

DOD's Effort in Improving Economic Development in Post- Conflict States

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Abstract

There are multiple players in the global community - governmental, non-governmental, and private sector, who focus their efforts on economic development in post-conflict, fragile, or failed states. In 2006, a new player emerged from the Department of Defense, known as the Task Force for Business and Stability Operations, focused on promoting economic development in Iraq. This novel task force consisted mainly of civilian business personnel who leveraged their private sector expertise to help revitalize Iraq's industrial economy. After eight years of operating in both Iraq and Afghanistan, the TFBSO shut down operations and transferred its open projects to United States Agency for International Development (USAID). This paper seeks to answer how successful the Task Force was in helping to promote a sustainable economy in Iraq and Afghanistan and what role the Department of Defense should play in economic development activities. It also provides recommendations on what actions should occur to regenerate a more effective capability for future contingencies.

DOD's Effort in Improving Economic Development in Post-Conflict States

One of the key hindrances to us establishing stability in Iraq is the inability to get the economy going. A relatively small decrease in unemployment would have a very serious effect on the level of sectarian killing going on.

—LTG Peter Chiarelli¹

How can the United States best encourage economic development in post-conflict states and what role should the Department of Defense (DOD) play in this type of activity? In many post-conflict or fragile states, multiple international organizations will often work to stabilize and develop a struggling economy, whether that is through a collaborative effort or autonomously. Well-known organizations such as the United States Agency for International Development (USAID), the International Monetary Fund (IMF), the World Bank, the United Nations Department of Economic and Social Affairs (UNDESA), and many Non-Government Organizations (NGOs) will often find themselves involved in activities to promote economic development in post-conflict states. However, in 2006, a new player emerged from the Department of Defense with a similar mission - to promote economic development in Iraq. Deputy Secretary of Defense Gordon England established the Task Force for Business and Stability Operations (TFBSO) in an effort to revitalize Iraq's industrial economy.² The initial mission of the TFBSO was to "evaluate DOD business enterprise processes and associated systems in Iraq affecting contracting, logistics, fund distribution, financial management and align to the theater commander's goals for reconstruction and economic development."³ This mission eventually led to the creation of the Task Force operating model which consisted of seven key elements – private investment, market demand establishment, industrial privatization, industrial capacity restoration,

contracting, banking and financial networks, and communications infrastructure.⁴ In 2010, Task Force later expanded its operations into Afghanistan.

There are some that would argue that the Task Force's economically focused lines of effort in Iraq and Afghanistan were successes - adding tens of thousands of jobs, attracting billions of dollars in foreign investment, and paving the way for stable and growing economies. In fact, it was due to the Task Force's perceived success in Iraq that General David Petraeus, commander of Central Command (CENTCOM), requested that they create a similar endeavor in Afghanistan.⁵ However, others would argue that the Task Force's effort to improve these economies was a failure, spending millions of dollars on various projects that did not encourage sustainable economic growth. Instead of focusing on the underlying conditions that are needed to ensure a stable and growing economy, they assert that the Task Force haphazardly jumped from one project to another, pouring money into sometimes questionable endeavors, in an effort to appease the commanders on the ground by claiming that their efforts reduced violence in their respective areas of operation. As an example, the Special Inspector General for Afghanistan Reconstruction (SIGAR) testified before Congress that they were "not able to find credible evidence showing that the TFBSO's activities in Afghanistan produced the intended economic growth or stabilization outcomes that justified its creation."⁶

There are many economic development theories and frameworks about the best way to jump start economies in fragile or post-conflict states. These range from the framework outlined in Joint Publication 3-07 *Stability Operations* on how the military can best provide support to economic and infrastructure development, to the United States

Institute of Peace (USIP) and United States Army Peacekeeping and Stability Operations Institute (PKSOI) publication *Guiding Principles for Stabilization and Reconstruction* that outlines the four necessary conditions required to establish a sustainable economy in a post-conflict environment. This research project analyzes the activities that the TFBSO performed in Iraq and Afghanistan against the doctrinal framework contained in JP 3-07 and USIP/PKSOI's guiding principles on establishing a sustainable economy, coupled with economic data to answer the following three strategic questions:

- How successful was the TFBSO in promoting economic development in Iraq and Afghanistan from both a short-term and a long-term perspective?
- What modifications to the approach, activities, or organization of the Task Force should the DOD make if it decides to utilize this construct again in a future post-conflict scenario?
- Considering that the TFBSO ceased operations in 2014 and transferred its projects to USAID, should economic stability operations remain in USAID or does it make sense to transfer a portion of this work back to DOD?

Success of Task Force Activities in Iraq and Afghanistan

Overall the TFBSO was successful in helping to establish the basic infrastructure required for economic growth such as banking and financial networks and quickly created jobs by restoring industrial capacity. These efforts had a positive effect in the short-term, providing employment opportunities for people who needed work, which many believe kept them from joining the insurgency. However, from a long-term perspective, the TFBSO was not successful in promoting a diversified free-market

economy which requires promoting entrepreneurship and a sustained investment in “human capital.” Had the Task Force performed a more thorough assessment of the environment, they could have focused their efforts on critical activities that promote a sustainable economy instead of spreading the Task Force around on multiple activities that may prove to be unsuccessful in the long term.

Employment Generation

The *Guiding Principles for Stabilization and Reconstruction* highlights four necessary conditions towards achieving a sustainable economy. These include macroeconomic stabilization, control over the illicit economy and economic-based threats to peace, market economy sustainability, and employment generation.⁷ According to the original director of the Task Force for Business and Stability Operations, Paul Brinkley, a primary area of emphasis was restarting Iraq’s industrial base in an effort to put people quickly back to work.⁸ This approach is in line with military doctrine and USIP/PKSOI guiding principles which states “the most immediate imperative is getting people back to work and getting money flowing.”⁹ The TFBSO made significant capital investments in the industrial base to restart manufacturing operations. While in Iraq, the Task Force helped to restore and restart sixty-six factories, enabling many unemployed Iraqis to return to work.¹⁰ Additionally, the Task Force undertook many other projects that may not have made sense economically, but improved the well-being of the community, helping to enable a stable and secure environment.¹¹ Also, while not to the same extent as in Iraq, the Task Force also focused on generating employment in Afghanistan through industrial base development projects. Many of the senior leaders in Iraq and Afghanistan recognized the importance of the Task Force’s work when it came to economic operations, believing that

successful job creation led to reduced insurgent activity. Although some academic evidence exists questioning the causal link between job creation and reduced insurgent activity, these senior leaders persist in the belief that this link exists.¹² Therefore, in the minds of many senior leaders, the approach that the TFBSO used to revitalize the industrial base to quickly create jobs was successful in Iraq, and to some extent, in Afghanistan.

Entrepreneurship

Although the Task Force demonstrated success in short-term job creation, they did little to create conditions for successful entrepreneurship, which is necessary for a sustainable market economy, another requisite condition for an overall sustainable economy. There currently is a great need for an increase in private sector employment in Iraq and entrepreneurs can play a vital role in creating this employment. This is evident in the most recent data published by the World Bank Group. On an annual basis, this organization publishes “ease of doing business” rankings for 189 countries throughout the world.¹³ This overall ranking takes into account various aspects of running a business to include protecting investors, registering property, getting credit and dealing with construction permits, to name just a few. The most recent data indicates that Iraq ranks 161 out of 189 countries overall.¹⁴ Why is it so difficult for entrepreneurs to start businesses in Iraq? One reason is oil. Iraq, having an abundance of oil, has historically relied on this natural resource as its main source of revenue. In Paul Collier’s “The Bottom Billion,” he posits that one of the traps that a fragile state can fall into is the “natural resource trap.”¹⁵ Many issues can result when a country’s economy mainly relies on the production and export of a single commodity. First of all, that country’s GDP is at the mercy of fluctuations in oil prices. More importantly, reliance

on a single resource can lead to stagnant growth in the rest of the economy to include entrepreneurial initiatives. High oil prices can result in a lack of urgency in encouraging entrepreneurship while low oil prices will likely result in defunding new initiatives to expand the private sector.¹⁶ Another complicating factor attributed to high oil prices is the phenomenon of “Dutch Disease” which could result in an increase in the pricing of other Iraq exports, thus reducing the competitiveness of Iraqi goods in the international marketplace.¹⁷ Therefore, a heavy reliance on a single source of revenue, such as oil, can be problematic for growing a sustainable economy.

Although this may seem like a difficult problem to address, there are still actions that can be taken to promote entrepreneurship. One of the reasons that Iraq ranks so low in the World Bank data is due to the regulatory barriers that discourage entrepreneurs from starting a new business.¹⁸ Compared to other countries, it is much more expensive and time-consuming to register a business, due to substantial paperwork and multiple levels of approval.¹⁹ One area where the Task Force could have focused its efforts would be on reducing the time it takes to apply for registration of a company. According to World Bank data, this is the most time-consuming step of incorporating and registering a new firm in Iraq due to the requirement to circulate the registration certificate amongst dozens of agencies such as the Ministry of Trade, the Ministry of Planning, and the Central Bank.²⁰ By collaborating with these foreign ministries and agencies to streamline the process, the Task Force could have helped entrepreneurs to register their businesses. Maximizing the opportunities for entrepreneurs while reducing the cost of starting a business can help to turn informal businesses into formal ones, thus increasing tax revenues for the state.²¹ Thus, if the

Task Force worked on breaking down some of the barriers and bureaucratic hurdles associated with starting businesses in Iraq, this could have potentially sown the seeds for entrepreneurship to take off, which would have been an enabler for the growth of Iraq's economy.

Comprehensive Assessment

As previously highlighted, the TFBSO enjoyed some short-term success, but failed to promote the underlying conditions necessary for a sustainable economy. Although many confounding variables make analyzing the true root causes of an economy's successes and failures very difficult, it is questionable whether the Task Force performed a complete and comprehensive assessment of the environment before embarking on its activities. According to JP 3-07, "each country has a unique economic structure based on its resources, the needs of its people, laws, customs, traditions, and level of development."²² Therefore, in order to determine what type of economic development activities to pursue, the organization needs to perform a comprehensive assessment. This assessment includes compiling an economic profile, developing an implementation plan, identifying and analyzing the economic drivers of conflict, and preparing an economic staff estimate.²³ As highlighted by the Center for Strategic and International Studies, there is little evidence the Task Force performed any type of on-the-ground analytical assessment that would help them to understand how the economic development activities aligned with the overall political and military strategies.²⁴ Based on this analysis, the Task Force would be better positioned to determine what the economic areas of focus should be in a given province or area of operations. This assessment would help them to understand existing economic

activities and assets, resources and expertise needed to support these activities, and the major players to help coordinate and support the economic development efforts.

Professor Rick Coplen, from the U.S. Peacekeeping and Stability Operations Institute, posits that to transition to a sustainable economy, the relevant stakeholders must possess a thorough understanding of the social-economic-cultural-political context of the host nation and these stakeholders must focus on building economic programs or tools that strengthen the capacity building systems of the host nation.²⁵ The Task Force for Business and Stability Operations did pursue and implement multiple economic programs while in Iraq and Afghanistan, however, without a comprehensive up-front assessment of the operational environment to include prioritization of efforts, some areas of focus were appropriately manned and resourced while others were not. In his article about economic revitalization in Iraq, Paul Brinkley highlighted several key Task Force areas of focus or lines of effort ranging from restarting the idle industrial base to facilitating direct investment opportunities to negotiating global supply agreements.²⁶ One of the largest lines of effort, from a cost and manpower perspective, was the procurement assistance program that was developed to support Iraqi procurement professionals and was responsible for one-third to one-half of the Task Force's operating expenses."²⁷ In addition to the procurement line of effort, Paul Brinkley highlighted that the Task Force in 2007 consisted of more than two hundred fifty personnel, including an industrial revitalization team, a contracting support team, a private banking and financial infrastructure development team, an investor support team, and a team of investment advisors.²⁸ Considering that the industrial capacity restoration area of focus and the procurement assistance program were the two largest

lines of effort, resources for the Task Force's remaining economic focus areas, such as the establishment of market demand and industrial privatization were relatively light. The industrial revitalization effort and the procurement assistance program both achieved measures of success, likely due to their resources, but were these the right areas to prioritize from a money and manning perspective, or should there have been a greater focus on encouraging entrepreneurship and establishing a free-market economy? Looking back, one could argue that there definitely should have been a greater focus on establishing the underlying conditions that promote a diversified, free-market economy. The Task Force did understand the importance of industrial privatization and entrepreneurship but, without performing a comprehensive assessment, likely did not understand some of the regulatory challenges associated with starting small businesses in Iraq. Nor did they have a clear understanding of other ongoing economic development projects, such as those of USAID and others. According to a report by the Princeton Group Workshop, the Government Accountability Office (GAO) stated that development activities that the TFBSO spent approximately \$800 million on were "often similar in nature to State and USAID efforts."²⁹ Comprehensive, upfront assessments would have enabled the Task Force to better coordinate its efforts with other economic developmental organizations to ensure a unified approach while enabling the Task Force to better prioritize and resource its efforts based on the social, economic and political environment.

Critics could argue that the TFBSO results regarding industrial revitalization were not successful since many of the organizations continued as state-owned enterprises instead of private companies. Although the initial goal was to achieve full privatization of

these enterprises, as previously stated, the priority was to get people back to work, regardless of whether the company was private or governmentally owned. Military leaders attest that there exists a reciprocal relationship between jobs and violence – an increase in employment will result in a reduction of violence.³⁰ Additionally, U.S. military leaders also felt that the “Task Force efforts created a sense of hope and opportunity,” not only for U.S. and coalition forces, but also for the Iraqi people.³¹ The reopening of idle factories enabled many Iraqis to gain not only productive work, but also the hope that economic and security conditions would improve.³² Therefore, TFBSO actions resulted in a non-quantifiable increase in morale amongst coalition forces and the Iraqi people.

Others could argue that the Task Force’s efforts to promote the underlying conditions supporting a free-market economy, such as encouraging entrepreneurship and promoting small business growth, should not have been in their scope of responsibilities. Although, as previously mentioned, there was sometimes misunderstanding on what should be a Task Force project versus a USAID project, the goal for TFBSO was to help develop a “free-market economy that is seamlessly linked to the global marketplace.”³³ In a country whose economic growth historically rested solely on the rise of oil prices, promoting a diversified free-market economy would need to entail encouraging entrepreneurship in multiple sectors. Based on the composition of the Task Force, which consisted mainly of contractors with years of free-enterprise business expertise, coupled with their ability to move around the country with relative freedom, this organization was better suited to handle promoting entrepreneurial activity than other agencies. Therefore, the TFBSO could have significantly increased its short

and long term success by performing comprehensive assessments of the environment up-front, collaborating with other organizations such as USAID to better understand ongoing economic efforts, and prioritizing and focusing their economic activities to not only produce immediate results through employee generation, but also to help encourage a diversified and sustainable free-market economy by helping to create the necessary underlying conditions.

Modifications and Recommendations for TFBSO

Should the need arise to re-establish an organization similar to the TFBSO in a future post-conflict scenario, the Department of Defense should take multiple considerations into account. These considerations include the following:

- Mandate the creation and use of a formal mechanism to assess potential projects and to track project and operating expenses, in addition to measuring the return on investment.
- Utilize a greater percentage of reserve component military personnel who possess significant business experience and expertise to augment the contracted subject matter experts within the Task Force.
- Develop a strategic communications plan to respond to the negative publicity that the Task Force received, acknowledging the mistakes of the past and highlighting the corrective actions moving forward.

Project Tracking

In some situations, it was difficult for the TFBSO to produce documentation for project overruns in addition to business cases/assessments for taking on certain projects. The Department of Defense would need to rectify this issue. Additionally, the Task Force would need to develop a better system for measuring return on investment

for the various projects that it undertakes. In Paul Brinkley's book *War Front to Store Front*, he lists hundreds of major projects that the TFBSO initiated or helped to facilitate in Iraq and Afghanistan from 2006-2011.³⁴ What is not readily available is documentation describing how successful these projects were in helping to stimulate the economies. As reported by the Center for Strategic and International Studies (CSIS), it was difficult to determine whether the value or return on investment for the various TFBSO projects exceeded the cost.³⁵ One of the recommendations that CSIS made to the TFBSO was to develop reporting metrics that were "simple, verifiable, and directly relevant to Task Force activities."³⁶ Regarding the oversight and management of projects, the United States Government Accountability Office (GAO) reported in July 2011 that the TFBSO did not have defined project management guidance and that the absence of this guidance "makes it difficult to minimize the potential for waste and to monitor and evaluate project effectiveness."³⁷ The Task Force did not heed the CSIS or GAO recommendations, as evidenced by multiple claims of mismanagement of funds since CSIS and GOA published these findings. A letter that the SIGAR wrote to the Secretary of Defense in December of 2014 stated that the office had received "troubling allegations related to TFBSO practices involving imprudent spending, profligate travel by employees and contractors and possible mismanagement."³⁸ Had the Task Force implemented the aforementioned recommendations, utilizing relevant metrics to account for operating expenses and project success, coupled with formal guidance on evaluating and managing projects, it is likely that the Task Force would not be scrutinized for its questionable business practices.

Reserve Component Officers

Currently, the reserve component contains many personnel with extensive private sector experience and business expertise. The Department of Defense should consider utilizing more National Guard and Reserve Officers in addition to the contractors who possess certain subject matter expertise in its organization structure. Only a small number of military personnel served on the Task Force – an overwhelming majority were contracted personnel. For example, in May 2009, the composition of the Task Force consisted of twenty-five United States government personnel – six of whom were military while the remaining three hundred and fifty-one personnel were contractors – two hundred subject matter experts and one hundred fifty support and security personnel.³⁹ Therefore, on average, less than two percent of the Task Force consisted of military personnel. Augmenting the team with a greater number of military personnel with private sector experience and business expertise would be beneficial for two reasons. First, one of the biggest advantages that the TFBSO had compared to other agencies working on economic development, such as USAID, was its ability to move freely around a conflict zone. This flexibility of movement allowed the Task Force greater ability to respond to military commanders and host nation interests.⁴⁰ Utilizing military personnel, such as National Guard or Reservists would enable the Task Force to move freely around a conflict zone without the need for contracted security guards. Second, the cost of utilizing military personnel would be far less than using contractors. Aside from the actual cost of contracting a subject matter expert, there are the additional costs of security and living expenses. According to the Center for Strategic and International Studies, “about 30 to 40 percent of total Task Force funding is budgeted for sustainment and security.”⁴¹ Since military personnel live on bases and

have their own organic security elements, the cost would be far less than that of contracted personnel.

Currently, Reserve and National Guard Soldiers are required to update civilian employment information on a yearly basis. The information contained in this database informs the Department of Defense when calling reservists to active duty, so as not to put critical civilian jobs at risk.⁴² This information is also used by defense officials to facilitate interaction with civilian employers regarding the Uniformed Services Employment and Reemployment Rights Act (USERRA).⁴³ This database could also be used for National Guard and Reservists to indicate the level of business expertise in a certain field (if applicable) and whether or not they would be willing to utilize this expertise to promote economic development during stability operations. By modifying a system that is already in place, defense officials can get a good understanding of the available military personnel who possess business expertise. Utilizing a greater percentage of military personnel to help promote economic development activities in a construct similar to the TFBSO has multiple benefits, and defense officials should seriously consider this as an option.

Strategic Communications

The TFBSO currently has a lot of “bad press” regarding poor financial tracking, bad project decisions, and other issues that DOD would need to address through a strategic communications plan. Even after the disbanding of the Task Force in 2014, new reports arise of wasteful spending, lack of project oversight and inappropriate project assessments. In October 2015, the Office of Special Projects for SIGAR released a report on a \$43 million natural gas filling station project that the TFBSO sponsored.⁴⁴ Further analysis revealed that the amount of investment for this type of

gas station should range from \$200,000 to \$500,000.⁴⁵ Additionally, DOD has been unable to explain the significant cost of the project and why it costs 140 times more than it should, stating that since the closure of the TFBSO the “Office of the Secretary of Defense no longer possesses the personnel expertise to address these questions.”⁴⁶ More recently, the TFBSO has received additional negative press regarding non-project related expenses in Afghanistan. In November 2015, the SIGAR office sent a letter to Secretary of Defense Carter requesting information on nearly \$150 million spent on living and security expenses for TFBSO employees.⁴⁷ SIGAR’s review indicated that a small amount of TFBSO employees rented lavish villas, contracted bodyguards for twenty-four-hour security, and ate “three-star” meals instead of living at DOD facilities in Afghanistan, which “would have saved taxpayers tens of millions of dollars.”⁴⁸ Responding to inquiries such as these via a strategic communication effort would be necessary to re-establish any type of organization similar to the TFBSO.

First and foremost, DOD would need to openly acknowledge that there were inadequate assessments that led to project overruns and unjustified expenses for TFBSO personnel. Avoiding or downplaying these SIGAR inquiries will only exacerbate the issue. It is best to acknowledge and address these inquiries upfront and provide a path forward to avoid similar issues in the future. In some cases, there may be justification for some of the elaborate TFBSO expenses. For example, in Paul Brinkley’s book *War Front to Store Front*, he states that “we avoided living on military bases wherever possible to show private companies that they could set up operations in Afghanistan themselves without needing military support.”⁴⁹ While this type of approach seems justified, no one likely expected a \$150 million dollar price tag that would account

for nearly 20% of the Task Force's budget in Afghanistan.⁵⁰ Therefore, there needs to be adequate oversight, not only for TFBSO sponsored projects but also for the day-to-day operational expenses, and this type of budgetary oversight and the mechanism for enforcing it would need to be clearly communicated to stakeholders, to include Congress via testimony. Congress or the American public should not be hearing about these types of issues years after the incidents occur. DOD would need to clearly and openly communicate that the lessons learned from Iraq and Afghanistan are understood and that corrective actions are in place to address further recurrence of these issues.

USAID or DOD

Even though there were many shortcomings and failures attributed to the Task Force for Business and Stability Operations, this is a critical capability that the Department of Defense should be able to regenerate in the future if the situation warrants. Economic development activities in post-conflict states require a whole-of-government approach with participation by the international community and, most importantly, the host nation. Each organization has different capabilities and, although DOD should not be a lead in economic development activities, they can play an important role in helping to stabilize and secure the environment using economic operations as a non-kinetic enabler.

First of all, organizations such as the Department of State or USAID have more restrictive security policies than a Task Force that falls under the Department of Defense. According to JP 3-07, economic development is inherently a civilian undertaking, however, there "may be a time when more direct military involvement in economic development will be necessary: for example, when conditions restrict civilian movement."⁵¹ Paul Brinkley highlighted in his book *War Front to Store Front* numerous

times when USAID or Department of State Officials were restricted to the “Green Zone” based on security concerns.⁵² Military commanders need an organization that can quickly respond to a situation and currently DOD is the only organization capable of acting in an expeditious manner. One of the key findings in the *CSIS Final Report on Lessons Learned* was that “the U.S. Government finds it difficult to execute interagency economic operations effectively in a war zone. The Defense Department often takes on this role because military commanders believe the mission requires it and currently, no other agency can.”⁵³ Therefore, until another agency can adapt its organizational structure and policies to be able to respond quickly, it is best that this capability resides with the Department of Defense, especially when the environment is unstable.

Secondly, an organization such as the TFBSO should be seen as a bridge between immediate post-conflict stabilization activities and long-term economic development activities.⁵⁴ Just as there are varying degrees of conflict, there should be various organizations with capabilities to employ economic operations based on the security situation. For example, the Commanders Emergency Response Program (CERP), the TFBSO and USAID all play a significant role in economic development. According to ATP 1-06.2 *The Commander’s Emergency Response Program*, CERP funds should be used on projects that provide immediate impact and not on more complex projects.⁵⁵ Commanders should use these small, “quick win” type projects regardless of the security environment. USAID type projects are focused more on long-term economic development and occur when the post-conflict state has achieved a certain level of stability. The TFBSO organization can be used to bridge these two with both short-term efforts (i.e. job creation activities) and longer-term objectives (i.e. help

develop conditions to promote entrepreneurship). According to CSIS, one of the overall lessons learned from Iraq was that the Task Force filled “a gap between initial stabilization and longer-term economic development.”⁵⁶

Finally, the TFBSO, operating for over eight years in both Afghanistan and Iraq between 2006 and 2014, learned many valuable lessons. This research project highlighted both successes and failures. These lessons learned along with the recommendations, coupled with those from other think tanks, such as the Center for Strategic and International Studies, should be used to fix the issues. The concept of having an organization that resides in the Department of Defense, one that is not subject to the bureaucratic or restrictive policies of other agencies, and one that can quickly respond to the needs of the military commander is sound. Eliminating this type of capability, when there likely will be a future need for a similar effort, would not be in the best interest of the DOD. Instead, the Defense Department should utilize lessons learned to fix the shortcomings of the Task Force to develop a more efficient and effective capability for future contingencies.

Critics may argue that DOD’s sole mission is to provide military forces to deter war and protect the security of our country. They may assert that the DOD is stretched thin due to budgetary constraints; therefore, it is important to focus on core competencies – fighting and winning the nation’s wars. They may also argue that economic operations are a relatively new concept for the Department of Defense with doctrine only emerging in the past decade and that USAID has been around for over 50 years and, thus, possesses more subject matter expertise on economic development. Although both are fair points, the Defense Department possesses more resources,

whether its personnel or money, to be able to quickly generate this capability with a high degree of subject matter expertise, without impacting its core mission. Contracting business experts from consulting firms or utilizing reserve component officers with business expertise are a couple of ways to quickly generate this capability.

Conclusion

Overall, the Task Force for Business and Stability Operations achieved varying levels of success as the Department of Defense arm focused on economic development in post-conflict states. From a short-term perspective, they helped to stabilize the security environment in both Iraq and Afghanistan by promoting projects that would quickly generate jobs in both the industrial and agricultural sectors while helping to improve the financial infrastructure that is needed to promote economic development. Although these immediate efforts were successful in getting people quickly back to work, the Task Force's efforts to promote diversified, sustainable free-market economies were not as successful. Developing such economies entails enabling the underlying conditions that promote sustainable host nation entrepreneurship, an area where Task Force efforts were lacking. Well-developed, comprehensive assessments of the operational environment would have enabled the Task Force to prioritize and focus their economic activities. Meanwhile, better collaboration with host nation economic actors and other organizations such as USAID would have ensured a unified whole-of-government approach towards economic development to enable both short-term and longer-term results. Although many Task Force efforts resulted in varying degrees of success, the knowledge gained regarding lessons learned will likely be valuable for future contingency planning.

The activities performed by the TFBSO over the course of their eight-year existence were not without scrutiny. Their inability to produce documentation for various projects and high operating expenses, in both Iraq and Afghanistan, have raised concerns by multiple government offices. Formal guidelines for assessing, managing, and overseeing projects were not well established, nor were metrics for tracking return on investment. Additionally, various government agencies identified some Task Force activities as being overly extravagant and wasteful. Should the need arise to re-establish an organization similar to the TFBSO in a future post-conflict scenario, DOD would need to mandate the creation and use of a formal mechanism to assess and oversee projects, track and justify operating expenses, and measure return on investment. DOD would also need to develop a strategic communications plan to respond to the previous negative publicity while highlighting the corrective actions moving forward. Additionally, DOD should consider utilizing a greater percentage of reserve component military personnel who possess significant business experience and expertise to augment the contracted subject matter experts within the Task Force.

Finally, economic development in post-conflict states is a critical capability that the Department of Defense should be able to regenerate in the future if the situation warrants. Military leaders require organizations that can quickly respond to a situation and DOD is currently the only organization capable of acting in such an expeditious manner. Depending on the security situation, there should be various organizations with capabilities to employ economic operations. An organization such as the TFBSO should be a bridge between immediate post-conflict stabilization activities and long-term economic development activities. Completely removing economic development

activities from the Department of Defense is not the answer. Implementing lessons learned from Iraq and Afghanistan, while utilizing a whole-of-government approach to promote a unified effort, is a better approach.

Endnotes

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