is primarily responsible for winning the nation's

wars, and therefore must be prepared to complete stability related tasks when other agencies are not. Thus, for the role of the military in conflict related development to align with strategic guidance, it must: (1) identify USAID as the lead agency for development, (2) be a whole of government approach, appropriately utilizing all available USG ways and means, and (3) support the military conducting appropriate development when civilian agencies are unable. For a detailed discussion of strategic guidance, see Chapter 2, Section 2, “Strategic Guidance.”

Is the proposal aligned with conflict related
development protocol?

Conflict related development protocol outlines a spectrum of phased development priorities. These phases balance the tension between short-term security and long-term sustainability. Regardless of the model, the initial security and stability-focused phases tend to involve security, humanitarian aid, and basic socio-economic stability. Later phases involve economic development, institutional capacity, and self-sustainability. The later phases are typically more nuanced and complicated. If the military is primarily involved in the stability and security aspects of development, a logical consequence is that the military focus on the initial phases of conflict related development (security, humanitarian aid, and stability). Additionally, a primary tenant of development protocol is the necessity of working with and through local institutions, to foster sustainability and improved governance. In order to nest with development protocol, military development efforts must nest with larger development programs. Therefore, for a proposed role for the military in conflict related development to nest with conflict related development protocol, (1) the military must focus on the initial phases of conflict related development

and (2) the proposed role should work with and through local institutions to the greatest extent possible. For a detailed discussion of conflict related development protocol, see Chapter 2, Section 3, “Conflict related development protocol.”

Is the proposal aligned with relevant academic theory?

A review of academic theory provides good insight into the theory driving development protocol. Military efforts in economic development should align with, and not violate any widely accepted principles of economics. The review conducted for this thesis indicates that economic convergence theory is the most applicable, widely accepted academic theory for understanding the economic challenges associated with developing nations. Thus, military development efforts should address, or at a minimum, not exacerbate any of the conditions identified as leading to the failure of a developing nation to “converge” or “catch-up.” (Weak or no macroeconomic institutions (failure to enforce the rule of law: property rights, contract enforcement, corruption); wars and revolutions; poor public health and education; low rates of saving and investment; closed markets; inflexible workforce; and a lack of macroeconomic stability.) Identifying specific economic principles for the military to align with is not feasible due to the wide spectrum of proposed roles for the military. For example, in some roles the military would work to develop macroeconomic institutions, in other roles, development professionals would develop these institutions. However, for a proposal to align with relevant academic theory the proposal must be consistent with widely accepted economic theory and principles, and should not significantly contribute to any of the conditions that impede economic convergence. For a detailed discussion of relevant academic theory, see Chapter 2, Section 4, “Relevant Economic Theory.”

Is the proposal aligned with military expediency?

As the military is responsible for winning the nation's wars, and this thesis explores development in a context of conflict, military considerations are particularly material in developing a role for the military in conflict related development. A review of military doctrine, best practice, and historical examples reveals some important military considerations. Any proposed military operation must achieve unity of command or risk a lack of coordination, working at cross-purposes, general inefficiency, and mission failure. As David Kilcullen explains in *The Accidental Guerilla*, the key to counterinsurgency operations is "effective integration of all measures within a unified, full-spectrum strategy."¹ He continues to identify a lack of unity of command as one of the three primary causes for COIN operations failure in Afghanistan (the other two being a lack of local knowledge and "unreliable or ineffective local allies").² Kilcullen is just one of many experts who believe effective integration and unity of effort are instrumental to stability operations. Recent experience shows that civilian development agencies lack the capability to conduct development activities in unsecure areas; therefore, any development proposal must have some method by which to address development in these areas. Recent experience has also shown that due to their relatively small size, civilian development agencies lack the capacity to command, control, and conduct fully integrated development during large-scale military operations, such as those in Afghanistan and Iraq. Therefore, any proposed development role for the military must be appropriately scalable (allow for large-scale development in a conflict environment). In summary, for a proposed role for the military in conflict related development to align with military expediency it must, (1) provide unity of command, (2) allow for

development in non-permissive environments, and (3) be adequately scalable to nest within a large-scale military campaign. For a detailed discussion of current U.S. military development efforts see Chapter 2, Section 5, “U.S. military development efforts in Afghanistan and Iraq.”

Table 2 summarizes the four primary evaluation criteria, and their supporting questions.

Table 2. Summary of Evaluation Questions

<p>Evaluation Question 1: Is the proposal aligned with strategic guidance?</p> <p>Supporting Questions:</p> <ul style="list-style-type: none"> • Is USAID the lead agency for development? • Is the proposal a whole of government approach? <i>(Does it appropriately utilize all available USG ways and means?)</i> • Does the proposal support the military conducting appropriate development when civilian agencies are unable?
<p>Evaluation Question 2: Is the proposal aligned with conflict related development protocol?</p> <p>Supporting Questions:</p> <ul style="list-style-type: none"> • Does the military’s role focus on security, humanitarian aid, and stability? • Does the proposal work with and through local institutions?
<p>Evaluation Question 3: Is the proposal aligned with relevant academic theory and principles?</p>
<p>Evaluation Question 4: Is the proposal aligned with military expediency?</p> <ul style="list-style-type: none"> • Does the proposal provide unity of command? • Does the proposal allow for non-permissive environments? • Is the proposal appropriately scalable? <i>(Does the proposal allow for large-scale development in a conflict environment?)</i>

Source: Created by author.

Summary and Conclusions

This chapter summarizes the research process and develops a methodology for evaluating the various proposed roles for the military in expeditionary economics. The chapter developed four primary questions, with supporting secondary questions, to evaluate if the various proposed roles for the military in conflict related development align with strategic guidance, current conflict related development protocol, relevant academic theory, and military expediency. Determining the military's role in conflict related development will improve unity of effort and understanding in, and between, the military and other stakeholders in expeditionary economics. Defining this role will also contribute to mission success and more effective conflict related development. Chapter 4 will apply these questions to the various proposed roles for the military in conflict related development.

¹Kilcullen, *The Accidental Guerrilla*, 106.

²Ibid., 107.

CHAPTER 4

ANALYSIS

Introduction

Chapter 3 developed four primary questions, with supporting secondary questions, to evaluate if the various proposed roles for the military in conflict related development align with strategic guidance, current conflict related development protocol, relevant academic theory, and military expediency. This chapter will apply the evaluation questions identified in chapter 3, to the various proposals described in chapter 2.

Answering these questions is necessary to determine if any of the proposals adequately identify the military's role in conflict related development. Determining the military's role in conflict related development will improve unity of effort and understanding in, and between, the military and other stakeholders in expeditionary economics. Defining this role will also contribute to mission success and more effective conflict related development. Table 3, on page 121 summarizes the analysis from this chapter.

This chapter is organized into seven sections; each section evaluates a proposed role for the military in conflict related development:

1. Introduction.
2. Evaluation of the "Current Model" (based on Afghanistan).
3. Evaluation of the "USAID Proposal" (the military as an enabling agent).
4. Evaluation of the "NGO and IGO Proposal."
5. Evaluation of the "Schramm Proposal" (military as a primary development agent).

6. Evaluation of the “CORDS and DWEC Models” (civilian led development under military command).
7. Summary of Analysis

Evaluation of the “Current Model” (based on Afghanistan)

This section evaluates the current method of U.S. military efforts in conflict related development. This evaluation is based on the four primary evaluation questions developed in chapter 3. These primary questions evaluate alignment with strategic guidance, current conflict related development protocol, relevant academic theory, and military expediency. For a detailed discussion of current U.S. military development efforts see Chapter 2, Section 5, “U.S. military development efforts in Afghanistan and Iraq,” and Chapter 2, Section 7, under the “Current Model.”

Current Model alignment with strategic guidance

In order for a proposal to align with strategic guidance, it must identify USAID as the lead USG agency for development, be a whole of government approach, and support the military conducting appropriate development when civilian agencies are unable. The current model does identify USAID as the lead agency for development, is a whole of government approach, and does allow the military to conduct appropriate development when civilian agencies are unable. Therefore, the current model aligns with strategic guidance.

As discussed in chapter 2, section 2, all current USG policy and doctrine identifies USAID as the lead development agency in the USG. USAID currently implements the majority of economic assistance in Afghanistan. In FY 2010, USAID

funded \$3.04B of development assistance versus \$317M for all of DoD.¹ However, including all military assistance (Peacekeeping Operations, Military Assistance Program Grants, International Military Education and Training, Foreign Military Financing Program, Transfer from Excess Stock, and the Afghanistan Security Support Fund) DoD disbursed significantly more assistance to Afghanistan than USAID in FY2009, approximately \$6B versus \$1.6B.² Regardless, when speaking strictly of development funding, USG policy, and doctrine, USAID is the lead agency for development in Afghanistan. This assertion judges relative participation in economic development by the amount of development funding disbursed.

As mentioned in chapter 2, section 5, nine USG agencies were conducting some form of development in Afghanistan in FY2009. USAID conducts the vast majority of this development (57 percent), followed by DoD (29 percent), and the State Department (13 percent).³ These three agencies conduct 99 percent of the USG development in Afghanistan in total.⁴ However, the Department of Agriculture, the Department of Health and Human Services, the Department of Justice, the Trade and Development Agency, the Department of the Treasury, and the Department of Energy all conduct development in Afghanistan.⁵ The relatively low contribution of agencies and departments outside of the three primary agents of development suggests that other agencies could potentially contribute more in their respective areas of expertise. However, that nine different federal agencies and departments are conducting development in Afghanistan represents significantly broad participation across the spectrum of the USG to conclude that current development efforts in Afghanistan are a whole of government approach.

Currently, the military conducts development unilaterally, or with limited assistance, when USAID does not have the access or capacity to assist. The military can, and has, conducted unilateral development with civil affairs teams, PRTs, and with tactical units. While the military prefers that civilian development experts augment military units conducting development, when this augmentation has been unavailable, the military conducts development without civilian assistance. For example, due to a near-total absence of USG civilian development capacity, the 101st Airborne Division conducted a very significant development effort in northern Iraq immediately following the collapse of Saddam Hussein's regime. Between May and October of 2003, these efforts included approximately \$28 million of reconstruction funds disbursed for 3,600 projects. Projects included repairing and refurbishing hospitals, schools, police stations, transportation infrastructure, the electricity grid, and many other projects, including a small-business loan program.⁶ Civil affairs teams in Africa have also conducted limited development efforts independent of civilian development organizations. These efforts include building or repairing schools, transportation infrastructure, wells, and other public facilities.⁷ These are just some of many examples of unilateral U.S. military development efforts in the absence of civilian development capacity. Therefore, the current model does support the military conducting appropriate development when civilian agencies are unable.

Current Model alignment with development protocol

In order for a proposal to align with conflict related development protocol, the military's role must focus on security, humanitarian aid, and stability, the initial phases of the development spectrum; see figure 1 on page 27. Additionally, the proposal should

require working with, and through, local institutions, whenever possible. In the current model, the military does not focus solely on security, humanitarian aid, and stability, nor does the military always work with and through local institutions. Therefore, the current model does not align with development protocol.

Currently the military dabbles in many areas of development generally considered outside of the initial phases of conflict related development. The military is clearly engaged in development oriented towards long-term development objectives rather than short-term security, humanitarian, or stability objectives. Comparing military CERP expenditures with the spectrum of post-conflict development priorities reveals that a significant portion of military development efforts are dedicated to long-term development initiatives, despite the presence of significant civilian development capacity. For example, in Afghanistan the military dedicates significant funds towards sanitation, education, and agricultural development, all of which are generally considered long-term development initiatives; see figures 11, 13, and 14. These efforts illustrate that military's current development efforts do not focus primarily on security, humanitarian aid, and stability.

As identified in the “Winning Hearts and Minds?” series of studies by the Feinstein International Center, there are many examples of the military conducting development efforts with little to no coordination or buy-in from the local population or governance structure. Other critical reviews of military and USAID development in Iraq, Afghanistan, and Africa corroborate this observation.⁸ In many development instances, the military does not work with and through local institutions.

Current Model alignment with relevant academic theory

In order for a proposal to align with academic theory, it must be consistent with widely accepted economic theory and principles, and should not significantly contribute to any of the conditions that impede economic convergence.

A review of military development efforts in Iraq and Afghanistan reveal many actions inconsistent with the relevant economic theory detailed in chapter 2. These actions include: a failure to set the right incentives (“rewarding” unsecure areas with development projects, while “punishing” secure areas with little development); a failure to work with local institutions (conducting development projects with no local ownership or participation); and a failure to properly target development projects (projects which are unwanted and unused by the host nation or are unsustainable). Additionally, by not adequately monitoring projects and spending, some military development efforts foster corruption. These inconsistencies support the conclusion that current military development efforts do not fully align with academic economic growth theories and principles.

Current Model alignment with military expediency

In order for a proposal to align with military expediency, it must provide unity of command, allow for non-permissive environments, and be appropriately scalable to nest with large-scale stability operations. The current model does not provide unity of command, but does allow for non-permissive environments, and is appropriately scalable. Therefore, the current model does not fully align with military expediency.

The current method of conflict related development has shown a significant lack of unity of effort as documented by numerous Special Investigator General for

Afghanistan Reconstruction (SIGAR) reports to Congress. There are a multitude of examples of working at cross-purposes and other inefficiencies from a lack of unity of effort, most likely resulting from the parallel command structure between U.S. military and civilian development efforts. David Kilcullen, among others, identifies a lack of unity of command as one of three principal causes of COIN operations failure in Afghanistan.⁹ He also cites a lack of unity of effort and command as a source of initial failure in Iraq.¹⁰ As observed in both Vietnam and Malaya, this lack of unity of effort most likely springs from a lack of unity of command, or the lack of a single responsible commander or civilian leader.

As discussed previously, under the current method, when USAID or the State Department lacks the capacity to conduct development within a larger military campaign, DoD conducts development unilaterally, or with limited assistance. Civil affairs teams, PRTs, or tactical units can conduct development in non-permissive, unsecure environments. Therefore, in unsecure environments, the current model does allow the military to conduct appropriate development.

Under the current method, when USAID or the State Department is unable to conduct development within a larger military campaign, DoD conducts development unilaterally, or with limited assistance. However, these DoD development efforts come out of the existing force structure. The personnel conducting military development efforts are typically temporarily reassigned from other missions and specialties. In many cases, these personnel are inadequately trained for economic development.¹¹ Regardless, although the current solution has significant opportunity cost (pulling these personnel

from their primary mission and specialty), and sets the conditions for sub-optimal development, it is nonetheless scalable.

Summary of Analysis on the Current Model

In summary, the Current Model for the military's role in economic development aligns with strategic guidance, but is not fully aligned with development protocol, academic theory, or military expediency.

Evaluation of the "USAID Proposal" (Military as an enabling agent of USAID)

This section evaluates the USAID proposal for the military's role in conflict related development. This evaluation is based on the four primary evaluation questions developed in chapter 3. These primary questions evaluate alignment with strategic guidance, current conflict related development protocol, relevant academic theory, and military expediency. For additional discussion of USAID's proposal, see Chapter 2, Section 7, under the "USAID Proposal."

USAID Proposal alignment with strategic guidance

In order for a proposal to align with strategic guidance, it must identify USAID as the lead USG agency for development, be a whole of government approach, and support the military conducting appropriate development when civilian agencies are unable. The USAID proposal does identify itself as the lead agency for development, is a whole of government approach, and does allow the military to conduct appropriate development when civilian agencies are unable. Therefore, the USAID proposal aligns with strategic guidance.

In all of its protocol and official publications, USAID identifies itself as the lead agency for USG development efforts.¹² This aligns USAID policy with Presidential policy as directed in the *Presidential Policy Directive on Global Development*.

USAID does practice whole of government development. In addition to funding numerous NGO, IGO, and private development initiatives, USAID frequently funds development efforts implemented by other USG departments and agencies. In 2009, USAID funded development projects in Afghanistan implemented by the Department of Agriculture, by the Department of State, by the Department of Defense, and by extensive civilian contracting partners.¹³ Through its funding and implementation, USAID has demonstrated a whole of government approach.

While the USAID proposal restricts the development tasks the military “should” perform to those strictly related to “sources of instability,” the proposal does allow the military to conduct development when necessary. Sources of instability are “issues locals identify which undermine government support, increase support for insurgents, and/or disrupts the normal functions of society.”¹⁴ Therefore, the USAID proposal does allow the military to conduct appropriate development when civilian agencies are unable.

USAID Proposal alignment with development protocol

In order for a proposal to align with conflict related development protocol, the military’s role must focus on security, humanitarian aid, and stability, the initial phases of the development spectrum; see figure 1 on page 27. Additionally, the proposal should require working with, and through, local institutions, whenever possible. In the USAID proposal, the military does focus solely on security, humanitarian aid, and stability, and

the proposal espouses working with and through local institutions. Therefore, the USAID proposal aligns with development protocol.

USAID's proposed role for the military in conflict-related development focuses the military on security and stability related development. More specifically USAID proposes that military efforts in development focus on sources of instability. By definition, a focus on sources of instability involves addressing security and stability. Therefore, by definition, the USAID proposal focuses the military on security and stability, of which humanitarian aid is implicit.

USAID identifies working through local institutions as a development imperative and USAID protocol specifies the requirement to work through local institutions. However, in execution there is significant evidence of extensive and systemic bypassing of local and host nation institutions via international contractors.¹⁵ Thus, in this respect, USAID does not fully adhere to its own development protocol. The reason provided for this is usually that there are inadequate partners available in the host nation to execute all of the necessary development projects.¹⁶ Additionally, as previously discussed, due to meager staffing, USAID must outsource the majority of their efforts in Afghanistan. Presumably, if adequately staffed, USAID would more extensively pursue development through local institutions; practically, USAID executes a significant portion of its development through international contractors.

USAID Proposal alignment with relevant academic theory

In order for a proposal to align with academic theory, it must be consistent with widely accepted economic theory and principles, and should not significantly contribute to any of the conditions that impede economic convergence.

Idiosyncratically, USAID may not align with academic theory in execution, but USAID development protocol (doctrine) fully aligns with widely accepted academic theory. Of note, some experts and academics argue that USAID assistance (providing free or heavily subsidized goods and services) creates dependency and retards economic development in the host nation.¹⁷ However, USAID protocol specifically states that development shifts away from these types of assistance once it has met immediate humanitarian needs. Similar to the question of USAID working with and through local institutions, there is a disconnection between protocol and execution with respect to USAID's alignment with academic theory and principles. However, this analysis assumes that USAID does in fact endeavor to follow its protocol and transition expeditiously from dependency creating assistance to more sustainable development methods.

USAID Proposal alignment with military expediency

In order for a proposal to align with military expediency, it must provide unity of command, allow for non-permissive environments, and be appropriately scalable to nest with large-scale stability operations. The USAID proposal does not provide unity of command, is not appropriately scalable, but does allow for non-permissive environments. Therefore, the USAID proposal does not fully align with military expediency.

Currently, USAID generally works to coordinate with and advise the military on development matters. The level of coordination actually achieved is varied. The command structure is parallel. As noted previously, in chapter 2, section 5, this structure provides no formal, systemic unity of command. Without a formal command structure to force coordination and unity of effort, achieving effective unity of effort is personality

driven and elusive, as shown throughout this thesis. Thus, the USAID proposal does not provide unity of command.

In the DSF framework, USAID identifies that the military “should” conduct security and stability related development, while constraining those efforts to addressing sources of instability. Again, by definition, a focus on sources of instability is a focus on security and stability. Therefore, the USAID proposal does support the military conducting some form of limited development when civilian agencies are unable.

USAID proposes that they conduct the majority of substantive development. Given USAID’s meager personnel, approximately one USAID professional for every 840 uniformed DoD personnel or 2,000 to 1.68 million, USAID lacks the capacity to adequately nest within a larger COIN campaign or conduct large-scale development efforts without sub-contracting extensively.¹⁸ More simply put, USAID does not currently have enough people, planning capability, or command structure to conduct nested, large-scale, interagency operations with the military.¹⁹ Certainly, USAID lacks the staffing and organizational capacity to lead large-scale interagency operations.²⁰ For these reasons, the USAID proposal is not appropriately scalable.

Summary of Analysis on the USAID Proposal

In summary, the USAID proposal for the military’s role in economic development aligns with strategic guidance, development protocol, and academic theory, but is not fully aligned with military expediency. The USAID proposal does not align with military expediency due to a lack of unity of command and scalability.

Evaluation of the “NGO and IGO Proposal”

This section evaluates the NGO and IGO proposal for the military’s role in conflict related development. This evaluation is based on the four primary evaluation questions developed in chapter 3. These primary questions evaluate alignment with strategic guidance, current conflict related development protocol, relevant academic theory, and military expediency. For additional discussion of the NGO and IGO proposal, see Chapter 2, in Section 7, under the “NGO and IGO Proposal.”

NGO and IGO Proposal alignment with strategic guidance

In order for a proposal to align with strategic guidance, it must identify USAID as the lead USG agency for development, be a whole of government approach, and support the military conducting appropriate development when civilian agencies are unable. The NGO and IGO proposal does identify USAID as the lead agency for development and is a whole of government approach, but does not allow the military to conduct appropriate development when civilian agencies are unable. Therefore, the NGO and IGO proposal does not align fully with strategic guidance.

NGOs and IGOs tend to view development as a global humanitarian imperative and not the sole domain of any one organization. For this reason, this question may not be appropriate. However, based on research, NGO and IGOs would generally prefer USAID serve as the lead development agency versus the military. This is because NGOs and IGOs tend to object to the “securitization” of development. NGOs and IGOs commonly view the securitization of development as a corruption of the inherent humanitarian nature of development.²¹ Therefore, NGOs and IGOs do prefer USAID as the lead USG agency for development.

As mentioned above, NGOs and IGOs tend to view development as a humanitarian imperative. NGOs and IGOs prefer as many resources as possible, as long as it does not interfere with their operations.²² In order to gather as many resources and as much expertise as possible, NGOs and IGOs tend to support a whole of government approach.

As mentioned in chapter 2, NGOs and IGOs generally prefer the military restrict development activity to providing security, providing humanitarian aid in extremis, and partnering with the host nation security sector, to improve professionalism. Therefore, NGOs and IGOs generally prefer that the military not conduct development, and prefer that civilian development organizations supervise and conduct all development. For this reason, the NGO and IGO proposal does not support the military conducting significant development. Of course, those NGOs and IGOs receiving USG or U.S. military funding are more amenable to U.S. military development efforts, but as the U.S. does not fund all NGOs and IGOs, this support does not apply uniformly.

NGO and IGO Proposal alignment with development protocol

In order for a proposal to align with conflict related development protocol, the military's role must focus on security, humanitarian aid, and stability, the initial phases of the development spectrum; see figure 1 on page 27. Additionally, the proposal should require working with, and through, local institutions, whenever possible. In the NGO and IGO proposal, the military does focus solely on security, humanitarian aid, and stability, and the proposal espouses working with and through local institutions. Therefore, the NGO and IGO proposal aligns with development protocol.

NGOs and IGOs tend to propose more restrictions on the military's role in economic development. As mentioned above, NGOs and IGOs generally prefer the military restrict development activity to providing security, providing humanitarian aid in extremis, and partnering with the host nation security sector, to improve professionalism. Therefore, these organizations absolutely focus military development efforts at the security and humanitarian end of the development spectrum, perhaps excessively so.

In considering whether NGOs and IGOs work with and through local institutions, NGOs and IGOs are so varied in their approach that a "yes" or "no" judgment for this question is by necessity a generalization. However, in general, these organizations espouse working with and through local institutions as a best practice for development.

NGO and IGO Proposal alignment with relevant academic theory

In order for a proposal to align with academic theory, it must be consistent with widely accepted economic theory and principles, and should not significantly contribute to any of the conditions that impede economic convergence.

The NGO and IGO universe is so broad and varied in approach that this question has no practical, justifiable answer. Many NGOs pursue independent mandates that may or may not align with academic economic considerations. For example, an NGO may pursue a specific religious or moral objective with no consideration for economic development, per se. Other NGOs, particularly those who receive extensive government funding, are essentially proxies for government development agencies. For example, in 2010, UNDP funding was over 65 percent earmarked. Earmarked funding obligates UNDP to commit a substantial portion of their funds according to donor preference,

regardless of academic theory.²³ As with the myriad of differing *raison d'être* for the various NGOs and IGOs, there is an equally broad degree of adherence to academic theory.

NGO and IGO Proposal alignment with military expediency

In order for a proposal to align with military expediency, it must provide unity of command, allow for non-permissive environments, and be appropriately scalable to nest with large-scale stability operations. The NGO and IGO proposal does not provide unity of command, does not allow for non-permissive environments, and is not appropriately scalable. Therefore, the NGO and IGO proposal does not align with military expediency.

In general, NGOs and IGOs reject any attempts to control their efforts. The objectives of these organizations are so wide-ranging that they prefer to work with minimal restriction or central control, particularly military control. With exception, there tends to be an element of distrust between NGOs and the military. Therefore, many NGOs and IGOs deliberately conduct their activities outside of military control or direction, frustrating efforts to achieve unity of command. Distancing themselves from military forces also allows NGOs and IGOs to maintain the appearance of neutrality.²⁴ Of course, this would not apply to NGOs and IGOs that receive significant funding from the USG or the U.S. military. For example, considering that the U.S. was the second largest UNDP donor, supplying over 16 percent of UNDP funding, one would expect that UNDP development efforts align well with U.S. interests.²⁵ Clearly, there is a strong incentive to cooperate with a primary donor, but a great proportion of IGOs and NGOs do not receive funding from the USG and therefore have less incentive to cooperate.

With no significant, organic security capability, NGOs and IGOs are generally unable to operate effectively in very insecure environments. A recent example of this is the limited access these organizations have been able to maintain in Somalia. In very insecure environments, most NGOs, particularly western NGOs, are unable to operate effectively. For this reason, the NGO and IGO proposal does not allow for development in significantly insecure environments.

NGO and IGO funding is dependent on donor nations and private sources of funding. Therefore, funding, and not necessarily “needs,” drive the level of development these organizations conduct. Subsequently, NGOs and IGOs cannot scale up operations without a corresponding increase in donor funding. Therefore, NGO and IGO operations are not significantly scalable independent of increased funding.

Summary of Analysis on the NGO and IGO Proposal

In summary, the NGO and IGO proposal for the military’s role in economic development aligns generally with development protocol, but does not align fully with strategic guidance, academic theory, or military expediency. At least in part, this stems from the occasionally disparate interests of these organizations and U.S. national security interests.

Evaluation of the “Schramm Proposal”

This section evaluates the Schramm proposal for the military’s role in conflict related development. This evaluation is based on the four primary evaluation questions developed in chapter 3. These primary questions evaluate alignment with strategic guidance, current conflict related development protocol, relevant academic theory, and

military expediency. For additional discussion of the Schramm proposal, see Chapter 2, Section 7, under the “Schramm Proposal.”

Schramm Proposal alignment with strategic guidance

In order for a proposal to align with strategic guidance, it must identify USAID as the lead USG agency for development, be a whole of government approach, and support the military conducting appropriate development when civilian agencies are unable. The Schramm proposal does not identify USAID as the lead agency for development; however, it is a whole of government approach, and does allow the military to conduct appropriate development when civilian agencies are unable. Therefore, the Schramm proposal does not align fully with strategic guidance.

Although Schramm proposes that the military not supplant existing government development agencies, he nevertheless envisions that the military “play. . .a leading role in bringing economic growth to devastated countries.”²⁶ This proposed role contravenes USAID’s mandate as the lead USG agency for development as outlined in both Presidential and State Department policy.

Schramm proposes that the military augment the ongoing efforts of the various USG agencies and departments currently conducting development. While he feels that current development efforts lack effective coordination, he proposes that these various agencies continue to conduct their development activities, albeit supplemented by the military and with improved practices. Therefore, his proposal is a whole of government approach.

Schramm’s proposal has the military conducting quasi-venture capitalism. If the military were conducting this sort of relatively complex development, then certainly the

military would have a relatively free hand to conduct other types of development in this proposal and would be able to conduct development when civilian agencies were unable.

Schramm Proposal alignment with development protocol

In order for a proposal to align with conflict related development protocol, the military's role must focus on security, humanitarian aid, and stability, the initial phases of the development spectrum; see figure 1 on page 27. Additionally, the proposal should require working with, and through, local institutions, whenever possible. In the Schramm proposal, the military does not focus solely on security, humanitarian aid, and stability, but the proposal does espouse working with and through local institutions. Therefore, the Schramm proposal does not align with development protocol. Due to his perception of traditional development as ineffective, Schramm would most likely view this lack of alignment with the status quo as a positive characteristic.

Schramm's proposal is that the military should seek to foster entrepreneurial capitalism, which he admits beguiles formulaic approaches, and rather requires nuanced understanding and execution.²⁷ In his proposal, the military would not focus exclusively on security, humanitarian aid, and stability. The military's role expands to include fostering entrepreneurial capitalism at the lowest levels of economic activity. The military typically lacks training, staffing, and experience in fostering entrepreneurial capitalism. The opportunity costs of acquiring this capability would be difficult to quantify, not to mention the feasibility given the current characteristics of the military force.

Schramm's proposal does not specifically state that the military should work with and through local institutions; however, he references this approach as an effective

vehicle for creating capacity and growth.²⁸ Thus, Schramm's proposal does espouse working with and through local institutions.

Schramm Proposal alignment with relevant academic theory

In order for a proposal to align with academic theory, it must be consistent with widely accepted economic theory and principles, and should not significantly contribute to any of the conditions that impede economic convergence.

Schramm's proposal transcends development related academic theory, really directing a new way forward, namely bottom-up development driven by investment in the private sector at the lowest level. From Adam Smith to Milton Friedman, there is academic literature and precedent to support Schramm's fundamental assertion that free (private) markets are the most efficient mechanism for economic growth. Of course, some development must occur at the national level, such as the development of macroeconomic institutions, described in detail in chapter 2, sections 3 and 4. Schramm allows for this macroeconomic national-level development and does not propose a singular development effort, with only microeconomic development at the lowest level. While Schramm's proposal does outline a new direction, it is consistent with academic theory.

Schramm Proposal alignment with military expediency

In order for a proposal to align with military expediency, it must provide unity of command, allow for non-permissive environments, and be appropriately scalable to nest with large-scale stability operations. The Schramm proposal does provide unity of

command, is appropriately scalable, but does not allow for non-permissive environments. Therefore, the Schramm proposal does not fully align with military expediency.

While Schramm does not address the nuances of command structure in his article, one could interpret his article as espousing military primacy in light of the perceived failure of the development community to deliver results. Schramm states that the military is uniquely positioned and suited to control development in a conflict environment.²⁹

Schramm's vision to promote development through private sector investment is not feasible in materially insecure environments due to the extremely deleterious effect of severe violence on economic activity. While Schramm argues that investment at the lowest level of economic activity will bring stability, there is inadequate data to support the conclusion that entrepreneurship will be able to function effectively in severely insecure circumstances. All data examined in this thesis indicates that severe violence precludes significant private sector economic activity. For example, the World Bank *World Development Report 2011: Conflict, Security, and Development 2011* provides a compelling set of data and analysis supporting this assertion. In other words, investment in the private sector will be ineffective in severely insecure circumstances. Rather than investing in severely insecure environments, military units must focus first on establishing security. Importantly, Schramm also acknowledges the need to refine the timing of military development efforts when conditions are insecure.

As countless venture capital companies have evidenced, private sector investment is essentially unconstrained given adequate funding. While scaling up investment is subject to diminishing returns as funding increases, certainly, military units could scale up investment as desired, given adequate funding.

Summary of Analysis on the Schramm Proposal

In summary, the Schramm Proposal for the military's role in economic development aligns with academic theory, but not strategic guidance, development protocol, or military expediency. Dr. Schramm's recommendations transcend traditional development models and propose development largely driven by the host nation private sector, via entrepreneurship. Schramm believes conventional development has failed and that the military is uniquely positioned to revitalize development using an entrepreneurial, free market-driven, bottom-up approach. However, it seems illogical that if USAID cannot get development "right," the military should become a primary tool for development. The problem is improving USAID effectiveness, not developing tangential capability in the military. The principles of specialization and division of labor predict that specializing development in USAID should yield more expertise than building a redundant capability in the military.

Evaluation of the "CORDS and DWEC Models"

This section evaluates the CORDS and DWEC models for the military's role in conflict related development. This evaluation is based on the four primary evaluation questions developed in chapter 3. These primary questions evaluate alignment with strategic guidance, current conflict related development protocol, relevant academic theory, and military expediency. For a detailed discussion of the CORDS and DWEC models see Chapter 2, Section 6, "Relevant historical military development efforts;" and Chapter 2, Section 7, under the "CORDS and DWEC Models."

CORDS and DWEC Model alignment with strategic guidance

In order for a proposal to align with strategic guidance, it must identify USAID as the lead USG agency for development, be a whole of government approach, and support the military conducting appropriate development when civilian agencies are unable. The CORDS and DWEC models do identify USAID as the lead agency for development, are a whole of government approach, and do allow the military to conduct appropriate development when civilian agencies are unable. Therefore, the CORDS and DWEC models align with strategic guidance.

In both CORDS and DWEC, a single responsible commander directed all COIN efforts, including development. While civilian agencies fell under the command of the military in both CORDS and DWEC, these civilian agencies conducted the vast majority of development. Civilian agencies were simply required to align and nest development within the larger COIN campaign. The commander provided the overall direction and coordination (the “what” and the “why”), while the civilian agencies executed the development itself (the “how”). In both of these models, while the military had overall control of government efforts in the country, civilian development experts were free to conduct development within established priorities.

CORDS and DWEC incorporated all government agencies into their respective organizations via interagency boards, chaired by a single responsible individual. These agencies were responsible for their respective fields; the military focused on security, development agencies on development, etc. This structure was echeloned from the national, to the regional, and to the local (village) level. By using all available

government agencies, both CORDS and DWEC evidenced a whole of government approach.

While CORDS and DWEC rely on civilian expertise to advise the various COIN lines of effort, military personnel filled the voids in civilian staffing. In CORDS, incorporating the military into pacification resulted in a significant increase in development, in terms of both funding and projects conducted.³⁰ Admittedly, these metrics do not necessarily indicate efficient development, but certainly more development occurred. In both CORDS and DWEC, military authorities observed that development conducted with and through the local government increased perceived legitimacy.

CORDS and DWEC Model alignment with development protocol

In order for a proposal to align with conflict related development protocol, the military's role must focus on security, humanitarian aid, and stability, the initial phases of the development spectrum; see figure 1 on page 27. Additionally, the proposal should require working with, and through local institutions, whenever possible. In the CORDS and DWEC models, the military does focus solely on security, humanitarian aid, and stability, and the proposal espouses working with and through local institutions. Therefore, the CORDS and DWEC models align with development protocol.

In both CORDS and DWEC, the military focuses primarily on security and stability, leaving the more nuanced efforts in development to civilian development agencies. In CORDS, USAID personnel worked to conduct development at the village level, while the military focused on security and FID.

Both CORDS and DWEC worked with and through local leaders and institutions. CORDS supported and mirrored a parallel South Vietnamese command structure. In DWEC, British officers and officials served as administrators, gradually transferring control to the Malayan government as security allowed.³¹ By working with and through local institutions, these programs reinforced government credibility, built government capacity, and reduced corruption.

CORDS and DWEC Model alignment with relevant academic theory

In order for a proposal to align with academic theory, it must be consistent with widely accepted economic theory and principles, and should not significantly contribute to any of the conditions that impede economic convergence.

Available information indicates that adherence to academic theory was somewhat idiosyncratic, varying from province to province depending on the situation, expertise, and priorities of that particular organization. In very insecure environments, the focus was more on improving security rather than economic development, while secure environments focused more on development. However, nothing in the CORDS or DWEC model violates development related academic principle or theory.

CORDS and DWEC Model alignment with military expediency

In order for a proposal to align with military expediency, it must provide unity of command, allow for non-permissive environments, and be appropriately scalable to nest with large-scale stability operations. The CORDS and DWEC models do provide unity of

command, do allow for non-permissive environments, and are appropriately scalable. Therefore, the CORDS and DWEC models align with military expediency.

As CORDS and DWEC consolidated all COIN lines of effort under a single commander, unity of command was excellent. This unity of command is unique among all of the various models and proposals evaluated in this thesis. In both models, a single responsible commander controlled all lines of efforts and associated agencies. Analysis in both this thesis and other sources indicates that this unity of command is essential to effective development and stability operations.

Both CORDS and DWEC operated successfully in non-permissive environments. President Johnson implemented CORDS at the height of the Vietnam War, as the British implemented the DWEC model at the height of the Malaya Emergency. In both cases, retrospective analysis views both of the respective models as successful in improving security, stability, and governance.

Counterinsurgents applied the CORDS and DWEC models at a national level across large populations and large numbers of provinces and villages. These models were echeloned to allow adding new villages as necessary. Both CORDS and DWEC were scalable.

Summary of Analysis on the CORDS and DWEC Model

In summary, the CORDS and DWEC Model for the military's role in economic development is aligned with all of the evaluation criteria. It is the only model or proposal that meets all of the criteria for the military's role in conflict related development.

Summary and Conclusion of Analysis

This chapter applied the four primary evaluation questions, with supporting secondary questions, to the various proposed roles for the military in conflict related development. The questions determine if a given proposal aligns with strategic guidance, current conflict related development protocol, relevant academic theory, and military expediency. Table 3 summarizes the chapter 4 analysis.

Table 3. Summary of Analysis

	<i>Current Model</i>	<i>USAID Proposal</i>	<i>NGO/IGO Proposal</i>	<i>Schramm Proposal</i>	<i>CORDS/DWEC Model*</i>
Is the proposal aligned with strategic guidance?	Yes	Yes	No	No	Yes
Is USAID the lead agency for development?	Yes	Yes	Yes	No	Yes
Is the proposal a "whole of government" approach?	Yes	Yes	Yes	Yes	Yes
Does the proposal support the military conducting appropriate development when civilian agencies are unable?	Yes	Yes	No	Yes	Yes
Is the proposal aligned with conflict related development protocol?	No	Yes	YES	No	Yes
Does the military's role focus on security, humanitarian aid, and stability?	No	Yes	Yes	No	Yes
Does the proposal work with and through local institutions?	No	Yes	Yes	Yes	Yes
Is the proposal aligned with relevant academic theory and principles?	No	Yes	VAR	Yes	Yes
Is the proposal aligned with military considerations?	No	No	No	No	Yes
Does the proposal provide unity of command?	No	No	No	Yes	Yes
Does the proposal allow for non-permissive environments?	Yes	Yes	No	No	Yes
Is the proposal appropriately scalable?	Yes	No	No	Yes	Yes
*DWEC provides improved unity of command by fully consolidating all civil and military authority in one position.					
VAR - Variable, not practical for yes/no analysis.					

Source: Created by author.

The analysis indicates that of the five proposals, only one aligns with all of the evaluation criteria, the CORDS and DWEC model. Of CORDS and DWEC, DWEC

offers improved unity of command by consolidating all civil and military authority in a single commander. While CORDS consolidated all pacification efforts under General Westmoreland, many civilian agency efforts remained outside of his control. Thus, while CORDS and DWEC are very similar, the DWEC model provides somewhat improved unity of command. Chapter 5 will examine how contemporary leaders could apply the CORDS and DWEC model into a coherent policy governing all military efforts in conflict related development. Because counterinsurgents developed CORDS and DWEC for specific circumstances, using these models to determine a role for the military in conflict related development requires extrapolating the models into a guiding policy framework. Determining the military's role in conflict related development will improve unity of effort and understanding in, and between, the military and other stakeholders in expeditionary economics. Defining this role will also contribute to mission success and more effective conflict related development.

¹The United States Agency for International Development, *Economic Assistance (Disbursements) by Funding Agency, Implementing Agency, and Sector*.

²Johnson, Ramachandran, and Walz, *The Commander's Emergency Response Program in Afghanistan and Refining US Military Capabilities in Stability and In-Conflict Development*.

³The United States Agency for International Development, *Economic Assistance (Disbursements) by Funding Agency, Implementing Agency, and Sector*.

⁴Ibid.

⁵Ibid.

⁶Kirsten Lundberg, *The Accidental Statesman: General Petraeus and the City of Mosul, Iraq* (Case Study, Cambridge, MA: John F. Kennedy School of Government, Harvard University, March 2006).

⁷Bradbury and Kleinman, *Winning Hearts and Minds?*

⁸Patterson and Robinson, “The Commander as Investor”; Livingston, “Beyond SWEAT”; Special Inspector for Afghanistan Reconstruction, *SIGAR Audit-11-13 Anti-Corruption/Financial Sector Assistance*; United States Senate Committee on Foreign Relations, *Evaluating U.S. Foreign Assistance to Afghanistan*.

⁹Kilcullen, *The Accidental Guerrilla*, 107.

¹⁰*Ibid.*, 134-135.

¹¹Bradbury and Kleinman, *Winning Hearts and Minds?*

¹²The United States Agency for International Development, *USAID and the President’s Global Development Policy*.

¹³The United States Agency for International Development, *Economic Assistance (Disbursements) by Funding Agency, Implementing Agency, and Sector*.

¹⁴Crnkovich, *District Stability Framework (DSF)*.

¹⁵United States Senate Committee on Foreign Relations, *Evaluating U.S. Foreign Assistance to Afghanistan*.

¹⁶The United States Agency for International Development, *A Guide to Economic Growth in Post-Conflict Countries*.

¹⁷Castillo, “The Economics of Peace,”; Easterly, *The Elusive Quest for Growth*; Anderson, *Remodeling Pre/Post Conflict Development Assistance for Weak and Failing States*.

¹⁸Kilcullen, *The Accidental Guerrilla*, 26.

¹⁹*Ibid.*

²⁰Andrade and Willbanks, “CORDS/Phoenix.”

²¹Bradbury and Kleinman, *Winning Hearts and Minds?*; Epstein, *Foreign Aid Reform, National Strategy, and the Quadrennial Review*.

²²*Ibid.*

²³United Nations Development Programme, *UNDP in Action-Annual Report 2010/2011*.

²⁴Bradbury and Kleinman, *Winning Hearts and Minds?*

²⁵United Nations Development Programme, *UNDP in Action-Annual Report 2010/2011* (Annual Report, New York: UNDP, 2011).

²⁶Schramm, “Expeditionary Economics,” 93.

²⁷Ibid., 97.

²⁸Ibid., 98.

²⁹Ibid.

³⁰Andrade and Willbanks, “CORDS/Phoenix.”

³¹Nagl, *Learning to Eat Soup with a Knife*.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

Introduction

The previous chapters reviewed the relevant considerations for determining the appropriate role for the military in conflict related development. Chapter 2 reviewed relevant aspects of strategic guidance, development protocol and best practices, academic theory and principles, and military expediency. Chapter 2 also identified the major various proposals by development experts (USAID, NGOs, IOs, and other relevant experts) regarding the military's role in development.

In chapter 3, further analysis of the relevant considerations provided four primary, and several supporting, evaluation criteria for analyzing the various proposals. These criteria determine if a proposal or model aligns with strategic guidance, development protocol and best practices, academic theory and principles, and military expediency. Table 2 on page 93 summarizes these questions.

Chapter 4 applied the criteria developed in chapter 3 to the various proposals for the military's role in conflict related development. Table 3 on page 121 summarizes this analysis. The CORDS and DWEC models are the only proposals or models aligned with all of the evaluation criteria. Thus, by these evaluation criteria, the CORDS and DWEC model is clearly superior. However, the CORDS and DWEC models cannot be applied universally, but rather indicate a logical policy framework that can define the military's role in conflict related development.

This concluding chapter examines the CORDS and DWEC model and extracts a coherent policy framework that defines the military's role in conflict-related

development. Determining the military's role in conflict related development will improve unity of effort and understanding in, and between, the military and other stakeholders in expeditionary economics. Defining this role will also contribute to mission success and more effective conflict related development.

The remainder of this chapter is organized into three sections.

1. Findings
2. Summary and Conclusions
3. Recommendations For Further Study

Findings

The CORDS and DWEC models meet all of the evaluation criteria and are thus the best, known models for the military's role in conflict related development. While CORDS and DWEC are very similar, of the two, DWEC offers improved unity of command by consolidating all civil and military authority in a single position. Unity of command focuses action and avoids uncoordinated, inefficient, and contravening efforts. Analysis in this thesis and in other bodies of work indicates that a lack of unity of command is one of the principal causes of failure in conflict related development and in stability operations in general. CORDS and DWEC align with the economic principles of division of labor and specialization, in that agencies focus on their respective areas of expertise. In this model, interagency committees, chaired by a single responsible individual and echeloned from the national down to the local level, administer all COIN efforts: social, political, economic, police, and military. Each agency focuses on its respective area of expertise: the military focuses on security and overall campaign coordination, development agencies focus on development, etc. Should agencies lack the

capacity to fill positions, other agencies can substitute on the committee, albeit with presumably less expertise.

A major implication of these findings is that during major military operations, such as Operation Iraqi Freedom and Operation Enduring Freedom, the overall military commander ultimately controls all civilian agencies' efforts in the area of operations, including development. This control provides unity of command, which enables unity of effort. This implication is significant due to the lack of familiarity, rivalry, and distrust that sometimes infects interagency efforts. Thus, it is important to establish clear policy guidelines that positively identify when military or civilian leadership will exercise control in an area of operations. Additionally, because the USG would consolidate authority in a single commander, another major implication is that it is essential to select the appropriately skilled military commander to control these efforts and orchestrate the whole of government in action. Therefore, the two major implications of these findings are the necessity of unity of command in stability operations and the importance of selecting the appropriately qualified strategic commander.

Unity of Command in Stability Operations

Military strategists from Jomini to JFC Fuller have identified the importance of unity of command, that "operations attain unity of effort under one responsible commander."¹ Currently, the USG attempts to achieve unity of effort abroad without unity of command. This is an effort to achieve coordination and synchronization without a single responsible leader. The precedent uncovered in this thesis, Malaya, Vietnam, Afghanistan, and Iraq, illustrates that this is simply not feasible. As noted in Army doctrine, "Cooperation may produce coordination, but giving a single commander the

required authority is the most effective way to achieve unity of effort.”² Without unity of command, unity of effort is fleeting, illusive, and at best achievable in the relatively uncommon instances when the personalities and objectives of senior leaders coincide, such as those of General Petraeus and Ambassador Crocker in the 2007 Iraq “Surge.”³ With few exceptions, the current parallel interagency command structure has largely resulted in inefficiencies, a lack of coordination, and a lack of synchronization, as recounted throughout this thesis. Anchoring the command and control of our strategic operations on the idiosyncratic chance of individual personality and objective coincidence is not intelligent policy.

Appointing a military commander over civilian USG personnel and vice versa is likely to be a controversial notion. However, this is not unprecedented as evidenced by CORDS, DWEC, and other stability operations. What is also not unprecedented is the general lack of coordination and efficacy that results from a lack of unity of command, as generated by the current parallel command structure. Military command of civilian supporting efforts does not imply micromanagement; rather the focus is on achieving coordination and synchronization, directed towards the strategic end state, under a single responsible individual. When leading interagency efforts, military commanders must ensure they allow civilian experts to operate within the mission command framework. The mission command framework is a collaborative planning process wherein subordinates are guided by intent, and the “who, what, when, where, and why,” but are able to use their expertise and initiative to determine the “how” and to advise their superiors of necessary refinements.⁴ As in the CORDS and DWEC models, while the military would have overall control of government efforts in the area of operations,

civilian development experts would be free to conduct development within established priorities. Civilian USG personnel operating in the area of operations would only fall under military command during predominantly military operations, such as Operation Iraq Freedom and Operation Enduring Freedom. Outside of significant, large-scale military operations, the ambassador, or designated representative, would coordinate all military efforts in a host nation, including development. This thesis does not propose any change in the civilian National Command Authority, the President remains the Commander-In-Chief of the Armed Forces of the United States, and the Secretary of Defense directs the DoD on the President's behalf.

Determining when civilian or military operations have control of all USG efforts in an area of operations may be problematic. Fortunately, the DoD operational phasing framework described in chapter 2 provides a useful framework. Within the phased operational framework, this thesis proposes civilian USG leadership have overall control in phase 0, phase I, and phase V, while military leadership have command in phase II, phase III, and phase IV. This allocation corresponds to the relative preponderance of effort of the civilian or military elements of national power. In phases 0, I, and V, civilian agencies conduct the majority of USG efforts, while the military conducts the preponderance of USG efforts in phases II, III, and IV. Figure 16 depicts these phases and civilian or military control of USG efforts in the area of operations.

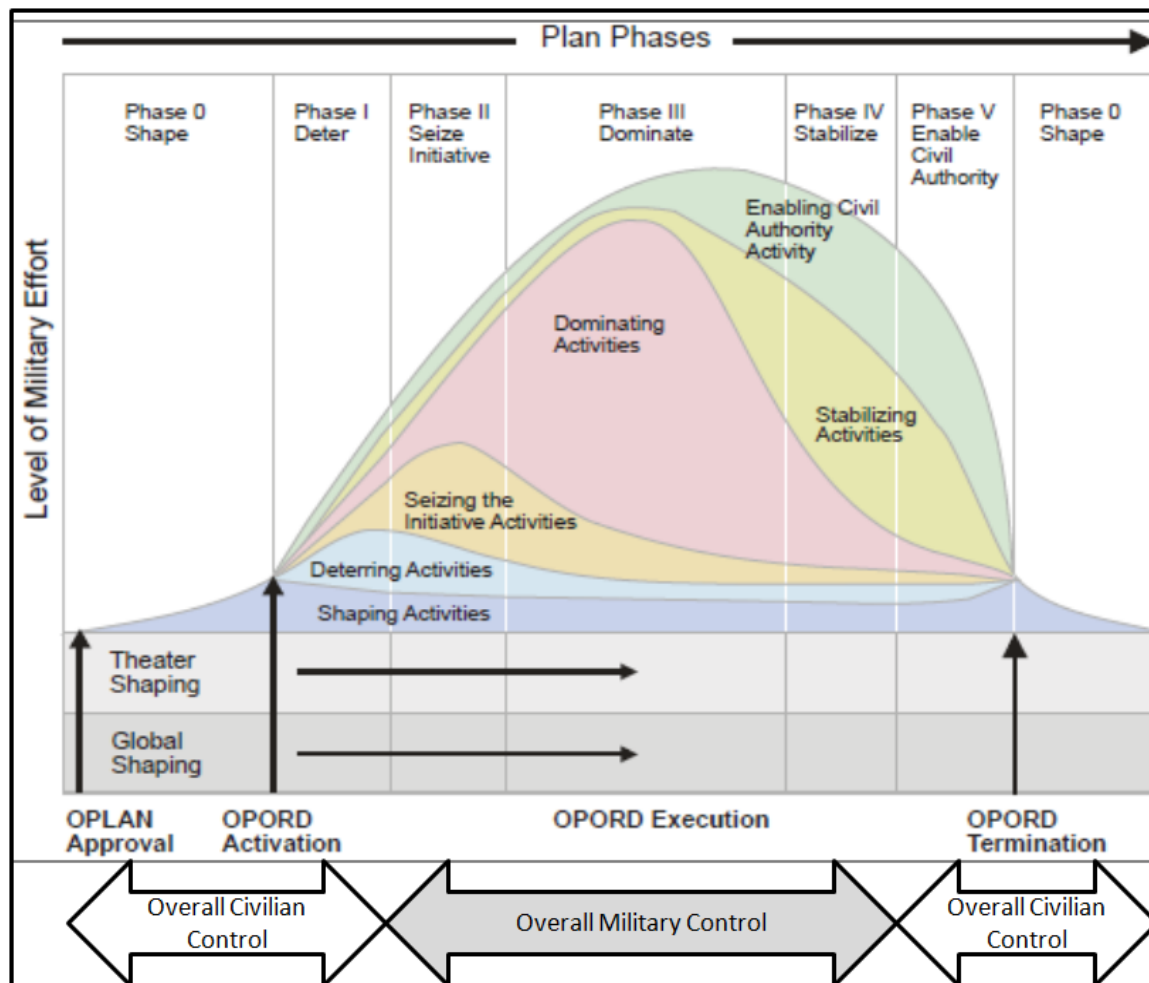


Figure 16. Proposed Military or Civilian Control by Phase

Source: Created by author, adapted from The United States Department of Defense, JP 5-0, *Joint Operation Planning* (Washington, DC: Government Printing Office, August 2011), III-39.

In phase 0, the “shape” phase, civilians command military efforts in a given foreign nation, including development. In phase 0, civilian leadership would coordinate and ultimately control military efforts, including development, nesting these efforts within the USG’s overall strategy for the host nation. Again, in phase I, the “deter” phase, civilians command military efforts in a given foreign nation. Importantly, if deterrence is

successful, military operations skip phases II and III and progress to phase IV or phase V, as intermediate phases are no longer necessary.

In phase II, the “seize initiative” phase, overall control transitions to military command of civilian USG efforts in the area of operations, including development. In phase II, military leadership would coordinate and ultimately control all civilian USG efforts in the area of operations. The military coordinates and synchronizes these efforts, nesting all efforts within the area of operation’s overall military strategy. In phase III, the “dominate” phase, the military command of all civilian USG efforts in the area of operations continues. Military command of civilian USG efforts continues, in phase IV, the “stabilize” phase. This phase ends with a transition to civilian control.

In phase V, the “enable civil authority” phase, overall control of USG efforts transitions back to civilian command of military efforts in a given foreign nation, including development. This phase returns authority and responsibility to civilian leadership, and signals the end of major military involvement. In phase V, civilian leadership coordinates and ultimately controls military efforts, nesting these efforts within the USG’s overall strategy for the host nation.

To provide a vision of how this would work in execution, in Africa current military development efforts would ultimately fall under civilian control, nesting within the State Department’s larger engagement strategy; while in Afghanistan, civilian development efforts would ultimately fall under military control, nesting within the military’s larger stability operations campaign. Academic and professional studies characterize military development efforts in Africa as largely uncoordinated with other USG, IGO, and NGO development efforts.⁵ Military efforts in Africa occur in either

phase 0, the “shape” phase (continent-wide, with exception), in phase I, the “deter” phase (Horn of Africa), or in phase V, the “enable civil authority” phase (Libya). Under this proposal, all military development in Africa would ultimately fall under the control of each nation’s respective U.S. ambassador, or his or her designated representative. The military would provide their desired ends, ways, and means concerning development to the appropriate USG civilian authority, which would then refine these to nest within the larger State Department strategy for that particular nation or region. This structure would compel military development in Africa to coordinate with other USG agencies, providing the missing coordination. The converse would be true in Afghanistan, in phase IV, the “stabilize” phase. In phase IV, civilian USG development organizations would refine their development ends, ways, and means to nest within the larger military stability campaign. Thus, in both instances this structure would attain unity of command, albeit under different USG departments.

Importance of the Strategic Leader

Considering the potential for interagency friction and the tremendous complexity of orchestrating a whole of government approach, the overall commander is critical and requires careful selection, military or civilian. In a military context, the overall commander must not only be fully qualified to command militarily, but must also function competently as a statesman, navigating the complexities of U.S. politics. These qualifications are not new, or unprecedented. In his seminal work, *On War*, Clausewitz described the qualities of the “commander in chief,” or “a general who leads the army as a whole or commands in a theater of operations.”⁶

But history and posterity reserve the name of ‘genius’ for those who have excelled in the highest positions --as commanders-in-chief-- since here the demands for intellectual and moral powers are vastly greater. To bring a war, or one of its campaigns, to a successful close requires a thorough grasp of national policy. On that level strategy and policy coalesce: the commander-in-chief is simultaneously a statesman.⁷

Clausewitz continues to explain that, the overall military commander “must be familiar with the higher affairs of state and its innate policies; he must know current issues, questions under consideration, the leading personalities, and be able to form sound judgments.”⁸ While the U.S. military has an excellent record of producing competent military commanders, it has a more checkered record of producing competent statesmen. Many military commanders seem to have difficulty making the transition from exclusively military operations to strategic-level interagency operations requiring significant political management.

The list of senior military commanders who excelled on the tactical battlefield, but failed on the political battlefield is long and distinguished. While an exhaustive list is outside the scope of this thesis, a recent example of a major military commander failing in the political arena is Lieutenant General (retired) Ricardo Sanchez, the former Multinational Force Iraq (MNF-I) commanding general. In an interview with Charlie Rose following his ill-fated command in Iraq, LTG Sanchez explained that his greatest lesson learned was that, “The most difficult challenges for a military leader will lie in the politics of war, and that war is ultimately an extension of politics.”⁹ He continues to say that he had not fully understood this consideration when assuming command of MNF-I. Certainly, the ill-advised political decisions made during his tenure corroborate his lack of understanding and skill as a statesman. That the importance of politics is unclear in the mind of a major military commander in war is troubling. The political nature of war, as

identified by Clausewitz, is fundamental and axiomatic to military strategy, “war is not merely an act of policy, but a true political instrument, a continuation of political intercourse, carried on with other means.”¹⁰ While LTG Sanchez enjoyed an excellent military career and was no doubt tactically competent, he was clearly not the appropriate selection for commanding the enormous, JIIM operations in Iraq. LTG Sanchez is not alone. Other recent senior military commanders have struggled similarly with the political nature of interagency strategic command. For example, Eliot Cohen reached a similar conclusion regarding military leaders in the Vietnam conflict in 1984.¹¹ General McChrystal, tremendously successful in military operations, also struggled with this transition.

Certainly, struggling to orchestrate strategic-level interagency efforts is not a difficulty unique to the military; likewise, civilian leaders have struggled similarly with the same responsibility, such as Ambassador Paul L. Bremer, LTG Sanchez’s counterpart in Iraq. Although there are differing opinions on Bremer’s tenure as the head of the Coalition Provisional Authority, or chief U.S. executive authority in Iraq, most reviews typically categorize it as disastrous.¹² In fact, fellow Republican and former Speaker of House, Newt Gingrich, said of Bremer’s leadership in Iraq, “Bremer is the largest single disaster in American foreign policy in modern times.”¹³

While some senior leaders have struggled, others have proven remarkably capable and successful. Recently, General Petraeus demonstrated remarkable skill in international politics, interagency politics, nation-building, and military operations. He is widely considered as the most successful general to emerge from the past decade of conflict, particularly with respect to coordinating the whole of government approaches in both Iraq

and Afghanistan.¹⁴ While General Petraeus' remarkable background may not be reasonable as criteria, the skills he possesses are illustrative. He possesses a deep understanding and experience base in military operations, political considerations, international relations, interagency operations, and relevant practical and academic theory.¹⁵ Interestingly, as cited above, Clausewitz identified these same talents almost 200 years ago. Certainly, in a large-scale, joint, interagency campaign with authority and responsibility consolidated under a single commander, the importance of careful strategic leader selection cannot be overstated.

Unexpected findings

It is remarkable that both the U.S. military and the British military developed very similar methods of coordinating the various government agencies involved in COIN operations in response to a lack of unity of effort and command. Even more remarkable is that counterinsurgents developed these models independently, and proved them effective, and yet neither the UK nor the U.S. appears to have attempted to apply these models in modern conflicts. The findings in this paper indicate that either of these similar models would have served the U.S. well in both Iraq and Afghanistan. That the USG has made the same mistake repetitively, despite a clear precedent, is troubling.

Why both the UK and U.S. failed to adopt these models and continue to struggle with interagency coordination is unclear, but these shortcomings may stem from an organization's collective, self-interest. The military has a history of inter-service rivalry and a failure to cooperate effectively without some sort of forcing mechanism. The Unified Command Plan and the Goldwater-Nichols Act have primarily provided joint (military) unity of command. These reforms significantly improved unity of command,

and subsequently unity of effort and military effectiveness.¹⁶ Similar measures would facilitate inter-agency cooperation between the DoD and other USG agencies. Providing a clear-cut chain of command, as outlined in this thesis would certainly improve cooperation in conflict related development and other unified action operations.

Summary and Conclusions

The United States can anticipate continued conflict and instability in developing nations requiring a response from the United States government along the spectrum of operations, ranging from peacetime military engagement to major combat operations. Military involvement in economic development efforts principally occurs outside of general war under the stability operations operational theme. Stability operations seek to achieve the military end state, or create the conditions that allow the successful conclusion of U.S. military involvement and a transition to other (civilian) instruments of national power. One of the end state conditions stability operations pursue is a sustainable economy. Economic development is the principal tool for achieving a sustainable economy. USG policy identifies civilian aid and development experts, USAID, as the principal agents of economic development efforts. However, recent experience in Iraq and Afghanistan indicates that in unsecure environments the military will have to serve as the principal agent of economic development efforts until security improves to the extent that civilian experts can assume responsibility for this line of effort. Furthermore, in conflict environments in which the U.S. military is a belligerent, the military controls a preponderance of personnel, access, and resources. Therefore, the military conducts economic development along the spectrum of conflict between unstable peace and an

insurgency, where an unsecure environment or a lack of capacity prohibits civilian development experts from assuming full responsibility.

Stakeholders, from the military to academics, acknowledge the importance of economic development in conflict resolution and sustained stability. Additionally, these stakeholders acknowledge that the military has a role in conflict related development. However, there is considerable disagreement as to the specific role of the military in conflict related economic development. Proposals on the military's role in economic development range from simply handing out humanitarian aid to nurturing entrepreneurship through quasi-venture capitalism. Current military doctrine provides little definitive guidance as to the military's role in economic development. This void in specific doctrine leads to confusion, redundancies, a lack of unity of effort, and other inefficiencies.

The military's role in conflict related economic development is to augment and support civilian-led development efforts, focusing, in order of priority, on security, humanitarian aid, and stability. The military priority is to security, then humanitarian aid, then to fostering stability. When civilian development experts are absent, or lack capacity, the military fills the void until adequate civilian development capacity is available. When development occurs within the context of a predominant military campaign (operational phases II, III, and IV), the military commander provides overall control of USG agencies, including development agencies, operating in the area of operations. An interagency board governing each LOE is echeloned from a national board, to a regional board, to a local level of responsibility. If development occurs outside of a predominant military campaign (operational phases 0, I, and V), the

ambassador, or designated representative, must coordinate, and ultimately control, all military development efforts as an element of the USG's overall strategy for the host nation. This delineation of control allows for unity of command in both war and peace.

Selection of the overall commander, whether military or civilian, is critical. The overall commander must be fully qualified to command militarily, while also functioning as a statesman, navigating the complexities of U.S. politics that inherently drive war. The overall commander must possess a deep understanding and experience base in military operations, political considerations, international relations, interagency operations, and relevant practical and academic theory.

The adage that “money is ammunition” in a COIN campaign is true. However, like lethal ammunition, military units cannot employ “money” in a “spray and pray fashion.” As discussed previously, development funds must be carefully targeted, planned and executed like any other military operation, targeted on the ends (objectives); driven by the ways (available methods, including protocol, best practice, and academic principles), means (available resources), and associated risks. Furthermore, military economic development is a tool for military objectives. Therefore, these efforts must be oriented on specific, realistic objectives related to the military mission and not be long-term development oriented. Military development efforts must specifically focus on achieving the military end state. Within the framework of current development protocol, this implies a limited focus on reinforcing security, providing humanitarian aid, and fostering stability through corps-type employment, providing basic living needs, and basic local infrastructure reconstruction. The military priority is to security, then humanitarian aid, then to fostering stability. While the military may engage in more

ambitious long-term development projects when civilian development experts lack access or capacity, these efforts are largely outside of military competencies and will engender significant inefficiencies, potentially to the point of being counterproductive.

David Kilcullen provides an excellent example of an appropriate expeditionary economics project, as defined in this thesis, in *The Accidental Guerilla*, a road.¹⁷ Properly executed in consultation with local government and institutions, and with local workers, a road construction project meets all of the requirements identified in this thesis. A well-executed road provides an alternative to employment with the insurgency; improves friendly forces access (and thereby ability to secure the population); improves microeconomic conditions (reduces transportation costs); improves local interaction and trust with the military; empowers local institutions; increases local governance capacity; and injects money into the lowest levels of economic activity. The road also provides a lasting benefit, tying people to their government in a way that is sustainable (does not require persistent human capital or equipment). A road is also technologically feasible in even the most impoverished locations that lack the human capital for other projects. It is important to note that a road is not a panacea, per se, but rather one example of a good project. The process and outcome are key considerations.

The most surprising and concerning finding in this thesis is the lack of unity of effort stemming from the lack of unity of command that has plagued stability operations from Malaya, to Vietnam, to Afghanistan, to Iraq (including conflict related development). In response, the British, in Malaya, and the U.S., in Vietnam, independently developed similar models that consolidated command under a single responsible leader. Despite the clear applicability and utility of these models,

contemporary operations employ neither model, causing current operations to suffer the same lack of unity of effort experienced in these previous conflicts.

Achieving unity of command has been a primary concern of joint force commanders throughout modern warfare. Marshal Ferdinand Foch, Supreme Commander of the Allied Armies in World War I, once said to a U.S. staff officer: “I am the leader of an orchestra. Here are the English bassos, here the American baritones, and there the French tenors. When I raise my baton, every man must play, or else he must not come to my concert.”¹⁸ Current joint doctrine calls for unified action, or the “comprehensive approach that synchronizes, coordinates, and when appropriate, integrates military operations with the activities of other governmental and nongovernmental organizations to achieve unity of effort.”¹⁹ Neither DoD nor USAID can conduct effective conflict related development unilaterally, unity of effort is essential. Modern wars seem increasingly Joint, Interagency, Intergovernmental, and Multinational in nature. However, commanders have little authority over those elements of national power outside of the military. The ability to achieve unity of effort without authoritative command is largely idiosyncratic and personality based.²⁰ Without the authority to direct action, strategic leaders must rely on cooperation for unity of effort. As noted throughout this thesis, cooperation alone does not always produce coordination. In many cases, the same lack of familiarity, distrust, and rivalry that confounded combined arms, joint, and multinational military efforts in the past, now confounds interagency efforts in conflict related development. Just as the Unified Command Plan and Goldwater-Nichols Act created unity of effort on the joint battlefield, the complexity of unified action now requires a similar construct to achieve unity of command on the interagency battlefield.

Recent and historical experiences have shown that effective stability operations, including conflict related development, require unity of command. The framework outlined in this paper offers an equitable and logical policy for dividing command between civilian and military leaders depending on the predominance of effort. This framework promises to improve not only the efficiency of USG conflict related development, but also of the other lines of effort in stability operations.

Recommendations For Further Study

While the military has improved its capability and efficiency in conflict related development over the past decade, this thesis has uncovered significant need for refinement. This thesis argues that military units conducting development must carefully target, plan, and execute development like any other military operation. Military units must target development efforts on the ends (objectives), driven by the ways (available methods, including protocol, best practice, and academic principles), means (available resources), and associated risks. However, the “ways” of conflict related development as conducted by the military remain somewhat unspecified and undocumented. The military must refine its conduct and understanding of conflict related development to determine and codify how development can be best used to support stability operations. The information contained in this thesis provides some of this material, but further refinement and analysis are necessary to determine the most efficient and effective ways of conflict related development as conducted by the military.

An alternate approach to the military conducting conflict related development would be to contract for, or outsource, the requirement for conflict related development. This would allow the military to contract for development capability on-demand, without

having to build it organically. Of course, this solution would assume adequate contractor capacity. Additionally, a lack of access and the required risk premium could potentially make this option unfeasible in unsecure environments. Regardless, further analysis could explore this approach more rigorously. Certainly, policy makers could choose to retain the status quo, but this would engender continued inefficiencies as recounted throughout this thesis.

¹The United States Army, FM 1-02, *Operational Terms and Graphics*, 1-195.

²The United States Army, FM 3-0 (change 1), *Operations*, A-3.

³Kilcullen, *The Accidental Guerrilla*, 114, 133-135.

⁴The United States Army, FM 3-0 (change 1), *Operations*.

⁵Bradbury and Kleinman, *Winning Hearts and Minds?*

⁶Carl von Clausewitz, *On War* (Princeton, NJ: Princeton University Press, 1976), 111.

⁷*Ibid.*, 111.

⁸*Ibid.*, 146.

⁹Ricardo Sanchez, interview by Charlie Rose, *A Conversation with Lt. Gen. Ricardo Sanchez* (16 May 2008).

¹⁰von Clausewitz, *On War*, 87.

¹¹Eliot A. Cohen, "Constraints on America's Conduct of Small Wars," *International Security*, 9, no. 2 (Fall 1984): 170.

¹²David Cloud and Greg Jaffe, *The Fourth Star* (New York: Crown Publishing, 2009); West, *The Strongest Tribe: War, Politics, and the Endgame in Iraq*; Thomas E. Ricks, *Fiasco: The American Military Adventure in Iraq* (New York: The Penguin Group, 2006); Bob Woodward, *State of Denial: Bush at War, Part III* (New York: Simon and Schuster, 2006).

¹³Ricks, *Fiasco: The American Military Adventure in Iraq*, 252.

¹⁴Lundberg, *The Accidental Statesman: General Petraeus and the City of Mosul, Iraq*; Cloud and Jaffe, *The Fourth Star*; Paula Broadwell and Vernon Loeb, *All In: the Education of General David Petraeus* (New York: The Penguin Press, 2012).

¹⁵Cloud and Jaffe, *The Fourth Star*; Broadwell and Loeb, *All In: the Education of General David Petraeus*.

¹⁶Ronald H. Cole, Walter S. Poole, James F. Schnabel, Robert J. Watson, and Willard J. Webb, *The History of the Unified Command Plan, 1946-1999* (Washington, DC: Joint History Office, Office of the Chairman of the Joint Chiefs of Staff, 2003), 1, 11-15, 19-21, 26-27, 45-47; excerpt reprinted in US Army Command and General Staff College, *A534 Joint Force Command Syllabus/Book of Readings* (Fort Leavenworth, KS: USACGSC, March 2011); James R. Locher, "Taking Stock of Goldwater-Nichols," *Joint Force Quarterly* 13 (Autumn 1996): 10-16.

¹⁷Kilcullen, *The Accidental Guerrilla*, 90-114.

¹⁸Ferdinand Foch, *The Memoirs of Marshal Foch* (New York: Doubleday, Doran and Co., 1931), xxvi.

¹⁹The Department of Defense, JP 3-0 (change 1), *Joint Operations*, xi.

²⁰Jay L. Lorenzen, "Marshall-ing Joint Leadership," *Proceedings* 120 (September 1994): 78-81.

GLOSSARY

National Defense Strategy. (NDS) A document approved by the Secretary of Defense which “outlines the DoD approach to implement the President’s *NSS*. The *NDS* will support the *NSS* by establishing a set of overarching defense objectives that guide DoD’s security activities and provide direction for the *NMS*. The *NDS* objectives will serve as links between military activities and those other government agencies in pursuit of national goals.”¹

National Military Strategy. (NMS) A document signed by the CJCS, which “supports the aims of the *NSS* and implements the *NDS*. It describes the Armed Forces’ plan to achieve military objectives in the near term and provides the vision for ensuring they remain decisive in the future. It also provides focus for military activities by defining a set of interrelated military objectives and joint operating concepts from which the Combatant Commanders and Service Chiefs identify desired capabilities and against which the CJCS assesses risk.”²

National Security Strategy. (NSS). “A document approved by the President of the United States for developing, applying, and coordinating the instruments of national power to achieve objectives that contribute to national security.”³

Presidential Directives. Used by the President to articulate state interests and guidance in achieving them. Other than the U.S. Constitution, Presidential Directives are the ultimate source of guidance to the U.S. Government.

Quadrennial Defense Review. (QDR) “A legislatively mandated wide-ranging review of Department of Defense strategy and priorities. The *QDR* will set a long-term course for DoD as it assesses the threats and challenges that the nation faces and re-balances DoD’s strategies, capabilities, and forces to address today’s conflicts and tomorrow’s threats.” The *QDR* delineates a national defense strategy aligned with the *National Security Strategy*.⁴

Quadrennial Diplomacy and Development Review. (QDDR) A State Department counterpart to the *QDR*. A wide-ranging review of strategy, programs, and resources, focused on how the State Department and the United States Agency for International Development (USAID) can become more efficient, accountable, and effective in the use of diplomacy and development.⁵

¹The United States Department of Defense, JP 1, *Doctrine for the Armed Forces of the United States*, I-12.

²*Ibid.*, I-12.

³*Ibid.*

⁴The United States Department of Defense, *Quadrennial Defense Review*.

⁵The United States State Department, *Quadrennial Diplomacy and Development Review*.

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