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Economics: The Better Bullet for Grey War

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What do quantum physics and American foreign policy have in common? Both are still searching for a unifying theory. Albert Einstein spent the latter decades of his life searching for a theory that unifies all the forces of nature. The United States lacks a unifying theme for its foreign engagement efforts in combating terrorism and insurgency. Mischaracterization of the problems, competition among implementing agencies and a reluctance to jettison entrenched legacy programs are all obstacles to developing a single, unifying underpinning to American foreign engagement policy in counter-terrorism and counter-insurgency. The U.S. needs a theme that underlies and unifies our efforts at winning over susceptible populations.

America finds herself embroiled in a tar baby of a war unlike any previously fought. This “grey war,” likely to be the definitive style of warfare for this and the next military generation, will simmer as a low-grade, continuous engagement alternating between diplomacy and violence. The United States and assorted extremist groups will jockey for position in a war the U.S. can neither definitively win (*a la* World War II) nor disengage from. Like the tar baby, grey war will be a sticky mess we cannot easily rid ourselves of. Commonly thought to be a concerted global effort the various terror groups, even those operating under the banner of Islamic jihad, are in reality a hundred different groups with a hundred different grievances. Many of these grievances are catastrophic, some are legitimate and all are meaningful to the people suffering them.

When asked what really powers an organization like Al-Queda, author Austin Bay replies: “money and grievance,” pointing out that “a well-run terrorist organization must be able to leverage grievance and resentment.” Grievances are the fuel of resentment, which the terrorist or insurgent (“TI”—for purposes of this paper the two are referred to jointly) organization leverages into violence. To those living in a peaceful country, understanding why anyone engages in terrorism can be nearly impossible. But we are competing with the extremist groups for these susceptible populations so we must understand if we are to craft any sort of meaningful engagement. Terrorist and insurgent groups need to attract followers so they must develop recruitment mechanisms. Everything is fair game in this effort: religion, politics, economics, nationalism, threats, violence, etc. In a backhanded way this illustrates the first exploitable weakness in the TI methodology: messages crafted to one target population by local movement leaders are effective in their homelands but often do not translate well to other populations. Copying methods and sharing information does occur thanks to the global access provided by the internet and modern communications (referred to by Dr. David Kilcullen as “globalization pathways”), and cross-support of one organization to another occurs as well. This

can be seen in one group launching an attack in support of or response to another group's actions. But more commonly each group has their own specific grievances to air out. In opposition, the counter-terrorist and counter-insurgent ("CTI"—for purposes of this paper they are referred to jointly) has the same challenge: attracting the target population to a competing message. This is the essence of the competition between the TI and CTI. It illustrates the challenge of tailoring individual responses to disparate groups under a single, overarching theme and also highlights how doing so provides a way to 'divide and conquer.' Our response to individual groups can be partly based on highlighting their differences from other aggrieved populations, making it easier to interrupt potential bonds of solidarity.

In common terms an insurgency is considered a 'contest for the will of the people.' Defined in joint doctrine, an insurgency is "an organized movement aimed at the overthrow of a constituted government through the use of subversion and armed conflict" (Joint Publication 1-02). As the TI and the CTI battle for influence over the local population the battlespace becomes defined by the motivations of the population. These motivations are familiar as Maslow's Hierarchy, the pyramid of human needs, wants and desires that guide human decision making. At the higher levels those decisions are more discretionary; we choose among options that fulfill emotional or psychological needs. At the bottom of the pyramid, where the needs are the basic human drivers for survival, the "choices" can be far more desperate. The desire to live another day strips the decision-making process to a stark choice: which option sees me through to tomorrow? And when the basic issue of survival is at stake all other choices are irrelevant. This is the environment in which the TI and CTI are operating. Understanding this construct gives us direction for an engagement strategy: Can we distill a single, crucial principle to guide our engagement with the target population? This is not about a magic bullet that solves all problems but rather ensuring our efforts have meaning. When we (the U.S.) attempt to influence a foreign population for the purpose of preventing terrorism or insurgency, just what is it we are asking of them? Moreover, what are we offering in return? The first part is easy to answer: we're asking them to throw in their lot with us. It's in answering their question, "What's in it for us if we do?" that we're having trouble with the clarity of our message. Asking them to buy into our program is asking them to gamble their hopes and future on our promises. The most common refrain in at-risk populations is the desire for employment. What that really represents is the desire to be able to exchange labor for satisfaction of the next most important concerns after survival: food and shelter ("security of resources" per Maslow). They want to be able to secure a better tomorrow through the exchange of labor for income. This is basic economics. This combination tells us what target populations desire most and what we should be offering in our message: economic hope. It is in the concept of *economic hope*, the feeling that what is wanted can be had, that the universal theme is found.

In his book *Leviathan*, Thomas Hobbes contends that self-preservation dominates human behavior and decision making first and foremost. A population subjected to the promises of the CTI versus the promises of the TI is caught between a rock and a hard place: both are promising a better future in exchange for support. The advantage the U.S. has is the capacity to make that future happen *now*. We have the money, people and expertise to back up our promises with action. It is this capacity we must leverage to tip the local population to our favor and the path to that tipping point must be laid from the beginning, from the first time we meet with a local population to explain ourselves and convince them to throw in with us. This is where our lack of

clarity in our message is hurting us. The modern godfather of counterinsurgency, David Galula, comments on the importance that doctrine “... *be the practical answer to the problem of how to channel efforts in a single direction.*” Defining a common theme for our (U.S) engagement helps define that single direction. General Petraeus states that the central lesson of counterinsurgency is to ‘secure the population.’ Inherent in a sense of security is optimism for the future. In his final State of the Union address in January, 1944, President Roosevelt stated that “...people should have freedom from economic fear...” Roosevelt made his point on avoiding a hardship, the obverse of that being to emphasize the positive of economic confidence. People want to believe that tomorrow they will be able to eat, to feed their families and to prosper by their efforts. In every one of the failed or unstable state environments where populations seek help the overwhelming clamor is for a means of livelihood. The common thread among Galula, Petraeus, Roosevelt, et.al., is that our efforts foster the people’s belief in a better, achievable future. And if economics is the engine that allows populations to recover, hope is the fuel of that engine. When the terrorist organization Al Shabaab can purchase members in Mogadishu, Somalia, for \$150 per month, despite the common knowledge that few survive let alone return home, the evidence of economic desperation trumping all is clear. Economics underlie everything.

Facilitating economic hope is not just passing out microloans and small business grants, or temporarily hiring locals to clean out irrigation ditches. That’s merely handing out fish. Unfortunately microlending has come to be misunderstood and misapplied in the current OIF and OEF-A environments. When properly applied, as popularized by Muhammad Yunus and the Grameen Bank, microlending has a place as a component in fostering economic hope but it is by no means a universal panacea. Unfortunately the concept is too often suggested as “the” program that will fix the economy, a suggestion inherently flawed as it assumes everyone wants to be an entrepreneur. The greater problem, with an exponentially greater impact if resolved, is unlocking access to the value of real and personal property in these societies, value that currently remains inaccessible because local markets have no mechanism to collateralize such property. Trade in tribal societies is currently restricted to relational contracting within networks which use social collateral.¹ Establishing appropriate collateralization mechanisms would introduce powerful market forces of lending and borrowing.

So how does a unifying concept fit with the “3-legged stool” of counter-insurgency (COIN)? Composed of security, development and governance the three legs of the stool are mutually supportive though progress is often sought sequentially. ‘Security’ is typically pursued first and demands the most manpower and money. This makes sense as little in the way of fostering economic hope can occur while the population space remains physically contested. However the concept of economic hope is inextricably intertwined with all three legs of the COIN stool. Security can be improved if the population believes that hope is more likely actualized by supporting the counter-insurgents. The same is true with governance and development: economic hope and all three legs of the stool are mutually supportive and mutually dependent. It is at this nexus of perception, belief and action that U.S. initiatives should all be operating under the same theme and fostering the same message.

¹ *Creating Collateral: The de Soto Effect and the Political Economy of Legal Reform*, Timothy Besley and Maitreesh Ghatak, London School of Economics, February 2008.

If the thoughts here are considered for policy planning and the structure of programs, how does that translate into definitive action on the ground? The answer is that a comprehensive message centering on economic hope will have to be crafted that guides the work of all agencies involved. This will not be easy, whether due to differing organizational goals or simple inertia. All the more reason that crafting the relevant concept from the top will help bring focus and unity of effort. This will, in turn, help reinforce continuity of message despite the assortment of agencies and ever-rotating personnel. The message must convince the target population that the CTI's bring sustainable programs, depth of resources, willingness to act and commitment to the effort; these are the things that will make our message believable. The message of economic hope must be interwoven, integral, pervasive, consistent, long term and effort-wide. There is no reason the Department of State and Department of Defense cannot conduct their counter-insurgency and counter-terrorism initiatives under the same conceptual umbrella.

Advancing an atmosphere of economic hope in populations we seek to influence ought to be strategic policy for the U.S., not merely one of the options. Doing so will contribute as much to legitimizing our overall efforts as anything else we might do; hope and legitimacy go hand in hand. Though achieving the goal of a unified message will yield dividends for our efforts on foreign soil, we stand to reap even greater benefits in-house. Simply identifying a unifying theme to guide our foreign engagement goals in future 'overseas contingency operations' will yield badly needed coherence, unity and, ideally, efficiency. Offering economic hope is how we can win the contest for the will of the people. Economic hope is fundamental to the human condition; it is already there in every population we engage, even if withered and faint. It is a universal theme that cuts across disparate populations and grievances. Our challenge is to fan that coal of hope until it springs into its own self-sustaining flame.

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