

**Expeditionary Economics:
Towards a Doctrine for Enabling Stabilization and Growth**
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Introduction

The military's role in current operations in Iraq and Afghanistan has extended beyond the widely accepted boundaries of the security domain and into the political, social, cultural and economic realms. For the most part, this has not been the result of deliberate policy but rather the result of a de facto acknowledgment of the substantial financial and logistical resources possessed by the military combined with its unique capability to operate in unsecure and remote environments. Moreover, this extension into the political and economic realms is also the result of an explicit recognition that military operations alone will not achieve stabilization objectives. In recent years, this extension of the military's roles and responsibilities has garnered significant attention from civilian think tanks, academia and military leaders for both its significant promise and potential peril. In our dual role as both military officers and faculty at the United States Military Academy, our research interests are concerned with the military's expanded role in issues surrounding economic growth and development in post-conflict environments where development is actively resisted and conflict is ever-present.

These research interests proceed from three assumptions regarding the military's involvement in the economic stabilization of post-conflict societies. The first is that tangible economic progress is a vital component of the transition to peace and security in a post-conflict environment. This relationship has been characterized as "two sides of the same coin...once humanitarian needs have been addressed, progress in development and governance offers the most effective way to stave off political instability and terrorism" (Weinbaum 13 April 2004). Second, we believe economic development in post-conflict settings is different from "economic development- as-usual". In addition to "normal socio-economic development, [countries in post-conflict] must consolidate peace and restore basic services and physical infrastructure" (Castillo 2008). High unemployment, damaged infrastructure, a lack of security, and presence of multiple donors and aid organizations are all examples of the additional challenges in post-conflict countries (U.S. Agency for International Development 2009). Finally, our third assumption is the U.S. military has already been committed in large numbers, and the environment, while "post-conflict" in some sense, is still too dangerous for civilian government agencies. These three assumptions provide the basis for our contention that the military should assume the prominent role in stabilizing the economy until the security environment improves enough to transition responsibility to civilian aid and development experts. Unfortunately, it is not possible

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to specify a temporal condition to the military's fulfillment of this role as it is dependent not on time, but on the security conditions of the environment.

In addition to being unable to identify *when* the military's role in economic stabilization ends, it is also difficult to identify *where* the military's role should begin in regards to economic stabilization. In terms of geography, in terms of business sectors, and even in terms of the various levels of the economy, how does the military begin to think about using economics to achieve stabilization in a local economy? Given that society's physical and human *capital* is damaged and its physical and human *security* threatened, where does the military begin in its efforts to foster short-run economic stabilization and long-run growth? Do they begin by addressing policy and governance issues from a "centralized, top down" perspective historically practiced by the development community? At the microeconomic level this might include things like property rights, enforcement of contracts, and rule of law issues. At the macroeconomic level, this could include items such as tax policy, budget formulation and execution, monetary policy and exchange rates. Conversely, does the military begin by working from the "bottom-up" in assisting enterprises and entrepreneurs through enablers such as microfinance, small-scale infrastructure, and human resource development and local governance?

A recent article in the May/June 2010 issue of *Foreign Affairs* by Dr. Carl Schramm entitled "Expeditionary Economics" is an effort to begin answering this question of "where to start". In his piece, Schramm argues that the military should "formulate a doctrine of 'expeditionary economics' designed to spur growth as rapidly and effectively as possible" in post-conflict societies. This doctrine, according to Schramm, should be based on a bottom-up approach emphasizing the critical role entrepreneurs play in "dynamic and growth oriented" economies and discourages the "central planning mindset that currently prevails in the international development community." In many ways, Schramm's piece identifies significant shortcomings in the military's current approach to integrating economics and stands as an intellectual "call-to-arms" to those in the military who study both economics and military operations.

Yet, as revolutionary as Schramm's ideas are in this recent piece, he leaves out many of the details necessary to pragmatically integrate "expeditionary economics" into a working doctrine relevant and useful to military leaders. Thus, the focus of our work in "expeditionary economics" will be to examine the challenges that the military faces in understanding and integrating economic development principles in the current operating environment to achieve their primary objective of stabilization in a manner that minimizes harm to long-term economic development programs. The intermediate goal of this effort is to investigate and potentially construct an economic stability and development framework for use by the military in post-conflict environments. Ultimately, we hope to establish a program of research at the U.S. Military Academy that can be leveraged to build a curriculum for professional military schools at the tactical, operational and strategic levels and also to inform the creation of future military doctrine on this subject.

To that end, the purpose of this paper is three-fold. First, it will attempt to clearly define “expeditionary economics” both literally and, through the use of an analogy, metaphorically. The purpose of our definition is not to refuse alternative explanations of this concept, but rather, to provide preliminary boundaries to a concept that is fairly ill-defined and means many things to many people. Second, it will address specific conditions under which the military might conduct “expeditionary economics” and the specific objectives toward which the military applies the use of “expeditionary economics.” Again, the “bounding” of this topic is particularly important not because we have discovered the correct answer, but because this concept becomes nearly intractable when poorly defined or left to individual interpretation. Lastly, the paper will briefly introduce the question of how the military can use “expeditionary economics” to achieve economic stabilization in a local economy. Of course, as this is the primary focus of our nascent research efforts and upcoming conferences, this section will likely raise more questions than it answers.

What is “Expeditionary Economics”?

“Expeditionary economics” is an emerging field of study that focuses on the development and application of economic principles and tools by military units in support of short-to-medium term security objectives in insecure post-conflict environments. The application of these principles and tools at the tactical and operational levels is focused on achieving economic stability that leads to the conditions which support long-term economic development and growth and which allow for foreign aid and development experts to assume responsibility. In line with our earlier assumptions, it is also an explicit acknowledgement of the symbiotic nature of economic stability and physical security in local communities too dangerous for entrée of civilian development experts but stable enough for the military to begin focusing on lines of operation in addition to that of security.

To place “expeditionary economics” in its proper context, it is also important to define clearly what it is not. It is not the commitment of the military to problems of long-term economic development in non-conflict societies, which should be left to civilian aid and development experts. Nor is it an effort to shift the focus of the military away from its conventional war-fighting mission, but rather another tool available to enhance the military’s ability to achieve stability. Furthermore, “expeditionary economics” is not to be confused with the use of economics as an instrument of national power wielded primarily at the strategic and policy levels of the United States Government. Economics as an instrument of national power includes such things as “economic sanctions and foreign aid...export controls and trade policies...access to markets...money supply and interest rates, and the promotion of international trade activity” (Worley 2008). While these are critically important macroeconomic issues for policymakers, they are not the military’s focus in “expeditionary economics.” However, the interface and transition between economics as an instrument of national power at the strategic levels, and “expeditionary economics” as a means of influence at the tactical and operational

levels, are critically important to ensure the economy does not unravel in the eventual hand-off to civilian development experts.

Conditions and Objectives of “Expeditionary Economics”

Because the use of economics in post-conflict environments can be conceptualized so broadly, it is important at this point to clearly constrain our discussion of “expeditionary economics”. We can do this by suggesting the conditions under which the military should conduct “expeditionary economics”. As originally stated in our assumptions, the use of “expeditionary economics” should only occur in environments where the military has already been committed by the President for reasons of national security. The use of “expeditionary economics” is not intended to be used as a *reason to deploy* the military to a specific region, but rather, as a *method to hasten the military’s redeployment* from a region by making the military more effective in its primary task of achieving security. Additionally, this environment is too dangerous for civilian development and aid agencies of the U.S. government to maintain a presence outside of secure installations and without a significant armed escort. Thus, the military is required to temporarily take the lead in attempting to achieve economic stabilization. Finally, the military’s focus on “expeditionary economics” in this environment is part of a broader multifaceted effort where success requires gaining the support of the local population and military operations alone will not achieve stabilization objectives. This requirement is most often present in counterinsurgency and stability operations.

We can further constrain our discussion by proposing specific objectives toward which the military applies the use of “expeditionary economics.” It should be almost exclusively focused on facilitating the objective of achieving the security conditions necessary to establish an environment safe for civilian development experts (both foreign and host nation). The military recognizes it is not the expert in this field nor is it trained, organized and equipped to efficiently promote and foster long-run economic growth. As the name “expeditionary” implies, the duration of the military’s role in economic stabilization ends once security conditions permit the entrance and operation of these experts. At that point, the military should transition away from economic lines of operation and refocus on their comparative advantage of providing security. In the course of achieving short-term security and economic stabilization, the military should also strive to minimize harm to the long-term growth prospects of the economy by providing civilian agencies a foundation for economic growth they would have pursued themselves.

Is There a Doctor in the House?

Jeffrey Sachs, the Quetelet Professor of Sustainable Development at Columbia University and economist/author of the *End of Poverty*, has likened the “challenge of making policy recommendations for an economy, especially a poor and unstable economy, [to] the challenges of clinical medicine.” He identifies many ways in which development economics should parallel clinical medicine’s process of diagnosing a patient (Sachs 2005).

To extend this very useful analogy a bit further, we can relate the military's role in short-term economic stabilization to that of a paramedic responding to an emergency call. Upon arrival, the paramedic is often alone on the scene as he begins his first task of assessing the situation. This includes not only triaging the patient by diagnosing his symptoms and injuries, but also evaluating the surrounding environment to ensure there is no risk of further danger to himself or the patient. In the same way the paramedic is first on the scene and conducts this *medical triage*, the leaders of tactical and operational military units in post-conflict environments must conduct *economic triage* in the initial period while some form of conflict continues. This will require not only knowledge of the economy's symptoms and condition, but also an ability to evaluate the environment surrounding the "patient." This knowledge of the environment should include critically important components such as the historical context, social and cultural norms, human capital levels, environmental considerations, and gender issues, to name just a few.

While paramedics are not the most qualified professionals in the medical field, they do have a broad knowledge base, a willingness to work in unfamiliar and inhospitable locations at a moment's notice, and a unique set of skills and tools that allow them to quickly and safely stabilize the patient. Likewise, military leaders are not development economists nor are they academic field researchers. However, like the paramedic, they might be the first line of defense (literally and figuratively) in a local economy and society damaged by conflict. Initially, they are probably the only American officials present due to the security situation, yet "armed" with an understanding of economic growth and development principles, they can help to assess the condition of the local economy, and pursue economic programs to facilitate security and economic growth.

Most importantly, the paramedic's role at the scene of an emergency is to provide life-saving, medical treatment until the patient arrives at a medical facility where a doctor takes over care. Until that time, he must be able to recognize different symptoms, diagnose various condition/injuries, and take action to stabilize the patient. These actions might include such things as an emergency airway puncture (intubation), the use of a tourniquet to stop bleeding or the insertion of a chest tube (thoracostomy). All of these have the potential to complicate or delay the patient's recovery and/or treatment in the long-run. The paramedic performs these actions reluctantly and as a last resort while acknowledging and understanding the explicit trade-off between causing additional injury and saving life. The military officer, like the paramedic, also faces trade-offs between competing courses of action that result in short-term economic stability yet have the potential to be counter-productive or harmful to economic development and growth in the long-run. This trade-off is usefully characterized in two different dimensions by the United States Agency for International Development (USAID). The first dimension involves the trade-off between achieving economic effectiveness or economic efficiency while the second dimension concerns the effect of urgent action by foreign military forces on a host government's perceived legitimacy (U.S. Agency for International Development 2009).

Finally, upon arrival at the hospital, the paramedic ultimately hands off the patient to one of any number of medical specialists who are better qualified with deeper understandings of their specific areas of expertise. These are specialized medical doctors and it's the paramedic's job to care for the patient in a way that will stabilize, do no harm, and later enable these expert medical specialists to do their work. In the same way, the military officer, must focus on assisting and stabilizing the local economy in a way that will do as little harm as possible while enabling the conditions for civilian aid and development experts (foreign and host) to successfully transition the "patient's care" from short-term stabilization to long-term sustainable economic development and growth.

Charting a Way Forward for "Expeditionary Economics"

With all of this in mind, we now return to our final question of, "How does the military begin to think about using "expeditionary economics" to achieve stabilization in a local economy?" First and foremost, the military must embark on the development and execution of an "expeditionary economics" doctrine guided by serious study of the field of growth and development economics. While useful in providing some very broad principles, this field of study and its application by policy-makers also has a somewhat dubious record. In its pursuit, over \$2.3 trillion dollars of foreign aid has been spent during the last 50 years, not to mention the billions spent in Afghanistan and Iraq more recently with questionable effectiveness (Easterly 2007). Moreover, development economics has spawned a vast and somewhat inconclusive body of growth literature, which includes over 145 independent variables reported to affect growth in a (statistically) significant manner (Easterly and Cohen 2009, 3). Therefore, in the process of developing a doctrine of "expeditionary economics", the military should remain cognizant of all that experts don't know about economic development and skeptical of that which they purport to know.

With that said, we do believe the beginning of the answer to this question, while not entirely fleshed out, lies in Schramm's broad focus on private-sector entrepreneurialism in a growth-oriented economy. Understanding the role the entrepreneur plays in the formation of small and medium-size firms is one step in the military's ability to stabilize a local economy in a way that enables it to begin the process of long-term growth and development. This focus on firm-formation at the enterprise level also aligns with the focus of tactical and operational military units in counterinsurgency operations in both scope (villages and towns) and in purpose (earning the trust of the people). Moreover, it is generally accepted that firm-formation in the local economy is the precursor to many important economic phenomena such as job creation, goods and service provision, and local population buy-in of security efforts in the community. As Dr. Schramm says in his article, "Strictly speaking, economies do not grow. It is individual firms within these economies that grow—or shrink" (Schramm 2010). This is also in line with USAID's Economic Growth Strategy which argues that "economic growth begins with competitive firms" (U.S. Agency for International Development 2008). Thus, these phenomena

are only important in that they lead to income and wealth creation for employers and employees, a rising standard of living for the community and an interest in preserving/locking in the gains visible to the entire local economy.

Relatedly, our initial investigation of “expeditionary economics” should proceed from a “bottom-up” perspective. One cannot “build” or “create” an entrepreneurial economy in a post-conflict environment in the same way we have attempted to “build” the various institutions of stable democratic governance (the military, police, judicial system, etc) in recent military operations. The development of “expeditionary economics” as a doctrine should focus on enabling the local population to unleash their creative and productive energies in pursuit of a better life for themselves, their families and their local communities. This is done not only through the provision of security at the local level, but also through efforts to achieve economic stabilization in the short-run. Moreover, the military can be prepared to assist local entrepreneurs with the critical issue of access to the necessary factors of production (capital, labor, technology) through enablers such as banks and/or micro-finance institutions, job fairs, and public-private partnerships, respectively.

Conclusion

Admittedly, these are but a few areas in which the military can begin to think about “expeditionary economics” and its application. This paper, and more broadly our current research efforts, is simply the beginning of a discussion focused on formulating a doctrine of “expeditionary economics” for the military. We hope and expect this formulation to change and evolve over time as we seek the wisdom and counsel of development experts. After all, the premise of this discussion is one in which the military recognizes it is an “agent” acting on the behalf of civilian development expert “principals” for a limited period of time. Ultimately, the military hopes to achieve short-term economic stabilization through the application of “expeditionary economics” in a manner that facilitates, as much as possible, a smooth and seamless transition where the civilian development community does not have to start anew.

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