



SMALL WARS JOURNAL

smallwarsjournal.com

The Void in Tactical Level Economic Doctrine

by David Anderson and Jonathan Schaffner

In light of experiences in the Balkans, the Horn of Africa, the Caribbean and ongoing operations in Iraq and Afghanistan, the United States military made several revisions to its doctrine. Many of these revisions account for the complexities in counterinsurgency, stability and reconstruction operations, especially when these operations take place amongst ongoing kinetic activities. Some of the changes reflect a newfound respect for operations conducted in Vietnam or, depending on the source, a thinly veiled reference to French actions in Algeria. These changes acknowledge the need for a whole of government approach, mention the word economy or economics as if it were permanently connected to social or political considerations, and even elevate the economy to an operational variable. However, they fail to fully expound on the tactical leader's involvement in economic activity and the necessity for achieving sustainable economic development in the operating environment. Using current Army Field Manuals (FM), a contracted research document and military source directives and instructions, this review will present the context in which these publications mention or address economics and the depth they venture to explain applications at the tactical level.

Department of Defense Instruction 3000.5 published in 2009 establishes stability operations as a core United States military mission that units will conduct at the same proficiency as combat operations.¹ Further, it directs military forces to conduct and support stability operations through all phases and ranges of military operations. The document designates the military as the lead agent to establish civil security and control, restore essential services, repair and protect critical infrastructure and deliver humanitarian assistance.²

The instruction also identifies the integration with civilian efforts as essential to the conduct of successful operations and guides the military to collaborate stability operations planning with other United States government agencies, foreign governments and international and non-governmental organizations as appropriate.³ In addition, the military is to foster the growth of civil-military teams to incubate the success of stability operations.

In specifically addressing the economy, the document states that the military will support operations to foster economic stability and development.⁴ Economic considerations are a characteristic of an area's intelligence assessment.⁵ According to the document, Joint Intelligence Operations Centers (JIOC) will produce economic-centric intelligence products.⁶ Missing from the Instruction that was present in its precursor Department of Defense Directive

¹ U.S. Department of Defense, Department of Defense Instruction (DoDI) 3000.05: Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations (Washington, D.C.: Secretary of Defense for Policy, 2009), 2.

² Ibid., 2

³ Ibid., 2

⁴ Ibid., 3.

⁵ Ibid., 9.

⁶ Ibid., 15

3000.05, published in 2005, is the long term goal of building a market economy in indigenous society, the task to help encourage citizen-driven economic activity and related infrastructure requirements.⁷ Bottom-up, entrepreneurial economic growth was a key concept in the initial directive. This concept would have broad applicability at the tactical level however the revised document places the military in a supporting role to higher level organizations and agencies.

Field Manual 3-0, *Operations*, mentions the word economy or economics over 50 times. However, nearly half of the time it is mentioned in the context of “economy of force.” The first paragraph addressing economic activities is paragraph 1-30 which discusses the connection between the local economy, and local politics while providing lists of factors affecting an individual’s incentives to change the economic status quo. Factors include technical knowledge, decentralized capital flow, investment, price fluctuations, debt, financial instruments, property rights and black market activity.⁸ These factors do not translate well at the tactical level. In fact, the most direct economic guidance in the manual demonstrates a misunderstanding of the importance of economic stability by stating that basic infrastructure must be functioning before shifting efforts to stabilize the economy.⁹ In fact, reconstituting the power, transportation, communication, health and sanitation, firefighting, mortuary services and environmental control capabilities of a country should be integrated in an overall economic development plan. These services provide employment and infrastructure necessary to advance commerce.

The manual goes on to list five all-inclusive elements of economic stabilization – restoring employment opportunities, initiating market reform, mobilizing domestic and foreign investment, supervising monetary reform and rebuilding public structures.¹⁰ While having merit at the national level, only portions of two elements, rebuilding public structures and restoring employment opportunities, have application at the tactical level. Nor does the document’s listing of economic considerations reference, or directly align, with guidance in FM 3-07, *Stability Operations*, discussed later. Overall the document does not constructively address economic concerns at the tactical level.

Field Manuals 5-0, *The Operations Process*, and FM 6-0, *Mission Command: Command and Control of Army Forces*, each mention the word “economy” approximately 10 times. In the only specific explanation of the word, FM 5-0 states that the economy is an influencing operational variable in an operating environment.¹¹ Again, these two manuals do not substantively add to a tactical commander’s understanding of the importance of a functioning economy.

Field Manual 3-07, *Stability Operations*, mentions economy or economics over 200 times in its text and provides the most detailed explanation of considerations for military interaction with, and shaping of, the host country economy. Department of Defense Directive 3000.05 published in 2005, since replaced by the less prescriptive version of the document (DOD Instruction 3000.05) provides the basis for ideas in FM 3-07. This manual describes the military

⁷ Ibid., 2 and 3.

⁸ FM 3-0, 1-7.

⁹ Ibid., 3-16.

¹⁰ Ibid., 3-16.

¹¹ U.S. Department of Defense, *U.S. Army Field Manual 5-0, The Operations Process* (Washington, D.C.: U.S. Government Printing Office, March 2010), 1-1.

necessity to rebuild government and develop a market economy, and provides several vignettes in its first chapter describing how a leader can influence local economies.¹²

A common theme in FM 3-07 is the connection of political and economic goals and the importance of understanding both policies and their interaction two levels up and down the chain of command. Further, the document describes a direct connection between political and economic freedom and then goes as far as referencing the national security strategy that links a market economy with independent businesses as a characteristic of a legitimate, effective state.¹³ The manual also addresses the primary stability task of Support to Economic and Infrastructure Development.

The first chapter of the manual specifically ends by providing an important consideration to commanders at all levels, that the immediate post-conflict economy is ripe for quick gains.¹⁴ This section, titled *Sustainable Economy*, is the most instructive portion in any of the field manuals regarding potential tactical level application of economic influence. It describes how at the end of a conflict, the local government is often in a state of decreased capability and military forces have the opportunity to immediately begin reconstruction efforts. These efforts should be focused on aspects of the economy that support its ability to self-sustain rather than looking for rapid, but temporary gains.¹⁵ These tactical-level projects include rebuilding physical infrastructure, establishing a viable workforce, business development and effective management of natural resources. The manual further recognizes that non-governmental and governmental aid agencies rush to provide aid in the immediate post-conflict economy, but describes this aid as a temporary and undirected injection into the economy. This short description assists in a tactical commanders' understanding but does not describe required further actions.

Chapter two of the manual explains stability in the context of full-spectrum operations, describing how stability, offense and defense are present in all phases of military operations. The chapter further describes the Department of State's stability sectors, recognizing they are by policy the lead stability operations agent. Most notable is the economic stabilization and infrastructure sector. Meaningful reference to the economy begins in paragraph 2-40, with a series of sections titled Economic Stabilization and Infrastructure. These sections provide a limited framework for initial economic stabilization activities in a post-conflict country focusing on the establishment of basic policy, securing and rebuilding existing economically important physical and process structures.¹⁶ The chapter also describes the post-conflict environment as an opportunity to build private sector capabilities.¹⁷

Chapter three provides detail on how a commander can determine which of the primary stability tasks, or their subcomponents, merit the title of essential stability tasks. The chapter leads the reader to recognize the necessity of linking efforts across stability sectors--from the economy to governance and security--and that military forces must understand the economy of their operating area is the foundation for future development. Further, it emphasizes the importance of monitoring price fluctuations that result from military purchases/environmental influences. For example, local buying by military forces that drive prices or availability of

¹² FM 3-07, vi.

¹³ Ibid., 1-10 and 1-29.

¹⁴ Ibid., 1-18.

¹⁵ Ibid., 1-18.

¹⁶ Ibid., 2-8 and 2-9.

¹⁷ Ibid., 2-12.

commodities out of range of the rest of the population. Military operations must reach a balance between immediate concerns and long term growth opportunities relative to the available workforce, existing economic infrastructure, and the infrastructure that must be built.¹⁸

While FM 3-07 provides the most detailed planning and execution tool for economic development, it focuses on considerations rather than sources of applicable tactical techniques. Furthermore, it does not fully recognize the interconnectedness of society with its economy. The most glaring examples of this are in chapter one where the manual separates infrastructure from the economy and places security and restoration of essential services as a greater necessity than economic support, rather than discussing operations that can support all three simultaneously. The subordinate to FM 3-07, Field Manual 3-07.31, *Tactics, Techniques and Procedures in Peace Operations*, alludes to economics considerations, but does not provide substantive depth in conducting tactical operations in support of economic activity.

Field Manual 3-24, *Counterinsurgency*, and FM 3-24.2, *Tactics, Techniques and Procedures in Counterinsurgency*, provide more detailed tasks for military forces in support of local economies, but only in terms of conducting counterinsurgency operations. These manuals see economic disparity as an insurgency driver and inequities as a source of unrest. Additionally, the manuals see the economy as a source of power through formal and informal commerce.¹⁹ Economy does become an example of a logical line of operation in chapter five of FM 3-24, but is considered as a function or outcome of a legitimate government rather than an integral requirement of a sustainable society.²⁰

The final chapters and appendices of FM 3-24 provide some mention of possible tactical applications of economic incentives. However, they are focused on counterinsurgency application rather than promoting sustainable economic growth. According to these chapters, economic stability and support must achieve objectives along other lines of operation rather than existing as part of an integrated plan where all lines support each other.²¹ Since they present a measurable output, both manuals encourage counterinsurgency commanders to utilize economic outputs as indicators of mission effectiveness. These manuals do offer guidance to not disturb local economies with an injection of military funds, and go on to provide examples of tactical applications of economic incentives specifically designed to disrupt the status-quo, and in some instances quite deeply.²²

Field Manuals 3-24 and 3-24.2 provide many examples of tactical application of economic incentives. However, not in the context of economic stability operations, since they provide economic incentive for an activity or service that is outside the economic interests or needs of a population. They are merely a method to change a local political powerbase. As such, they do not directly facilitate the establishment of a long term viable economy. Using money as a weapon's system is also an expensive and often counterproductive proposition since a commander must continuously provide incentives to targeted populations or risk losing security

¹⁸ Ibid., 2-15.

¹⁹ U.S. Department of Defense, *U.S. Army Field Manual 3-24, Counterinsurgency* (Washington, D.C.: U.S. Government Printing Office, December 2006), 3-10.

²⁰ Ibid., 5-17.

²¹ Ibid., 8-1.

²² Ibid., D-7 discusses how not to disrupt the status-quo with CERP funds but FM 3-24.2 discusses tactics on how to use money as a weapon system to distribute or support powerbases on pages 3-11 through 3-13.

momentum achieved through the injection of funds.²³ Furthermore, although the manuals provide many valuable economic considerations, they provide little in the way of describing how to build a viable, self-sustaining economy.

To address shortfalls in current doctrine, specifically in building a tactical level understanding of the economy in an operating environment, The United States Army contracted RAND Corporation to produce a “how to” guidebook titled “*Guidebook for Supporting Economic Development in Stability Operations*”.²⁴ The book was designed to “help U.S. Army personnel to more effectively use economic assistance to support economic and infrastructure development.”²⁵ It was influenced by the October 2007 USAID produced *Guide to Economic Growth in Post-Conflict Countries* and is specifically geared to tactical commanders. The document provides the Department of Defense a publication that helps commanders chose and implement programs based on a better understanding of their economic environment.

This book’s extensive introduction provides interpretation of the economic and infrastructure support task of stability operations. The differentiation between humanitarian tasks and development tasks is important because recognizing that such activities are separate will lead commanders to better understand their effects on their environment’s economy.²⁶ Humanitarian tasks are generally in response to a population’s emergency needs while development tasks may support broader mission goals or focus on fostering long-term economic growth.²⁷ The tactical application of the economic and infrastructure support task translates into the creation of a local economic environment where individuals engage in legal economic activities while military forces work to further secure the area.²⁸

The book is subsequently divided into several semi-standalone chapters including: What You Need to Know Before You Go; Players, Coordination and Resources; Humanitarian Assistance; Infrastructure and Essential Services; Agriculture; Currencies, Budgets, Finance and Foreign Trade; Private Sector Development and Employment Generation; Natural Resource Management; The Effects of the U.S. Military on Local Economies. Each chapter begins with frequently identified problems at the tactical level, and then moves into tasks for the Host Government, Civilian Agencies, NGOs and state-owned enterprises. Following this sub-section the chapters list and discuss potential army assessment, support and security tasks.

The chapters continue by describing the resources and capabilities of non-military players and host government entities in the context of stability operations. The authors acknowledge that there are many economic support tasks for both the military and outside agencies while painting a complex and thorough picture of how to look at a local economy in this operational context. The tasks identified in each chapter are useful considerations for commanders at all levels and provides a relatively well explained reason for each task’s ability to support economic development. The book echoes these inferences in Chapter 1:

²³ Sons of Iraq are a prime example of the necessity of long-term involvement in reaching an immediate end. By paying the Sons of Iraq, the military was arguably taking bodies away from the insurgency; however, the necessary continued payment became an issue, especially when the Government of Iraq was to provide payment to these individuals after the Status of Forces Agreement and other economic opportunities were unavailable.

²⁴ Keith Crane et al., *Guidebook for Supporting Economic Development in Stability Operations* (Santa Monica, CA: Rand Corporation, 2009), xi, 52, 105.

²⁵ Ibid., iii.

²⁶ Ibid., 3.

²⁷ Ibid., 3.

²⁸ Ibid., 3.

While these operations are often conducted in support of a host-nation or interim government, they may also be executed as part of a military occupation or under other circumstances where no functioning government exists. Moreover, while stability operations are best conducted in coordination with other instruments of national power, the U.S. military should also be prepared to act in those circumstances that preclude collaboration from civilian agencies and actors. This is particularly important in the transition from high-intensity conflicts to stability operations insofar as the U.S. military may be the only actor capable of carrying out this role.²⁹

While this statement greatly expands most commanders' interpretations of full spectrum operations, understanding these additional burdens is important in estimating troops-to-task down to the lowest tactical level. The document reiterates the importance of economic support and its linkages to security and governance. It further clarifies that economic support operations must be in conjunction with security and support to governance activities.

The final and most militarily focused chapter discusses the economic effects military forces may have on the host economy. In some cases, the relationship between the local economy and hosted forces can be parasitic and is often damaging. The presence of the United States military can lead to extreme localized inflation of goods and services required by military forces and exacerbate disrupted pre-conflict economic advantages and powerbases.³⁰ The chapter also provides several mini-cases that depict positive and negative practices with regard to stabilizing and encouraging growth in a local economy. However, this chapter, like the others, provides a long and thorough list of considerations but is relatively thin on supporting background and economic reasoning.

The guidebook is a useful source for identifying the kinds of information required to explain economic situations in an intelligence gathering context/framework, potential approaches during mission analysis and course of action development. It further describes definitions of the roles and capabilities of non-military players who may be able to assist with mission-focused tasks and how to measure progress and successful outcomes.³¹ It draws heavily on best-practices in vignettes and anecdotes gleaned from ongoing operations in Iraq and Afghanistan, through commander interviews, existing publications and the interaction between military and civilian personnel. The authors also draw upon other areas of unrest such as Liberia. However, the only overarching theme in the book is that the military is suppose to be in a support role, as the title of the document indicates, and that sometimes complex economic operations must occur to ensure the viability of a recovery from conflict. Another concern is that it operates under the premise that military manpower exists in a theater to support economic tasks initiated and managed by a massively expanded expeditionary element of the Department of State, USAID and NGOs.³² Ideally this method should breed success, but in light of the situation in Iraq and Afghanistan, and its lack of sufficient civilian expertise at the tactical level, the document seems to miss the mark in supporting DODI 3000.05. With this background and the book's defined setting of a conflict and post-conflict environment, its stated reliance on other than military initiatives for,

²⁹ Ibid., 1.

³⁰ Ibid., 119.

³¹ Ibid., 5.

³² Ibid., v-ix.

and management of, economic projects (especially at the tactical level), is unrealistic.³³ Therefore, the book has limited practical use.

Documents that guide tactical commanders in conducting economic activities focus almost exclusively on the “what” of a local economy not the “how” or “why.” Tactical commanders need to better understand the how and why of the economy within which they operate so they can directly influence and/or support necessary economic activity. Going forward, military doctrine and guiding directives must make significant strides to fill this tactical level void in guidance. Closing this critical gap must also include seamlessly linking these guiding documents to truly be effective.

Dr. David A. Anderson is a retired U.S. Marine Corps officer. He is now a professor of Strategic Studies and Odom Chair of Joint, Interagency, and Multinational Operations at the U.S. Army Command and General Staff College, Fort Leavenworth, Kansas, where he teaches strategic and operational studies, as well as economics. He is also an adjunct professor for Webster University, where he teaches various international relations courses including, International Political Economy and Globalization. He has published numerous articles on military, economics, and international relations related topics.

Major Jonathan K. Shaffner is a U.S. Army Major who holds a masters of business administration from Northeastern University and is a recent graduate of the School of Advanced Military Studies. He is now on his fifth deployment in support of OIF/OEF as a planner with USFOR-A.

This is a single article excerpt of material published in [Small Wars Journal](#).
Published by and COPYRIGHT © 2011, Small Wars Foundation.

Permission is granted to print single copies for personal, non-commercial use. Select non-commercial use is licensed via a Creative Commons BY-NC-SA 3.0 license per our [Terms of Use](#).

No FACTUAL STATEMENT should be relied upon without further investigation on your part sufficient to satisfy you in your independent judgment that it is true.



Please consider [supporting Small Wars Journal](#).

³³ Ibid., xii.