

**AY 2008-2009**

**Business as Usual?**  
**The Role of Department of Defense in Foreign**  
**Economic Development**

Summary Article

**Business Transformation Agency Research Fellowship**

**MR THOMAS J. LAPATO**

**MR TOM HAUSER, RESEARCH ADVISOR**

**The Industrial College of the Armed Forces**  
**National Defense University**  
**Fort McNair, Washington, D.C. 20319-5062**

The views expressed in this paper are those of the author and do not reflect the official policy or position of the National Defense University, the Department of Defense or the U.S. Government.

The battles of the 21<sup>st</sup> century will be fought in global markets and in corporate boardrooms as much as in more traditional combat venues. The Cold War ended with a whimper as the Soviet Union went bankrupt competing with American defense spending while ignoring the economic needs of its people. Terrorist organizations seek out failing states to establish their headquarters and networks using the economic disadvantages of the populations to recruit enemies against American ideals. It is no surprise that the main target of al-Qaeda's attacks on America was the financial center of the world. Even our most powerful near-peer rival, China, has softened its military stance while intending to subvert US power through economic means. Russia also appears willing to flex its economic muscle through its outflows of energy to achieve greater advantage over its European neighbors and US allies. The current global economic crisis threatens stability and security throughout the world. The Department of Defense (DOD) must develop a class of economic warriors that will be able to lead the country in these non-conventional battles.

It is an optimal time to address the DOD's role in foreign economic development. Secretary Robert Gates has been vocal about the need for the defense establishment to continue to transform to avoid mistakes from the recent past. Instead of funding expensive, technology driven programs that take years to develop and are aimed at a direct involvement against another industrialized state, Gates has repeatedly called for "employing indirect approaches"<sup>1</sup> where building the capacities of allies, partners, and of fragile states will be just as important as the kinetic approaches generally favored by the US military:

---

<sup>1</sup> Robert M. Gates, "Beyond Guns and Steel: Reviving the Nonmilitary Instruments of American Power" (Manhattan, KS, November 26, 2007, 2008).

The requirement for the US military to maintain security, provide aid and comfort, begin reconstruction, and prop up local governments and public services will not go away [...] to achieve victory as Clausewitz defined it – to attain a political objective – the United States needs a military whose ability to kick down the door is matched by its ability to clean up the mess and even rebuild the house afterward.<sup>2</sup>

Given this clear direction provided by the Secretary of Defense, coupled with the imperative of change and reform driven by the new administration, the US military must formalize its responsibilities and capabilities in the economic aspects of stabilization and reconstruction activities. The US military must assume an active support role in this interagency reform process to define its responsibilities in foreign economic development aspects of stabilization and reconstruction operations. Today, the DOD does not possess an approach to successfully direct the requisite manning, training, planning and execution of economic development operations. The DOD lacks the policy, doctrine, and organizational structure to address it within the broader arena of reconstruction and stabilization operations.

Before the DOD transforms to meet economic development challenges, it must understand what foreign economic development (FED) encompasses. Economic development is one of the major pillars of nation assistance (or stability and reconstruction) operations. It fully integrates with the other areas of nation assistance: maintaining security, developing governance structures, and instituting rule of law.<sup>3</sup> These elements of nation assistance are mutually dependent upon each other; in the case

---

<sup>2</sup> Ibid.

<sup>3</sup> Robert C. Orr, John J. Hamre and Gordon R. Sullivan, eds., *Winning the Peace : An American Strategy for Post-Conflict Reconstruction* (Washington, D.C: CSIS Press, 2004).

of economic development, security, government, and legal frameworks provide the infrastructure required to allocate an equitable distribution of resources to provide a relatively prosperous way of life for a given population. The military defines nation assistance in aggregate primarily through its primary operational doctrine, *Joint Publication (JP) 3-0, Joint Operations*.<sup>4</sup> Further guidance is provided through supporting documents *JP 3-57, Civil-Military Operations*<sup>5</sup> and *JP 3-07.1, Joint Tactics, Techniques, and Procedures for Foreign Internal Defense* and *DOD Directive (DODD) 3000.5, Military Support for Stability, Security, Transition and Reconstruction (SSTR) Operations*.<sup>6</sup> While these publications accept nation assistance and its core pillars as part of DOD operations such as crisis response and limited contingency operations; military engagement, security cooperation, and deterrence; and foreign internal defense and development, economic development only receives passing mention. There is no specific definition, scope, or guidance provided specifically to foreign economic development. As such, models and lexicons from outside the DOD must be used as a baseline understanding of the subject. Not all elements of foreign economic development are the DOD's responsibility; however, future operations will require the DOD to integrate into a larger construct where its activities will directly affect the success or failure of such activities.

---

<sup>4</sup> Joint Chiefs of Staff, *Joint Publication 3-0: Joint Operations*. (Washington, D.C.: Joint Chiefs of Staff, 2008).

<sup>5</sup> Joint Chiefs of Staff, *Joint Publication 3-57: Joint Doctrine for Civil-Military Operations* (Washington, D.C.: Joint Chiefs of Staff, 2008).

<sup>6</sup> *DoD Directive 3000.05, "Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations"*, November 28, 2005.

## Historical Perspective

Foreign economic development operations are not new to the United States military. While recent studies of past military operations has highlighted the general importance of the military in stabilization and reconstruction efforts<sup>7</sup>, very little attention has been paid to the military's specific role in economic development tasks. Without this institutional understanding, military leadership must continue to re-invent its approach towards foreign economic development, or worse, they fail to consider these factors at all in their planning and execution of a mission.

There is overwhelming historical evidence highlighting the reality that America will inevitably engage in frequent efforts at post-conflict nation assistance.<sup>8</sup> While the US can learn numerous lessons from current efforts in Iraq and Afghanistan, it is critical to understand the larger historical context to avoid planning to fight the last war. The US

---

<sup>7</sup> Crane, Conrad C., and W. Andrew Terrill, *Reconstructing Iraq: Insights, Challenges, and Missions for Military Forces in a Post-Conflict Scenario* (Carlisle, PA: Strategic Studies Institute Press, [2003]). Frederick Barton, *A Wiser Peace [Electronic Resource] : An Action Strategy for a Post-Conflict Iraq*. (Washington, DC: CSIS, 2003)., Army Command and General Staff College Fort Leavenworth KS School of Advanced Military Studies and Travis Rooms, *Beginning with the End in Mind: Post-Conflict Operations and Campaign Planning*, [2005] (accessed Data Not Available; Data Not Available).; Army Command and General Staff College Fort Leavenworth KS and Kellie J. McCoy, "Creating Effective Post-Conflict Transition Organizations: Lessons from Panama, Bosnia, Afghanistan, and Iraq" ), 127 (accessed 23-Jul-2008; Data Not Available)., DEFENSE SCIENCE BOARD WASHINGTON DC, Craig I. Fields and Philip A. Odeen, *Defense Science Board 2004 Summer Study on Transition to and from Hostilities, Supporting Papers*, [2005]., ARMY WAR COLL CARLISLE BARRACKS PA, Skinner and Eugene W. Jr, *Economic Assessment: Stability, Security, Transition and Reconstruction Operations*, [2007] (accessed 20-Jun-2007; Data Not Available)., Garland H. Williams, *Engineering Peace : The Military Role in Postconflict Reconstruction* (Washington, D.C: United States Institute of Peace Press, 2005)., Army Command and General Staff College Fort Leavenworth KS and Timothy P. Leroux, "Intervention, Stabilization, and Transformation Operations: The Army's New Mission" ), 113 (accessed 21-Sep-2005; Data Not Available)., Army Command and General Staff College Fort Leavenworth KS School of Advanced Military Studies and Bruce J. Reider, *Joint Capabilities for Post-Conflict Operations*, [2004] (accessed 02-Mar-2005; Data Not Available)., U.S. Joint Forces Command, *Military Support to Stabilization, Security, Transition, and Reconstruction Operations Joint Operating Concept (JOC)* (Suffolk, VA: U.S. Joint Forces Command, 2006), 45pp, [http://www.dtic.mil/futurejointwarfare/concepts/sstro\\_joc\\_v10.doc](http://www.dtic.mil/futurejointwarfare/concepts/sstro_joc_v10.doc)., Binnendijk, Hans, and Stuart E. Johnson, *Transforming for Stabilization and Reconstruction Operations* (Washington, DC: National Defense University Press, 2004).

<sup>8</sup> Thomas P. M. Barnett, *Blueprint for Action: A Future Worth Creating* (New York: G.P. Putnam's Sons, 2005).

military has undertaken economic development operations in the US Civil War, the Philippine War, the Banana Wars, Germany (World War II), Japan (World War II), Panama, and multiple post-Cold War multi-lateral nation assistance operations, as well as in Afghanistan and Iraq. Below are specific findings from these historical case studies:

- Nation assistance operations are occurring more frequently and are progressively greater in scope since the end of the Cold War
- All military operations consist of economic facets that affect successful accomplishment of strategic goals
- While there is no blanket approach for foreign economic development, the military has not developed a sufficient foreign economic development framework by which to guide future efforts or to enable inter-agency cooperation
- Short-term microeconomic projects initiated and managed at the tactical level need to be undertaken in parallel with macroeconomic projects in order to build an environment for sustainable economic growth
- Successful foreign economic development operations resulted from military leadership clearly accepting, planning, resourcing, and executing economic development efforts
- Successful economic development outcomes incorporated economic development before post-conflict period began

In general, direct US military involvement in economic reconstruction required significant investment of both financial and human investment over the period of many years, but ultimately established a more sustainable peace and advanced the national security interests of the United States.

## **Arguments for Active DOD Involvement in Foreign Economic Development**

There are many reasons why this responsibility has fallen upon the services and civilian leadership of the DOD, including:

- ***Economic development is a key part of the US national security strategy.***

Developing economies of fragile states to a more advanced state is a key element of the US national security strategy. The National Military Strategy articulates this and defines the role of the military in achieving these strategic aims when it states “...military post-conflict operations will integrate conflict termination objectives with diplomatic, economic, financial, intelligence, law enforcement, and information efforts”.<sup>9</sup> *JP 3-0* echoes the National Military Strategy in stating, “As a nation, the United States wages war employing all instruments of national power — diplomatic, informational, military, and economic. The President employs the Armed Forces of the United States to achieve national strategic objectives.”<sup>10</sup> As foreign economic development is so critical to our national security, it is therefore of critical importance to the United States military, the organization charged with defending the interests of the United States against foreign threats.

- ***DOD’s role as the primary security provider is a catalyst for economic development.*** “Security, even in the absence of economic assistance, will thus produce some economic growth, while economic assistance in the absence of

---

<sup>9</sup> *The National Security Strategy of the United States of America.*

<sup>10</sup> Joint Chiefs of Staff, *Joint Publication 3-0: Joint Operations.*

security will produce neither peace nor prosperity.”<sup>11</sup> The military will have an inherent role in the start of any post-conflict reconstruction effort due to the critical nature that security plays in the success of such an operation. Former Secretary of State and retired general Colin Powell recognized this when he noted, “reconstruction and security are two sides of the same coin”.<sup>12</sup> *JP 3-0* acknowledges that civil-military operations to include foreign economic development support counterinsurgency programs in a “preventive manner by [addressing] root causes of instability, in a reconstructive manner after conflict”.<sup>13</sup>

Research has shown a strong linkage between poverty and physical violence. These studies show that approximately “forty percent of all post conflict countries return to violent conflict within a decade”, likely meaning that US military activities will be extended or called upon again to quell the violence.<sup>14</sup> A country that cannot establish a functional economy that adequately meets the needs of its society is a prime target for terrorist activity given the relative ease by which insurgents can inflict instability through economic sabotage.<sup>15</sup> Addressing root economic conditions allows the military to proactively limit factors that drive conflict.

- ***DOD resource capacity demands additional non-kinetic responsibilities.*** The DOD receives a much greater budget than any other element of the United States’ national security apparatus. In a time of war, that amount of funding drastically

---

<sup>11</sup> Ibid.

<sup>12</sup> Army Command and General Staff College Fort Leavenworth KS School of Advanced Military Studies and Rooms, *Beginning with the End in Mind: Post-Conflict Operations and Campaign Planning*, 61

<sup>13</sup> Joint Chiefs of Staff, *Joint Publication 3-0: Joint Operations*.

<sup>14</sup> Stephen Lewarne and David Snelbecker, *Lessons Learned about Economic Governance in Wartorn Economies* Bureau for Policy and Program Coordination, USAID, [2006]).

<sup>15</sup> Barnett, *Blueprint for Action : A Future Worth Creating*



increases, creating an even greater disproportion than the other “D’s” of foreign policy: diplomacy and development. Until those numbers strike a greater balance, the US government will call upon the DOD to provide economic development services, handing off to civilian counterparts much further down the operational timeline than many in the military might desire.

- ***DOD logistical and communication capabilities are critical for successful economic development operations.*** Expeditionary, logistical, and communications capabilities are critical to deliver microeconomic aid, especially in a non-stable environment. Free movement within theater is the basis for effective of microeconomic development. This expeditionary capability requires a logistical foundation that not only supports combat operations, but also allows expansive, sustained occupation. In a post-conflict environment, it is likely that the war will have severely damaged institutional and physical infrastructure, making reconstruction dependent on delivering a logistical capability to bridge the gap until the civil infrastructure can be reestablished in a sustainable manner. No civilian entity has the necessary logistical resources to safely maneuver throughout an entire theater to effectively conduct economic development operations. The US military also provides the most complete set of supporting capabilities that can enable foreign economic development. Its engineering, logistical, and civil affairs units can build or repair buildings, construct roads and infrastructure, and provide medical and veterinary services. Without these capabilities, economic development is virtually impossible.

The ability to communicate effectively across a theater is the glue that holds the entire logistical network together. The DOD has invested heavily in developing command, control, communications, computers, and intelligence (C4I) systems. The DOD is the only government organization that can field the systems, tools, and networks necessary to communicate effectively across theater in austere conditions.

- ***DOD possesses a ‘can-do’ culture.*** The DOD operational culture is generally focused on mission achievement above all other factors. This trait comes from repeated success in translating abstract strategic goals into actionable results at the operational and tactical levels. This quality is needed to meet the challenges posed by foreign economic development, which often is indefinite at the strategic level and is difficult to decompose into discrete, operational and tactical events that can actually be executed by those responsible.
- ***DOD is undergoing strategic and operational transformation.*** Military strategists generally appreciate that asymmetric warfare requires expanding the DOD’s arsenal to include non-kinetic operations. In order to win the peace, “there is a need to create military forces with extensive experience in civil-military action in addition to forces that can use aid as effectively as weapons—dollars as well as bullets”.<sup>16</sup> The military is transforming its concept of conflict termination from one that entails physically destroying its enemy to one that “seeks to resolve the root causes of conflict and instability while building the capacity of local institutions to forge and sustain effective governance, economic

---

<sup>16</sup> Cordesman, *The War After the War*

development, and the rule of law”.<sup>17</sup> Prior to 9/11, the DOD began transforming its warfighting capability to a lighter, more agile force in order to deal with the asymmetric threats prevalent in the current environment. It must extend this evolution to its non-kinetic capabilities as well.

### **Concerns Regarding DOD Involvement in Foreign Economic Development Operations**

There is substantial concern both within the defense community and within the civilian elements of government that the DOD will continue and expand its participation in foreign economic development activities. Civilian organizations argue that the primary responsibility of nation assistance, with exception of the foundational element of security, belongs mainly to the Department of State (diplomacy) and USAID (development). DOD interest, action, and success in improving economic stability in a post-conflict region may directly challenge the core competency of civilian organizations that have been insufficiently resourced to perform their mission with respect to the ambitious strategic foreign policy goals of the US. The military is thus seen as squeezing additional power and resources of these weakened organizations.

Another claim levied by the diplomatic and development communities is that the DOD lacks the organizational tact necessary to effectively conduct soft power operations such as economic development. At times, outsiders see the military as far too forceful and direct; their ability to apply decisive physical force along with their focus on achieving tactical mission success may impede successful economic development

Within the defense community, many fear that taking on non-kinetic operational responsibilities will dilute the core kinetic capabilities that are primary to the military’s

---

<sup>17</sup> Joint Chiefs of Staff, *Joint Publication 3-0: Joint Operations*.

mission. Resources allocated to economic development and stability operations potentially threaten the defense industrial base also as less money would be available to spend on major weapons systems required to address near-peer threats of great power nation-states.

Instead of arguing each of these points separately, it is far more instructive to contrast these opinions against the current reality necessitating the DOD's recognition and acceptance of economic development responsibilities. Iraq and Afghanistan each posed environments where kinetic operations were decisive. But the transition from conflict to post-conflict in each of these arenas did not provide an environment for non-military organizations to perform effectively across the full-spectrum of economic development requirements due to their limited ability to affect local, microeconomic stability and growth. Initial reconstruction efforts, in the case of Iraq led initially by the DOD, were ineffective; various insurgencies arose taking the lives of both the host population and American soldiers were as a result. Later, the Department of State regained its traditional lead role in the reconstruction efforts, but conditions proved too difficult to penetrate the microeconomic root of development and growth. Facing greater physical dangers as a result, the DOD had no choice but to fill the operational vacuum. Since committing military resources to microeconomic stabilization and development, security operations have become more effective, macroeconomic programs have taken hold, and the host population finds itself in the best position of a lifetime to improve its overall standard of living. The US military must build upon this experience to accept its role in supporting the broader US government's foreign economic development responsibilities in pursuit of the nation's strategic objectives.

## **Recommendations**

There is no silver bullet to reaching advanced foreign economic development capabilities in the DOD. The problem of and solution to supporting the development of foreign economies does not fall neatly within just the walls of DOD; it is spread across government, international organizations, and the private sector. This capability is not one that can be simply bought from a vendor; it requires a combination of requirements definition, prioritization, collaboration, reorganization, communication, training, and most of all, strategic patience. This is not an easy sell as the defense budget is under attack due to domestic fiscal conditions, the military is stretched thin from two major ongoing operations, and the grand policy of the new administration has not been fully developed throughout each of the agencies yet. Recommendations will be directed towards DOD action; some will require defense efforts within the greater interagency community while others will be specific to internal DOD matters. The recommendations are not intended to be prescriptive tactical guidelines to help the US military fight the last war; instead, recommendations provided will address broader, strategic considerations applicable to future stabilization and reconstruction missions in which the DOD may find itself. Lastly, the recommendations are divided into short-term and long-term efforts in line with the length and timing of presidential administration cycles.

### ***Short-Term Recommendation: Formalize DOD Approach Towards Foreign Economic Development***

The lack of formally defined policy, doctrine, and organizational constructs related to economic development causes uncertainty throughout the DOD, risking

operational and strategic success of future campaigns. The department must fully assess the overall importance of possessing economic development capabilities, then design and resource the necessary elements to meet the defined requirements. Formalizing the DOD's approach first requires clear sponsorship from both the civilian and military leadership of the department. Then the current stabilization and reconstruction doctrine must be updated to specifically address economic development.

Along with enhanced policy and doctrine development, the department should assess the organizational constructs required to keep an emphasis on economic development along with maintaining the necessary skill sets to plan and deliver such operations. At a minimum, the DOD should expand on *DODD 3000.5* by assigning specific economic development responsibilities in policy, doctrine, and execution to the relevant DOD organizations responsible for general SSTR tasks. Currently, there does not exist a permanent office responsible for executing economic development at the DOD level. The new office proposed for executing foreign economic development should be a permanent evolution of the current Task Force for Business Stability Operations (TFBSO). The department should conduct an analysis to determine the best operational construct to develop and provide foreign economic development services. Committing to a dedicated organization chartered to establish foreign economic development policy and operations will reduce the risk to the department and its personnel, avoiding lessons from past conflict when military leaders found themselves responsible for economic development and re-invented approaches on the fly.

***Short-Term Recommendation: Assess Appropriateness of Funding Mechanisms for Foreign Economic Development Operations***

Overall, foreign affairs budgets are not conducive to long-term planning. Without consistent multi-year program commitment, the foreign economic development activities that are critical to the overall success of US foreign intervention will be conducted in an ad-hoc, reactive manner that is likely under-resourced. The DOD is currently not capable of effectively managing these lengthy and costly foreign economic development operations.

There are too many funding lines today related to efforts that can be categorized as foreign economic development activities. The US government funds each of the major pillars of stabilization and reconstruction out of different accounts with different budget authorities spread across agencies and with different Congressional oversight. Most of these accounts are still based on Cold War paradigms<sup>18</sup> and do not support wars with smaller amounts of kinetic operations and increasing levels of non-kinetic operations. Much of the funding provided to the DOD is to establish large infrastructure projects that undermine the greatest capability of the military to serve as a catalyst to drive local microeconomic growth. The funding structure issues are evident across both the DOD and the civilian agencies. However, the DOD cannot expect to coordinate among the external players until it is able to more ably manage its own affairs.

The importance of the funding analysis ultimately is to develop mechanisms complete with guidelines that will help govern the inevitable funding debates surrounding development operations. Without guidelines, unity of command, unity of effort, and unity of resourcing is almost impossible. A more formal approach to funding foreign economic development operations will also promote better interagency coordination. Each agency involved in foreign economic development needs to have a common

---

<sup>18</sup> Orr, *Winning the Peace: An American Strategy for Post-Conflict Reconstruction*

baseline that can be the basis for integrated budget and supplemental requests to Congress.

***Long-Term Recommendation: DOD Should Push to Establish an Integrated Inter-Organizational Construct for Foreign Economic Development Operations within US Government***

Once the DOD establishes a foundation within its own walls from which to formally contribute to foreign economic development operations, it can then turn its attention towards establishing an interagency construct sufficient to drive global prosperity. While this is not the DOD's intrinsic responsibility, it should take advantage of its recent foreign economic development role and its considerable leverage to convene the major actors in foreign economic development to develop a framework for the US government. Such proactive effort will go a long way towards reducing interagency misalignment in future civil-military operations.

A move to an enterprise approach would begin to address the main bureaucratic issues that bind foreign economic development in the current interagency construct. While bottoms-up entrepreneurial innovation has traditionally driven economic growth, the government approach is to provide large appropriations to specific agencies; these appropriations become a self-fulfilling prophecy that becomes an organization's reason for being no matter what conditions in the field may otherwise suggest. Agency appropriations lead to stovepiped execution that in turn prevents a coherent, overarching strategy from being developed.<sup>19</sup> Those executing foreign economic development operations are left to work without law or precedence; the absence of procedure leads to suboptimal efforts resulting from uncertainty of responsibility, authority, and legality. It

---

<sup>19</sup> Orr, *Winning the Peace: An American Strategy for Post-Conflict Reconstruction*



is easier for the operators to do nothing or to undertake minimal, low-risk projects that will not interrupt the stream of funding for the agency. A corporate-approach would provide a centralized coordinating body that could fund efforts most relevant to the current situation across the most-capable elements of government. This would provide a single source of oversight for Congress and a more streamlined management structure for the President. The current US approach “adheres to specific agency missions, thus reinforcing a civilian/military mission that does not exist in real life”.<sup>20</sup>

The most obvious lead for coordination is the National Security Council (NSC), which already incorporates two of the three major reconstruction players in the Departments of State and Defense. Based upon the current movement for interagency reform, it is likely that the NSC will play a key role in future foreign economic development effort. The NSC exhibits many positives and negatives as a potential coordinating body for foreign economic development operations. The NSC will continue to play a large role in shaping current and future administrations’ foreign policy, but historically it has lacked the necessary bureaucratic framework to execute large scale operations on the scale of foreign economic development.

A more progressive approach could see a government coordination board established that would include all of the major actors involved in foreign economic development with a revolving chair position that reports directly to the president or vice-president. An interesting construct from which to design the foreign economic development organization is that of the Overseas Private Investment Corporation (OPIC), an independent government entity. A senior executive appointed by the President leads this group, but also houses a board of directors made of agency leads from across relevant

---

<sup>20</sup> Ibid.

government organizations along with representatives from private industry that meet certain criteria. The US could apply a similar approach to a dedicated foreign economic development organization. The whole of government organizational construct and associated policy must become apolitical to extend past individual presidential administrations. However, a comprehensive body, acting as a board of directors, should have strategic input into the grand economic development strategy, operational planning, and oversight of mission execution. This strategic body would have direct communication with the White House on a regular basis. While this is similar to the construct of the NSC, the NSC does not include all of the necessary foreign economic development players.

Whatever construct chosen, there are certain considerations that should be regarded in determining the construct that best manages interagency efforts towards foreign economic development operations. First and foremost is that the construct requires senior leader attention and support in order to be effective. A successful organization construct for foreign economic development will also ensure that all relevant government actors are included. The selected approach should also be designed to be effective in both peace and in war. There should not be a rush to build a mechanism solely based on the Iraq experience; the next operations may not require the same approach. The US should provide extensive change management and training to development professionals in a coordinated fashion across agencies, perhaps through a formal program developed through the Industrial College of the Armed Forces or another entity within the National Defense University.

***Long-Term Recommendation: DOD Should Establish Conditions to Support New Paradigms Required of Foreign Economic Development Operations***

The cultural transformation of the DOD is the most difficult challenge to effectively increase foreign economic development capabilities. The following areas will require long-term reform over many years to establish the necessary culture conducive to meeting strategic economic development goals.

**Personnel Management.** To be successful in foreign economic development operations, the US government must develop a long-term pragmatic approach that is executed by a force of professionals deployable to military areas of operation. The DOD and each of the major foreign economic development actors must develop an integrated personnel management approach that melds the myriad legal and human resource considerations of both the military and civilians, whether government or contractor, working in combat zones. This should include consistent personnel qualifications, compensation, and deployment cycles. Policy elements relating to human resources and service contracting need to be aligned and managed in a whole of government approach.

The US government must be ready at the outset of war to send the necessary resources into theater to begin development operations. Failing to proactively maintain such a roster and the mechanism to enable reasonable deployment will lead to the application of unqualified and/or insufficient resources. Once the government identifies and mobilizes its resources, development personnel must deploy into the field as extensively as possible. It is not sufficient to operate solely out of the capital; “reform

efforts that neglect to engage stakeholders outside the capital city may reinforce pre-existing social conflicts while failing to build broad consensus for implementation”.<sup>21</sup>

In most major operations, active government personnel will have to be reinforced with additional resources that are not active government employees. For the DOD, this means the reserve and guard components, private contractors, and private firms interested in foreign direct investment (FDI) opportunities. The role of the private sector in conflict and unstable post-conflict situations is very controversial. However, the heavy dependence on these resources highlights that the strategic mission requirements far outpace the organic military capabilities available. It is likely that the military and the US government as a whole will continue to bolster its resource footprint from outside of government. In doing so, new complexities complicate an already complex situation. As the DOD has found through the TFBSO, the private sector can also play an indirect, yet effective role through FDI. The DOD is a catalyst for generating private economic development in post-conflict environments. The TFBSO actively took on this role in Iraq, working alongside the US Department of Commerce to provide the necessary security, logistical, and business capabilities to effectively apply US economic power to the fight. Personal attention paid to private industry by the military as part its broad mission has helped to spread the message that Iraq is open for business.

**Localized Focus.** Economic development is more than just a portfolio of projects that create temporary jobs; efforts must create local ownership and local capital flows.<sup>22</sup> The US must develop support for local investment and business development

---

<sup>21</sup> *A Guide to Economic Growth in Post-Conflict Countries* (Washington, DC: Economic Growth Office, Bureau for Economic Growth, Agriculture, and Trade, U.S. Agency for International Development, [2007]).

<sup>22</sup> Orr, *Winning the Peace: An American Strategy for Post-Conflict Reconstruction*

while ensuring that it meets social spending needs. These efforts are less glamorous than undertaking large infrastructure projects or macro-level policy decisions, but they lay the groundwork for economic sustenance that will achieve the strategic goals, albeit years down the road.

Local authority of economic development greatly enhances the ability to build a democratic state. The distribution of wealth and resources among the people provides an economic freedom that forces a greater political equality. Engaging the populace through grassroots economic development efforts drives greater participation than broad macro policy and infrastructure projects, creating an environment of micro-markets and greater income equality. This in turn generates a liberal political voice legitimized by its economic power. Based on its expeditionary position and interaction with elements of local governance throughout a theater, the DOD has as great an impact on indigenous capabilities as any other US government entity

In these poor, fledgling economies, capital is ultra-critical, yet relatively scarce. Any investments made should be conservative and practical. The military should reconsider their past tendency to promote and execute large infrastructure projects that the local government cannot sustain after initial construction. Scarce capital would be better suited to fund small and medium size projects as part of a broader integrated program where each individual project integrates into the economic ecosystem present at that time.<sup>23</sup> All reconstruction efforts of the US government talk to generating local capacity to sustain trade, govern, and to establish justice. Yet the US often applies a distinctly western model that is far too advanced to gain traction in such an embryonic state and ultimately contradicts local needs. A true understanding of the economic needs

---

<sup>23</sup> Ibid.

of the host population and a framework to provide the guidance and services that will address those needs is an area well-suited to the DOD and is a requisite of the overall approach of the US government.

**Acquisition Reform.** Secretary Gates provides the best summary of the need to refocus the defense acquisition to better meet the fight the US will likely encounter in the post-9/11 world:

The Department of Defense's conventional modernization programs seek a 99 percent solution over a period of years. Stability and counterinsurgency missions require 75 percent solutions over a period of months. The challenge is whether these two different paradigms can be made to coexist in the U.S. military's mindset and bureaucracy.<sup>24</sup>

The sizable defense acquisition community must adapt to provide greater quantities of lower unit-cost, less-technological solutions that can support not only the asymmetric battles to be waged, but also sustained operations to win the peace.

In addition to basic needs of power, water, and sanitation, the US can implement relatively simple, yet effective programs to affect more advanced economic development in the nature of Secretary Gates' 75% solution.<sup>25</sup> The DOD can leverage the billions that they spend annually with the world's largest software developers to create information systems capable of the most basic governance activities required in an emerging local government. The US can also make available simple tools to national and local private banking entities that provide electronic banking capabilities. The DOD must commit its acquisition community to spark technological creativity towards creating these products,

---

<sup>24</sup> Robert M. Gates, "A Balanced Strategy: Reprogramming the Pentagon for a New Age," *Foreign Affairs*, no. January/February 2009 (2009).

<sup>25</sup> Gates, *A Balanced Strategy: Reprogramming the Pentagon for a New Age*

in the process supporting operational success along with strategic US objectives while also advancing the US technology community.

Acquisition reform must also include how the large amount of military spending during intervention can support the local economies. Current acquisition regulations, designed to provide the 99 percent technological solution over cost and schedule constraints, do not necessarily apply in full to the realities of expeditionary operations. The DOD should include in its acquisition reform measures that enhance contracting in post-conflict environments while still providing transparency and oversight to capture any misconduct or negligence in a timely manner. The US must address multiple legal considerations in acquisition reform supporting foreign economic development. The overall complexity of the Federal Acquisition Regulations (FAR) “results in missed opportunities to act quickly in restoring essential services”. Contracting officials are afraid of making a mistake that inadvertently violates the FAR despite the fact that the FAR was not developed with foreign economic development operations in mind.<sup>26</sup>

**Information Environment.** The US military and government as a whole have struggled to manage information to drive successful outcomes in post-Cold War interventions. Lord Ashdown, the former British High Representative to Bosnia and Herzegovina, declared:

Modern wars, whether we like it or not, and especially modern peace stabilization missions, are fought in the theater of public opinion, and you have to win there

---

<sup>26</sup> Merriam Mashatt, Daniel Long and James Crum, *Conflict-Sensitive Approach to Infrastructure Development* (Washington, DC: United States Institute of Peace, [2008]).

quite as much as you have to win on the theater of the battle and the operational theater that you're referring to.<sup>27</sup>

An important component of DOD strategic communications should be the efforts to develop sustainable economic development focused on host prosperity rather than direct economic advancement of the US. To this end, economic development should be the primary factor in establishing the performance measures as opposed to the military's input-oriented metrics that track level of effort applied as opposed to the impact received by the target population.

Information management starts with intelligence capability; based on development activities in Iraq, intelligence regarding economic activity either was lacking or was not adequately processed by military planners and operators. As Ambassador Dobbins notes in his comprehensive guide to reconstruction, the US requires several types of intelligence for stability operations.<sup>28</sup> He notes that a root-cause understanding of the security threat, to include economic matters, is critical to the intelligence assessment. Intelligence must focus on more than just military capability and threat assessment; information is required to determine potential military targets and to understand the secondary and tertiary effects of military activities in the following reconstruction planning.

The US government unfortunately cannot set the standards for economic reconstruction success. As mentioned previously, the local populations that should be leading economic development efforts to ensure sustainability after the US has left will determine success. Developing accurate and realistic measures of success are critical to

---

<sup>27</sup> Brown, *Resourcing Stability Operations and Reconstruction : Past, Present, and Future*

<sup>28</sup> RAND CORP ARLINGTON VA NATIONAL SECURITY RESEARCH DIV and others, *The Beginner's Guide to Nation-Building*, 331



articulate expected outcomes to both the US public and to all interested international stakeholders, most important being the local population. President Bush has often described the struggle against terrorism as a long war, yet most of the measures of success in rebuilding Iraq focused on short-term aims. Resources provided, money spent, facilities (factories, schools, etc.) rebuilt, and electricity produced were the key measures collected by reconstruction officials and provided to the highest levels of US government. Yet these measures merely beg the question as to whether these activities have actually produced any real economic development.

Ultimately, actions speak louder than words. Outcomes are more important than inputs. In addition, the DOD, even if the major reason for a particular accomplishment, may not be the best channel for public broadcast of the feat. Setting expectations of the Washington bureaucracy and the American public at-large about the importance of economic development is critical. Not only do outcome-oriented metrics need to be developed, but also these economic development measures need to be implicitly integrated in the strategic communications as part of the government's overall information operations.

### **Conclusion**

The failure to achieve a sustainable peace in Iraq and in Afghanistan exposed a systematic failure of the US government. Though it recognizes the importance of each of the elements of nation assistance as part of its overall mission, the DOD has not developed an adequate structure to enable foreign economic development. Taking an active role in economic development has been the right thing to do for both the safety of

DOD personnel and the benefit of US strategic interests. Yet the DOD leadership misapplied over a century's worth of history confirming its economic development responsibilities as an inherent part of the war effort. As a result, the US jeopardizes not meeting national strategic goals.

Evolving the culture of the DOD to meet foreign economic development challenges will not be easy, but it does not involve starting from scratch. First, there is a long history of DOD involvement in nation assistance tasks that include economic development. The lessons learned from past efforts need to be internalized and registered for training and reference of tomorrow's civil affairs soldiers and civilians. Coupled with the intrinsic traits that enable foreign economic development, including its assertion to employing all instruments of national power in waging war to achieve US strategic interests, its role as a security provider, its expeditionary stance enabled through superior logistical and communications capabilities, and its commitment to transform to meet new challenges and threats to US interests, the military clearly plays an important supporting role in improving the economies of host nations when they cannot do so on their own. Acceptance of foreign economic development does not diminish from the military's ability to apply decisive force to defeat an opponent; instead it provides additional tools by which to project US power in support of national interests. It also protects American lives by stabilizing areas of conflict and by reducing the chance of future instability that would potentially require additional US military intervention. With directed efforts, the DOD can leverage experiences and military capabilities to improve its ability to wage foreign economic development operations. It will require assessments of doctrine, organization, resources, interagency coordination, and institutional culture. However,

there is not much choice in the matter; business as usual will provide many opportunities for global actors to disrupt the US's ability to shape its foreign affairs to achieve a more stable, prosperous, and democratic world.

## Notes

## Bibliography

- "Basra Back in Business." U.K. Department of International Development.  
<http://www.dfid.gov.uk/News/files/iraq-basra-jobs.asp> (accessed October 9, 2008).
- A Guide to Economic Growth in Post-Conflict Countries.* Washington, DC: Economic Growth Office, Bureau for Economic Growth, Agriculture, and Trade, U.S. Agency for International Development, 2007.
- The National Security Strategy of the United States of America.* Washington: White House, 2006.
- Afghanistan Reconstruction: Despite Some Progress, Deteriorating Security and Other Obstacles Continue to Threaten Achievement of U.S. Goals.* Washington, DC: United States Government Accountability Office, 2005.
- World Development Report 2006: Equity and Development.* Washington, DC and New York: World Bank and Oxford University Press, 2005.
- Bosnia and Herzegovina: Selected Economic Issues.* Washington, DC: IMF Country Report No. 04/54, 2004.
- "Emergence to World Power." Chap. 15, In *American Military History Volume 1: The United States Army and the Forging of a Nation, 1775-1917*, edited by Richard W. Stewart. <http://www.history.army.mil/books/amh-v1/ch15.htm> ed. Vol. I. Washington, DC: Center of Military History, United States Army, 2004.
- World Development Report 2005: A Better Investment Climate for Everyone.* Washington, DC and New York: World Bank and Oxford University Press, 2004.
- Bank-Financed Procurement Model.* Washington, DC: World Bank, 2001.
- World Development Report 2002: Building Institutions for Markets.* Washington, DC and New York: World Bank and Oxford University Press, 2001.
- "US Military History Companion: Civil War (1861 – 65): Postwar Impact." Oxford University Press. <http://www.answers.com/topic/civil-war-1861-65-postwar-impact>.
- DoD Directive 3000.05, "Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations", November 28, 2005.*
- "Passing the Baton: Foreign Policy Challenges and Opportunities Facing the New Administration." Washington, DC, United States Institute of Peace, January 8, 2009.

- "The Philippine-American War, 1899-1902." U.S. Department of State.  
<http://www.state.gov/r/pa/ho/time/ip/87722.htm> (accessed December 10, 2008, 2008).
- "Ronald Reagan Quotes/Quotations." [http://quotes.liberty-tree.ca/quotes\\_by/ronald+reagan](http://quotes.liberty-tree.ca/quotes_by/ronald+reagan) (accessed 2/25/2009, 2009).
- Abbaszadeh, Nima, Mark Crow, Marianne El-Khoury, Jonathan Gandomi, David Kuwayama, Christopher MacPherson, Meghan Nutting, Nealin Parker, and Taya Weiss. *Provincial Reconstruction Teams: Lessons and Recommendations* Woodrow Wilson School of Public and International Affairs, Princeton University, 2008.
- Army Command and General Staff College Fort Leavenworth KS School of Advanced Military Studies and Bruce J. Reider. *Joint Capabilities for Post-Conflict Operations* 2004.
- Army Command and General Staff College Fort Leavenworth KS School of Advanced Military Studies and Travis Rooms. *Beginning with the End in Mind: Post-Conflict Operations and Campaign Planning* 2005.
- Army Command and General Staff College Fort Leavenworth KS and Timothy P. Leroux. "Intervention, Stabilization, and Transformation Operations: The Army's New Mission." 2005.
- Army Command and General Staff College Fort Leavenworth KS and Kellie J. McCoy. "Creating Effective Post-Conflict Transition Organizations: Lessons from Panama, Bosnia, Afghanistan, and Iraq." 2008.
- Army War College Carlisle Barracks PA and Russell R. Hula. *Stability Operations and Government: An Inherently Military Function* 2008.
- Army War College Carlisle Barracks PA and Timothy A. Reisch. *Stability Operations: Getting it Right in the Global War on Terrorism* 2005.
- Army War College Carlisle Barracks PA, Skinner, and Eugene W. Jr. *Economic Assessment: Stability, Security, Transition and Reconstruction Operations* 2007.
- Army War College Library Carlisle Barracks PA and Jeanette M. Moyer. *Post Conflict Reconstruction: A Selected Bibliography* 2007.
- Barnett, Thomas P. M. "The Man between War and Peace". *Esquire*, April 23, 2008, 2008.
- Barnett, Thomas P. M. *Blueprint for Action: A Future Worth Creating*. New York: G.P. Putnam's Sons, 2005.

- . *The Pentagon's New Map: War and Peace in the Twenty-First Century*. New York: G.P. Putnam's Sons, 2004.
- Barro, Robert J. "Democracy and Growth." *Journal of Economic Growth* 1, no. 1 (March 1996, 1996): 1-1-27.
- Barry, Jane, and Anna Jefferys. *A Bridge Too Far: Aid Agencies and the Military in Humanitarian Response*. London: Humanitarian Practice Network, 2002.
- Barton, Frederick. *A Wiser Peace [Electronic Resource]: An Action Strategy for a Post-Conflict Iraq*. Washington, DC: CSIS, 2003.
- Berger, [Samuel R., Brent Scowcroft, co-chairs, and William L. Nash. *In the Wake of War : Improving U.S. Post-Conflict Capabilities : Report of an Independent Task Force Sponsored by the Council on Foreign Relations*. New York: Council on Foreign Relations, 2005.
- Binnendijk, Hans, and Stuart E. Johnson. *Transforming for Stabilization and Reconstruction Operations*. Washington, DC: National Defense University Press, 2004.
- Bowman, Tom. "Military Preps for Buildup of Troops in Afghanistan." NPR. <http://www.npr.org/templates/story/story.php?storyId=98091845> (accessed February 9, 2009, 2009).
- Brent, Stephen. "The Economics of Global Poverty." Washington, DC, Industrial College of the Armed Forces, December 4, 2008.
- Brinkley, Paul. "A Cause for Hope: Economic Revitalization in Iraq." *Military Review* 87, no. 4 (Jul/Aug 2007, 2007): 2-10.
- Brinkley, Paul A. "Restoring Hope: Economic Revitalization in Iraq Moves Forward." *Military Review* 88, no. 2 (2008): 8-17.
- . *Industrial Revitalization Initiative: Overview of Effort Task Force for Improved Business and Stability Operations - Iraq*, 2006.
- Brown, Shannon A. *Resourcing Stability Operations and Reconstruction: Past, Present, and Future*. Washington, D.C: Industrial College of the Armed Forces], 2006.
- Burkhart, Ross E., and Michael Lewis-Beck. "Comparative Democracy: the Economic Development Thesis." *American Political Science Review* 88, no. 4 (December 1994, 1994): 903-903-910.
- Burnside, Craig, and David Dollar. "Aid, Policies, and Growth." *American Economic Review* 90, no. 4 (September 2000, 2000): 847-847-868.

- Bush, George W. "Bush's State of the Union Speech: Transcript of President Bush's Second State of the Union Address, Delivered to Congress Tuesday Night." CNN. <http://www.cnn.com/2003/ALLPOLITICS/01/28/sotu.transcript/> (accessed February 2, 2009, 2009).
- Butler, Smedley. "Smedley Butler on Interventionism: Excerpt from a Speech Delivered in 1933, by Major General Smedley Butler, USMC." Federation of American Scientists. <http://www.fas.org/man/smedley.htm> (accessed November 15, 2008, 2008).
- Cashill, Robert. "Outside the Green Zone: An Interview with Brian De Palma." *Cineaste* 33, no. 1 (2007): 6-12.
- Chandrasekaran, Rajiv. *Imperial Life in the Emerald City: Inside Iraq's Green Zone*. New York: Alfred A. Knopf, 2006.
- Chiarelli, Peter W. and Patrick R. Michaelis. "Winning the Peace: The Requirement for Full-Spectrum Operations." *Military Review* (Oct, 2006): 13.
- City, Frederik Balfour in Kuwait. "CAN THE U.S. 'JUMP-START' IRAQ'S ECONOMY?" *Business Week* no. 3830 (Apr 28, 2003): 34.
- Clemens, Michael A., Steven Radelet, and Rikhil Bhavnani. *Counting Chickens when they Hatch: The Short-Term Effect of Aid on Growth*. Washington, DC: Center for Global Growth, 2004.
- Cohen, Craig. *Measuring Progress in Stabilization and Reconstruction*. Washington DC: United States Institute of Peace, 2006.
- Collier, Paul, and Anke Hoeffler. *Aid, Policy, and Growth in Post-Conflict Societies*. Washington, DC: World Bank, 2002.
- Collins, Jim. *Good to Great: Why some Companies make the Leap--and Others Don't*. New York, NY: HarperBusiness, 2001.
- Commission on Post-Conflict Reconstruction (U.S.). *Play to Win [Electronic Resource]: Final Report of the Bi-Partisan Commission on Post-Conflict Reconstruction*. Washington, D.C.: Center for Strategic and International Studies, 2003.
- Consolatore, Daniel. "2nd Annual Reconstruction and Stabilization Conference." Washington, DC, January 30–February 1, 2007, 2007.
- Cordesman, Anthony H. *The War After the War*. Washington, D.C.: Center for Strategy and International Studies Institute Press, 2004.



- Covey, Jock, Michael J. Dziedzic, and Leonard R. Hawley, eds. *Quest for Viable Peace: International Intervention and Strategies for Conflict Transformation*. Washington, D.C.: United States Institute of Peace Press; Arlington, VA: Association of the United States Army, 2005.
- Coyne, Christopher J. "The Politics of Bureaucracy and the Failure of Post-War Reconstruction." *Public Choice* 135, no. 1-2 (Apr, 2008): 11.
- Crane, Conrad C., and W. Andrew Terrill. *Reconstructing Iraq: Insights, Challenges, and Missions for Military Forces in a Post-Conflict Scenario*. Carlisle, PA: Strategic Studies Institute Press, 2003.
- Dale, Catherine. *War in Afghanistan: Strategy, Military Operations, and Issues for Congress*. Washington, DC: Congressional Research Service, 2009.
- DEFENSE SCIENCE BOARD WASHINGTON DC, Craig I. Fields, and Philip A. Odeen. *Defense Science Board 2004 Summer Study on Transition to and from Hostilities, Supporting Papers*, 2005.
- DeYoung, Karen. "Obama's NSC Will Get New Power." *Washington Post*, February 8, 2009, 2009, sec. A.
- Dobbins, James. *After the War: Nation-Building from FDR to George W. Bush*. Santa Monica, CA: RAND National Security Research Division, 2008.
- . *The UN's Role in Nation-Building: From the Congo to Iraq*. Santa Monica, CA: RAND Corporation, 2005.
- Library, Inc. *Reshaping the Future Education and Postconflict Reconstruction*. Washington, D.C: World Bank, 2005.
- Eisert, Kevin. "Aftermath & Reconstruction: Sherman's Sentinels "A Legacy of Destruction"." The Civil War Heritage Ring. <http://civilwar.bluegrass.net/AftermathAndReconstruction/shermansentinels.html> (accessed November 15, 2008, 2008).
- Elbadawi, Ibrahim Ahmed. "Postconflict Transitions: An Overview." *The World Bank Economic Review* 22, no. 1 (2008): 1.
- Ellsworth, James B. *SysAdmin: Toward Barnett's Stabilization and Reconstruction Force*. Arlington, VA: Institute of Land Warfare, Association of the United States Army, 2006.
- England, Andrew. "Slideshow: Calm Returns to Basra." *Financial Times*, 2008.

- Feng, Yi. "Democracy, Political Stability and Economic Growth." *British Journal of Political Science* 27, no. 3 (Jul., 1997): 391-418.
- Franks, Tommy and Malcom McConnell. *American Soldier*. New York, N.Y: Regan Books, 2004.
- Fukuyama, Francis, ed. *Nation-Building Beyond Afghanistan and Iraq*. Baltimore: Johns Hopkins University Press, 2006.
- Gates, Robert M. "A Balanced Strategy: Reprogramming the Pentagon for a New Age." *Foreign Affairs* no. January/February 2009 (2009).
- . "Beyond Guns and Steel: Reviving the Nonmilitary Instruments of American Power." Manhattan, KS, November 26, 2007, 2008.
- Gladwell, Malcolm. *The Tipping Point: How Little Things can make a Big Difference*. Boston: Back Bay Books, 2002.
- Gordon, Michael R. and Bernard E. Trainor. *Cobra II: The Inside Story of the Invasion and Occupation of Iraq*. New York: Pantheon Books, 2006.
- Grow, Michael. *U.S. Presidents and Latin American Interventions: Pursuing Regime Change in the Cold War*. Lawrence, Kan: University Press of Kansas, 2008.
- Hamre, John. *Iraq's Post-Conflict Reconstruction [Electronic Resource]: A Field Review and Recommendations, July 17, 2003*. Washington, DC: CSIS, 2003.
- Haynes, Deborah. "Battle Begins for Business as Military Hostilities in Iraq Take Peaceful Turn." *The Times*, October 6, 2008, 2008.
- Heo, Uk and Alexander C. Tan. "Democracy and Economic Growth: A Causal Analysis." *Comparative Politics* 33, no. 4 (Jul., 2001): 463-473.
- Herman, Arthur. "The Return of Carterism?" *Commentary* 127, no. 1 (Jan, 2009): 18.
- Inspector General for Iraq Reconstruction. *Iraq Reconstruction: Lessons Learned in Contracting and Procurement*. Washington, DC: U.S. Government Printing Office, 2006.
- Joint Chiefs of Staff. *Joint Publication 3-0: Joint Operations*. Washington, D.C.: Joint Chiefs of Staff, 2008.
- . *Joint Publication 3-57: Joint Doctrine for Civil-Military Operations*. Washington, D.C.: Joint Chiefs of Staff, 2008.

- . *Joint Publication 3-07.1: Joint Tactics, Techniques, and Procedures for Foreign Internal Defense (FID)*. Washington, DC: Joint Chiefs of Staff, 2004.
- Jones, James. *Washington Pulse: News from Inside the Beltway* 2008.
- Junne, Gerd and Willemijn Verkoren, eds. *Postconflict Development: Meeting New Challenges*. Boulder, Colo: Lynne Rienner Publishers, 2005.
- Kariuki, Mukami, and Jordan Schwartz. *Small-Scale Private Service Providers of Water Supply and Electricity: A Review of Incidence, Structure, Pricing and Operating Characteristics*. Washington, DC: World Bank, 2005.
- Kosiak, Steven M. *Cost of the Wars in Iraq and Afghanistan, and Other Military Operations Through 2008 and Beyond*. Washington, DC: Center for Budgetary and Strategic Assessments, 2008.
- Landes, David S. *The Wealth and Poverty of Nations: Why Some Are so Rich and Some so Poor*. New York: W.W. Norton, 1999.
- Lewarne, Stephen and David Snelbecker. *Lessons Learned about Economic Governance in Wartorn Economies* Bureau for Policy and Program Coordination, USAID, 2006.
- Library of Congress. Foreign Affairs and National Defense Division. *Peacekeeping and Post-Conflict Capabilities [Electronic Resource]: The State Department's Office for Reconstruction and Stabilization*. Washington, D.C.: Congressional Research Service, Library of Congress, 2005.
- Lipset, Seymour Martin. "Some Social Requisites of Democracy: Economic Development and Political Legitimacy." *The American Political Science Review* 53, no. 1 (Mar., 1959): 69-105.
- Lloyd-Jones, Trevor. *Report from the Iraq Commercial Investment Summit*. BusinessIntelligence Middle East, 2008.
- Logan, Justin, and Christopher Preble. *Failed States and Flawed Logic: The Case Against a Standing Nation-Building Office*. Washington, DC: CATO Institute, 2006.
- Lyons, Gene Martin. *Military Policy and Economic Aid: The Korean Case, 1950-1953*. Columbus: Ohio State University Press, 1961.
- MARINE CORPS WASHINGTON DC. *Small Wars Manual (Reprint of 1940 Edition)*, 1987.
- Mashatt, Merriam, Daniel Long, and James Crum. *Conflict-Sensitive Approach to Infrastructure Development*. Washington, DC: United States Institute of Peace, 2008.

- McKechnie, Alistair J. *Humanitarian Assistance, Reconstruction and Development in Afghanistan: A Practitioners' View*. Washington, DC: World Bank, 2003.
- Mendelson-Forman, Johanna and Merriam Mashatt. *Employment Generation and Economic Development in Stabilization and Reconstruction Operations*. Washington, D.C: United States Institute of Peace, 2007.
- Moalla-Fetini, Rakia, Heikki Hatanpää, Shehadah Hussein, and Natalia Koliadina. *Kosovo: Gearing Policies Toward Growth and Development*. Washington, DC: International Monetary Fund, 2005.
- Montgomery, John D. and Dennis A. Rondinelli, eds. *Beyond Reconstruction in Afghanistan : Lessons from Development Experience*. New York: Palgrave Macmillan, 2004.
- National Security Council. *National Security Presidential Directive 44, Management of Interagency Efforts Concerning Reconstruction and Stabilization*.
- Naval War College, Duray, and Paul H. Jr. *Observations on Occupation and Military Governance: An Analysis of the American Occupation of Japan and Germany in World War II* 2007.
- Odierno, Raymond T. *Multi-National Force-Iraq Commander's Counterinsurgency Guidance*. Baghdad, Iraq: Multi-National Forces-Iraq, 2008.
- Office of the Coordinator for Reconstruction and Stabilization. "Factsheet on-Line." U.S. Department of State. <http://www.state.gov/documents/organization/43429.pdf> (accessed October 6, 2008).
- Orr, Robert C. *Winning the Peace: An American Strategy for Post-Conflict Reconstruction*. Washington, D.C.: Center for Strategic and International Studies Press, 2004.
- Orr, Robert C., John J. Hamre, and Gordon R. Sullivan, eds. *Winning the Peace: An American Strategy for Post-Conflict Reconstruction*. Washington, D.C: CSIS Press, 2004.
- Pam, Jeremiah. *The Treasury Approach to State-Building and Institution-Strengthening Assistance: Experience in Iraq and Broader Implications*. Washington, DC: United States Institute of Peace, 2008.
- Parker, Timothy M. "Book Review from Naval War College, Naval Operations Planner Course: *The Small Wars Manual: Fleet Marine Force Reference Publication 12-25*. (Formerly Navy and Marine Corps Manual 2890), July 1940." Naval War College. [http://www.au.af.mil/au/awc/awcgate/navy/small\\_wars\\_manual\\_review.htm](http://www.au.af.mil/au/awc/awcgate/navy/small_wars_manual_review.htm) (accessed November 15, 2008, 2008).

- Remarks at "The Challenge of Civilian Management in Conflict and Post-Conflict Societies: The Lugar-Biden Initiative" Symposium.* December 10, 2004, 2004.
- Prahalad, C. K. *The Fortune at the Bottom of the Pyramid.* Upper Saddle River, NJ: Wharton School Pub., 2005.
- RAND CORP ARLINGTON VA NATIONAL SECURITY RESEARCH DIV, James Dobbins, Seth G. Jones, Keith Crane, and Beth C. DeGrasse. *The Beginner's Guide to Nation-Building,* 2007.
- Rashid, Ahmed. "United States Faces Fault Lines in Building Afghan Army." *Eurasia Insight,* July 29, 2002, 2002.
- Rashid, By Ahmed. "Realpolitik Intrudes on Afghan Army --- Western Allies Say U.S., Loath to Offend Warlords, Hesitates to Build Force." *Wall Street Journal,* Jul 29, 2002.
- Ricks, Thomas E. "The Dissenter Who Changed the War." *The Washington Post,* February 8, 2009, 2009, sec. A.
- Serafino, Nina M., and Martin A. Weiss. *Peacekeeping and Post-Conflict Capabilities: The State Department's Office for Reconstruction and Stabilization.* Washington, DC: Library of Congress, Congressional Research Service, 2005.
- Sergeant, Mike. "Basra Calm Offers Better Future." *BBC News,* September 9, 2008.
- Series, Dwight D. Eisenhower National Security. *Interagency Management of Spoilers to Viable Peace: Building Capabilities for Comprehensive, Coordinated Approaches.* Washington, D.C: Dwight D. Eisenhower National Security Series], 2006.
- Silbey, David. "The Successful Iraq." *Slate,* March 19, 2007, 2007.
- Stephenson, James and Richard L. Armitage. *Losing the Golden Hour: An Insider's View of Iraq's Reconstruction.* Washington, D.C: Potomac Books, 2007.
- Taylor, John B. *Global Financial Warriors: The Untold Story of International Finance in the Post-9/11 World.* New York: W.W. Norton, 2007.
- U.S. Department of State. *Post Conflict Reconstruction Essentials Tasks Matrix.* Washington, DC: U.S. Department of State, Office of the Coordinator for Reconstruction and Stabilization, 2005.
- U.S. Joint Forces Command. *Military Support to Stabilization, Security, Transition, and Reconstruction Operations Joint Operating Concept (JOC).* Suffolk, VA: U.S. Joint Forces Command, 2006.

United States Department of Defense. *National Defense Strategy [Electronic Resource]*. Washington, D.C.: Dept. of Defense, 2008.

———. *Quadrennial Defense Review Report [Electronic Resource]*. Washington, D.C.: Dept. of Defense, 2006.

United States. Congress. House. Committee on International Relations. *Review of Iraq Reconstruction: Hearing before the Committee on International Relations, House of Representatives, One Hundred Ninth Congress, Second Session, June 8, 2006*. Washington: U.S. G.P.O: For sale by the Supt. of Docs., U.S. G.P.O., 2006.

Williams, Garland H. *Engineering Peace: The Military Role in Postconflict Reconstruction*. Washington, D.C: United States Institute of Peace Press, 2005.

World Bank. *A Guide to the World Bank*. Washington, D.C: World Bank, 2003.

Zamgochian, Aram. "12 Criteria for International Investors." Durham, NC, U.S. Chamber of Commerce, November 20, 2008.