Introduction

The requirements of the United States military continue to evolve over time. Stabilizing a cleared battle space involves social, political, and economic consequences of the conflict. The success of the counter insurgency strategy of shape, clear, hold, and build is fundamentally predicated on the ability of the military to stabilize all three areas of potential instability. Although it can be asserted that the three areas of instability (social, political, and economics) are quite interrelated and all have significant importance in the fabric of any region in any country; it has become quite apparent that economics tends to overshadow the effects of social and political uncertainty.

Recent expeditionary actions involved developing countries and future operations will surely be in economically deficient environments. Agriculture is the major component of any developing country’s economy and must receive the preponderance of support to insure economic stability and subsistence for the population. Expeditionary Economics must be an action clause rather than a nominal phrase when considering military operations in developing countries. Within that scope, agricultural economics will typically be the major component of the economic system. Agricultural systems enhancement must be incorporated effectively in the strategy and implementation. Appropriately, agricultural stabilization officers should be designated at division and above unit levels should rate department head status within the G/C-9. Doctrinally, the military must incorporate fundamental awareness of agricultural production and economics as a substantial training opportunity to insure that adequate comprehension of the system is achieved. This will insure appropriate support to the existing agricultural economy in the area of operations.

Survival-Security-Stability

Individual Basic Needs are what an individual must access in order to survive, for the foreseeable future, within minimal quality of life parameters; examples are food, water, and shelter. When these needs are not fulfilled, an individual will adapt and satisfy them (through legal or illegal means), or experience harm. Meeting the basic needs is a survival activity and the initiative to exist is a powerful incentive. The first step in any successful stability operations from an economic position is to insure that survivability is not a major issue for the people. Humanitarian assistance and short term financial opportunities can assure confidence in the population affected by the initial clearing operations.
Security is the second step in the stabilizing process and can prove to be the most challenging due to the elusiveness of insurgents. Captain Jonathan Pan captures the importance of a pertinacious secure environment as a precursor to economic growth and development. Pan writes: “Persistent security must be established before development can begin. There are significant differences between stabilization and development. In many military circles, stability operations are an uncomfortable topic. Part of this discomfort is due to the lack of formalized stability operations training available to units in pre-deployment. Development should only begin when persistent security is established and the area stabilized. Synchronization of effort is the solution to many of the challenges of development. Without thoughtful movement along all three main lines of operations, development can disrupt stability and jeopardize persistent security.”

Economic stability is achieved when the local economies are less volatile in supply, demand, and price. An appropriate influx of money may be necessary to assure commerce will exist on a consistent basis. If monetary levels were depleted in the kinetic component of the operation or due to inept and corrupt governance, then injection of funds will be necessary to accomplish a stable system. These funds can be supplied through initiatives such as cash for work projects, and voucher programs for agricultural supplies.

**Assessments**

Experience delivers the realization that we are woefully inadequate in employing assessment programs. Unfortunately, maneuver element commanders bought into using the Tactical Conflict Assessment and Planning Framework (TCAPF) tool which is too general to provide specific information relevant to economic stability. Certainly, it provides little information with respect to the agricultural system and food production. Military and civilian agencies must have at least a general comprehension of the entire farm community to be effective in supporting a stabilizing economy. Determining market information, cropping patterns, livestock production, irrigation capacities, and level of Host Government expertise and support are all critical components. An assessment tool was generated for the Southwest Regional Command in Afghanistan recently and Marine Civil Affairs teams are being trained in the mechanics of the instrument. The assessment document can be found in the “Agricultural Review: Regional Command Southwest” legacy document. Maneuver element officers would benefit greatly from the intelligence gleaned from the effort as they interact with the local environment.

Continuous observation of market prices, freedom of movement issues, crop progression, availability and quality of farm inputs (seed, fertilizer, crop protection chemicals, and equipment) should be an ongoing requirement by the Civ-Mil teams. Maneuver units are well placed to provide situation reports and updates on all aspects of the local farm economy. Gaining valuable information on the agricultural economy in an area of operation will only be realized if there is a commitment to the importance of the economic impact of agriculture. Invariably, the lack of awareness of the major
influence of agriculture on stability in a local, regional, and national scope limits the focus of effort.

Assistance

Providing assistance to farmers and agribusinesses usually involves increasing yields and improving production methods that will enhance farm income through subsidized higher quality inputs, equipment, and extension training for producers. The military can provide all of these items under current Commanders Emergency Response Program regulations. Additionally, farm markets can be improved with military assistance by providing greater security, improved transportation avenues, and support of local and regional agribusiness councils. If quality farm supply items (particularly improved seeds) are not accessible by the local suppliers; the military can rectify the situation by using its logistical capabilities to provide those inputs to the local markets at value or subsidized rates. Irrigation systems are absolutely crucial to successful food production in most areas. Water systems are large, complex infrastructures that require constant maintenance and renovation. This fact creates significant opportunities for the military to provide immediate and long term assistance. Improving irrigation sourcing and quantity will ultimately increase the ability to produce more food and industrial crops. Additionally, the maintenance requirements of the systems can be addressed by large cash for work projects that will increase water availability and provide additional income to rural citizens. This influx of money increases the supply to the local commerce and will incentivize expedited entrepreneurial growth.

The military can also provide support for demonstration farms and extension programs. Considerable effort should be made to involve farmer associations and cooperatives in the development and implementation of these educational facilities. The Host Nation is responsible for providing extension experts, but may need assistance from the military in providing access and accommodations as well as educational materials. Securing support from NGOs and other donors to provide the necessary supplies to support the farm will give longevity and consistency to the facilities.

All agricultural assistance should be thoroughly discussed and reviewed with the local and regional (when applicable) governance, civilian agricultural experts familiar with the area of operations, and farm leaders. Securing recommendations from stateside agricultural sources can lead to negative consequences if the sources do not have firsthand familiarity and experience with the area of operations. This places incumbency on the military to synchronize assistance with as much local information as possible. Whenever possible, all assistance should be routed through local suppliers and farmer organizations to assure project effectiveness and commitment of the rural community.

Supply Chains

Agricultural supply and marketing chains can be nebulous and difficult to delineate in developing countries, but the understanding the systems is critical to providing targeted, positive support. Extreme care should be the rule when interventions are initiated to
insure minimal impacts on traditional suppliers and the local market structure. Massive programs such as the Afghanistan Voucher for Increased Productive Agriculture (AVIPA) sponsored by USAID flooded areas of southwestern Afghanistan with agricultural inputs that were not locally originated which meant that the local economies only derived benefit if the small farmers that participated in the programs spent more disposable income from the savings. Unfortunately, there is no empirical evidence that this economic aspiration came to pass. The intervening nature of this type of program is a lesson that should be learned by the military in particular. Disrupting supply chains can have long term unintended consequences that may not be mitigated until several production years pass. Augmenting the chains with local use vouchers would have supported existing systems and increased the amount of money in the local economy.

The following charts depict supply and value chains in the southwest region of Afghanistan. It is important to note that the complexity of these chains indicate the sensitivity of response to any intervening initiatives.
Farm Economic Stimulus

Increasing the supply of money in areas lacking stability entails a cash (micro grants) or voucher system. Investing and then supporting the movement of appropriate agricultural inputs into the theater is more effective than providing the inputs at a subsidized value as part of a comprehensive program. Subsidized voucher programs typically only affect the smallest producers and actually can reduce the amount of cash flow in the local economy. Limiting assistance to small farmers creates animosity among the larger producers and any potential incentives for the bigger farmer to modify behavior are diminished. This is particularly important when attempting to displace illicit production chains. Assistance should be prorated based on the production capacity of each individual farmer. Money in the system is a prerequisite for entrepreneurs to be successful. Stimulus creates wealth in the community which translates through retail centers (bazaars or village markets) and supply chains. Price ($P$) and Quantity ($Q$) are irrelevant without adequate Money ($M$) supply.

Fundamental agricultural economic tenants of price, input values, risk aversion, equity, and marketing are all affected by subsidizing farmers. Subsidies can ameliorate risk and input values which will eventual build equity. This is the true formula for agricultural growth. Prices will not be artificially inflated due to the capacity of the consumer to pay for a perishable commodity. Cash (or redeemable vouchers) contributes to the system more effectively than supplying equipment, seeds, and fertilizer. This approach allows the local economy to work and keeps money within the region, as well as increasing competition versus programs utilizing implementing partners which gain the margins and will not normally deal with local suppliers.

The military should analyze the income streams based on commodity sales of the farmers in their area of responsibility. Stimulus should be provided during the periods of low sales volume which will assist in stabilizing the cyclical nature of rural economies.
The following charts depict percentage of farm sales at any particular point during the production year in southwest Afghanistan. The ability to sell poppy, which is easy to store throughout the year and illustrated in Chart 1, is a significant balancing effect of the cyclical nature of agricultural sales. Chart 2 provides a picture of income without illicit crop sales. Chart 3 shows the effect of only having the capacity to grow a winter crop due to lack of water resources. All of this data gives the military a time window of opportunity to supplement income and stimulate the local economy at periods of low sales. The charts also provide commanders with the awareness of the significance of disrupting illicit markets and the need to minimally offset those losses to create stability. The inequities in availability of water as shown in Chart 3 with only one crop per year provides the military with a warning order to be aware of increased instability in those sectors that are affected by lack of water.
Challenges for Advanced Stabilization Programming

Working in concert with civilian development agencies can be challenging. Illumination of the tension and expectations that exist between military and civilian efforts is provided by Rajiv Chandrasekaran in his recent article identifying the military’s “dismay” with the civilian development agencies decision to delay projects in southwestern Afghanistan. Chandrasekaran adds that military commanders in southwestern Afghanistan feel that US civilians have not been effective in economic stabilization initiatives. He quotes a senior officer: “The civilians had promised they would do certain things, and we expected them to follow through. Now we’ve realized that we can’t depend on them, so we have to do it on our own.” The problems with civilian stabilization and development efforts in an unstable environment are created by lack of appropriate expertise, aversion to combat zones (personal safety concerns) which limits their ability to assess and interact, and failure to grasp the mission of the military.

The complexity of overcoming the many difficulties existing in Civ-Mil relationships that are compounded by Host Nation government inadequacies and immature business relationships preempt advanced stability operations. June Reed lays out three phases of expeditionary economics in her paper. The third phase is sustainable economic activity predicated on regional or cluster approaches that “incorporates all stakeholders in planning and development process.” While the objective of this phase is completely logical; it may be infeasible in many areas of operations due to the ‘committee rule' approach employed by coalition countries. The military needs to be the lead agency in this activity to achieve effectiveness, but it is doubtful that, under current policy, this will be possible. Enhanced agricultural marketing and improved supply chains are possible with a regional strategy, but strong, centralized management would be necessary to accomplish significant results.
Doctrine

The *Guidebook for Supporting Economic Development in Stability Operations*, a Rand publication, identifies the importance of incorporating agricultural economic fundamentals into the training component for all officers: “Agriculture the foundation of any country, but it is even more economically critical in developing countries that struggle with subsistence and lack of trade. To successfully support the economic development components of stability operations, tactical and operational level commanders should have a basic understanding of the most important principles of economic development, techniques that have proved successful in conflict and post-conflict environments, and the strategic economic impacts resulting from tactical interventions. A large number of people in most areas of operation will make their living from agriculture. Agriculture is one of the first economic activities to rebound following a conflict. Because of its importance, understanding the agricultural situation is crucial to SA, and providing targeted assistance to increase local incomes from agriculture can help stabilize the area of responsibility by reducing poverty that might otherwise feed insurgency and crime.”vi

The basis for the curriculum for expeditionary economics should be to prepare officers to enter SSS environments ready to provide support as necessary: this implies that they will have the tools and resources (Subject Matter Experts {SMEs}, assessments, supply chain concepts, key individuals, associative possibilities) this further indicates that CERP needs major modifications to effectively augment the commander’s approach to stabilizing economics particularly as it applies to agriculture. A strong curriculum axiom should be to avoid application of social engineering and a resolve to support the current infrastructure rather than push for an Americanization solution.

Commanders Emergency Response Program (CERP)

Consideration should be given to expanding the CERP concept beyond the emergency response basis. In fact, emergency expenditures tend to be the lowest investment CERP tends to influence. More likely, it is infrastructure improvement, clinics, government offices, and schools that draw the predominant portion of the funding streams. These investments are development oriented, not stabilization efforts. Commanders need the flexibility to leverage funds for battle damages, emergency reconstruction, and cash for work projects without onerous regulations. However, maneuver element commanders and senior commanders do not need to be overwhelmed with project driven management responsibilities when stabilization is the ultimate goal. A different approach should be employed to augment the commander’s emergency response with an economic strategy that accelerates stability.

A Commander’s Rapid Economic Stabilization Team (CREST) with sufficient funding support from CERP should be developed at brigade or regimental levels. Teams will incorporate Civil Affairs specialists, and representatives from operations, intelligence, and logistics. The team should be augmented with civilian SMEs where appropriate and
available. SME’s should be technically based with sound comprehension of economic principles. Examples would be agricultural extension professionals, business executives (Task Force for Business Stability Operations), engineers, and public works managers. The Civil Affairs detachment commander will lead the teams. The CRESTs will react to requests for assistance from company and battalion level commanders. CRESTs will also be directed by the regimental/brigade commander to generate economic strategies for the area of responsibility. Regional and Divisional commands will lean heavily on the CRESTs for situation reports and cooperative planning between teams.

The following is an excerpt from a communication with a CA Detachment commander based on the recommendation to expand CERP:

“We continue to struggle with CERP procedures that are not oriented toward a COIN environment. The projects I seek to approve are much smaller in scale and scope - to reduce corruption and to prevent the teams from becoming PMs and not CA. I would suggest you assess the possibility of engineers and construction specialists being assigned at the Detachment or Team level. Quality assurance is also very important to ensure projects have the desired effects.

My view is that we need to decentralize decision-making, train and employ CA teams at the District level to responsibly employ funds, and ensure we demand more from our investments from the Afghans. My view is that CERP has made this fight a bit more difficult in those cases when CERP dollars were centralized in the DCs and not distributed more widely in the villages in the outer margins of stability.

My view is that a separate pool is useful as long as it is accessible, and we are able to make good on our promises. The risk in not granting access to funds at the District/Battalion level is that the relationship becomes strained when we are perceived as not having the authority to honor our own obligations. The other major cost is time - we need to apply these resources to have influence, at a particular time and place, and timing with security and governance events is critical in a stability environment.”

Initiating economic stabilization teams would address many of the issues the military is dealing with in difficult environments. The teams would need extraordinary flexibility in movement capability and funding approval requirements to be adept and effective. CRESTs should have brigade or regiment level funding authority. Expedited approval processes should be implemented for projects (large cash for work, etc.) that may arise. Program management should be a function of the maneuver element in the area of operations the assistance is being provided. This will entail additional duty and training, but will insure appropriate oversight by the personnel most cognizant of the environment.

The movement of decisions, planning, and implementation to a decentralized system will create greater regional stability and higher equities of assistance. It will also incentivize local commanders to expand their horizons into stability operations on par with security objectives.


USMC Civil Affairs Group Detachment Commander, Regional Command – SW Afghanistan. Email to the author. 2011