Winning the Economic Insurgency

The Economic Element of Power in Future COIN Operations

by

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Abstract

Most research into the economic element of counterinsurgency operations begins and ends with the assessment that socio-economic shortcomings of developing nations are a causal factor in the birth of insurgent movements. To quote Geoff Demarest (2014), “Of course, so what?” More importantly, the questions and assessments of economics in insurgency warfare should be more forward-looking to solve the current and future problems insurgents pose, as in the following research question. After observing a decade of COIN operations in Iraq, to what extent can US forces use the economic element of power to fight against a future insurgency? The research put forth in this project attempts to explore the use of the economic elements in counterinsurgency operations in a full spectrum operation. The research explores the development of future insurgent movements, and the economic-based strategies used in Iraq from 2007-2012 to successfully counter insurgent development. Additionally, the following research uses existing bodies of research from military war colleges, reputable security journals, and research corporations specializing in warfare to identify the effective use of economics in counterinsurgency tactics to defeat insurgent forces. The research shows the economic element within each tenet of full-spectrum counterinsurgency operations including military forces, civilian elements, host-nation capabilities, and private sector cooperation used effectively in the Iraqi theater from 2007 to 2012.
Keyword List:

Counterinsurgency
Counter-Terror Finance
Economic Element of Power
Economics in COIN
Financial Development Program
Micro-Finance Institution
Operation Iraqi Freedom
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<td>AO</td>
<td>Area of Operations</td>
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<td>AOR</td>
<td>Area of Responsibility</td>
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<td>AQ</td>
<td>al-Qaeda</td>
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<td>AQI</td>
<td>al-Qaeda in Iraq</td>
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<td>BCT</td>
<td>Brigade Combat Team</td>
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<td>BDA</td>
<td>Battle Damage Assessment</td>
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<tr>
<td>C&amp;C</td>
<td>Clearing &amp; Consolidation</td>
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<tr>
<td>C4ISR</td>
<td>Command, Control, Communications, Computers, Intelligence, Surveillance, Reconnaissance</td>
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<tr>
<td>CALL</td>
<td>Center for Army Lessons Learned</td>
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<td>COIN</td>
<td>Counterinsurgency</td>
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<tr>
<td>CORDS</td>
<td>Civil Operations and Revolutionary Development Support</td>
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<tr>
<td>CPA</td>
<td>Coalition Provisional Authority</td>
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<td>CTF</td>
<td>Counter Terror Finance</td>
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<tr>
<td>DoS</td>
<td>Department of State</td>
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<tr>
<td>DOTMLPF</td>
<td>Doctrine, Organization, Training, Materiel, Leadership &amp; Education, Personnel and Facilities</td>
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<tr>
<td>ePRT</td>
<td>Enhanced Provisional Reconstruction Team</td>
</tr>
<tr>
<td>F2T2EA</td>
<td>Find, Fix, Track, Target, Engage and Assess</td>
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<tr>
<td>FBI</td>
<td>Federal Bureau of Investigation</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FDP</td>
<td>Financial Development Program</td>
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<td>FM</td>
<td>Field Manual</td>
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<td>FPI</td>
<td>Foreign Portfolio Investment</td>
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<td>FSO</td>
<td>Full Spectrum Operations</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>Acronym</td>
<td>Definition</td>
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<td>GoI</td>
<td>Government of Iraq</td>
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<td>HAM</td>
<td>Hearts and Minds Theory</td>
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<td>HBCT</td>
<td>Heavy Brigade Combat Team</td>
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<td>HN</td>
<td>Host Nation</td>
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<td>HUMINT</td>
<td>Human Intelligence</td>
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<tr>
<td>IC</td>
<td>Intelligence Community</td>
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<td>IED</td>
<td>Improvised Explosive Device</td>
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<td>IOC</td>
<td>International Oil Company</td>
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<td>IP</td>
<td>Internet Protocol</td>
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<tr>
<td>IPB</td>
<td>Intelligence Preparation of the Battlespace/Battlefield</td>
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<td>ISIS</td>
<td>Islamic State of Iraq and Syria</td>
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<tr>
<td>ISR</td>
<td>Intelligence, Surveillance, and Reconnaissance</td>
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<tr>
<td>JAM</td>
<td>Ja’ish al Madhi</td>
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<tr>
<td>KRG</td>
<td>Kurdistan Regional Government</td>
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<td>MAAWS</td>
<td>Money As A Weapons System</td>
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<td>MFI</td>
<td>Micro-Finance Institution</td>
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<tr>
<td>MI</td>
<td>Military Intelligence</td>
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<tr>
<td>MN</td>
<td>Multi-National</td>
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<tr>
<td>MRAP</td>
<td>Mine-Resistant Ambush Protected vehicle</td>
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<td>MSME</td>
<td>Micro-, Small-, Medium-, Enterprises</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>OCC</td>
<td>Office of the Comptroller of Currency</td>
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<td>OEF</td>
<td>Operation Enduring Freedom</td>
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<td>OIF</td>
<td>Operation Iraqi Freedom</td>
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<tr>
<td>OPEC</td>
<td>Organization of the Petroleum Exporting Countries</td>
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<td>ORHA</td>
<td>Office of Reconstruction and Humanitarian Assistance</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>PRT</td>
<td>Provisional Reconstruction Team</td>
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<tr>
<td>RCIED</td>
<td>Remote Controlled Improvised Explosive Device</td>
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<tr>
<td>SAR</td>
<td>Suspicious Activity Report</td>
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<tr>
<td>SOE</td>
<td>State-Owned Enterprise</td>
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<tr>
<td>TFOS</td>
<td>Terrorism Financing Operation Section</td>
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<tr>
<td>TFTP</td>
<td>Terrorist Finance Tracking Program</td>
</tr>
<tr>
<td>UAV</td>
<td>Unmanned Aerial Vehicle</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
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<tr>
<td>USA</td>
<td>United States Army</td>
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<tr>
<td>USAF</td>
<td>United States Air Force</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USEIA</td>
<td>United States Energy Information Administration</td>
</tr>
<tr>
<td>USIP</td>
<td>United States Institute of Peace</td>
</tr>
<tr>
<td>USMC</td>
<td>United States Marine Corps</td>
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<tr>
<td>VBIED</td>
<td>Vehicle-Borne Improvised Explosive Device</td>
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Chapter 1
Introduction

Within the modern context of a global battlespace, it is not far-reaching to identify the conflict of insurgents and counterinsurgent forces as the face of modern warfare. With hotbeds of insurgent activity taking hold in North Africa and across the entirety of the Middle East, insurgency warfare appears to be the prominent form of conflict for the 21st-century warfighter and strategist (Kirkpatrick, 2012). As such, the challenge facing the intelligence community (IC) and the field of strategic security is how to change the approach to counterinsurgency (COIN) operations to combat the rapid evolution of modern insurgency warfare.

To combat future insurgencies, the research of COIN needs to focus on both the pitfalls and the excellence of prior strategy implemented by the United States (US). The strategy of the US between 2003 and 2006 was primarily attempting to fulfill a COIN role with conventionally trained forces (Hoffman, 2004). This portion of the US presence in Iraq, from 2003 to 2006, primarily contained the many obstacles and missteps stemming from the use of outdated doctrine when facing the insurgency; relying heavily on conventional warfare tactics against an insurgent force (Hoffman, 2004). In the 1980’s, during the Salvadoran Civil War, El Salvador’s General Rene Emilio Ponce, was quoted by Bruce Hoffman (2004) as saying, “90 percent … of countering an insurgency … is political, social, economic and ideological and only 10 percent military” (p. 5). As such, it was no surprise that the American battle prowess shown in the shock-and-awe
campaign and the march to Baghdad had little influence over controlling and defeating an insurgency.

Identifying the need for a comprehensive strategy to shift the spectrum of operations from conventional to counterinsurgency operations required a broader strategy utilizing political, social, economic, ideological, and security elements to establish a successful COIN force. Consequently, a full spectrum strategy for combatting an insurgency contains many elements, including conventional military security forces, civilian reconstruction teams, the host-nation government, and the inclusion of international businesses to strengthen local economies. Translating this to the research means exploring the means and ways of future insurgent recruits, and insurgent sympathizers as part of the comprehensive approach to COIN operations, with each element in the total force fulfilling a role in the larger structure of full spectrum warfare.

Role fulfillment is a cross-discipline endeavor of insurgency warfare affecting every aspect of reconstruction in Iraq. The effect of these actions ranges from financial infrastructure development to the role heavy brigade combat teams fulfill in securing areas vital for socio-economic and political development. The assessment in this research attempts to identify the proper application and direction given to these various units and programs that proven effective. Moreover, the research will also seek to validate the readiness of the strategy for adaptation to counter the next insurgency.
Background

In September of 2001, the attacks perpetrated by Al-Qaeda (AQ) on American soil set the United States (US) on a path of rooting out terrorist organizations and dealing with state-sponsors of terrorism. In March of 2003, the US acted upon intelligence that sent Coalition forces into Iraq to remove Saddam Hussein and the Ba’athist Regime from power. Though the context and conditions that led to Operation Iraqi Freedom (OIF\textsuperscript{1}) have since come under tremendous scrutiny, the US was nevertheless involved in an operation that introduced Americans to large-scale insurgency warfare (Hoffman, 2006).

The framework of insurgency that would ultimately become the synthesis of foreign fighters and transnational Islamic jihadists put in place long before the US stumbled upon a well-equipped guerrilla force. Prior to the US invasion, the groundwork of the insurgency developed by Qusay Hussein and the strategists of the Republican Guard created a situation reminiscent of Vietnam for the impending American invasion (Hashim, 2006). As Bruce Hoffman (2004) stated, the US strategists may not have foreseen the emergence of such an effective insurgency, just as they did not see the widespread disruption caused by the fall of Baghdad. Hoffman (2004) continued to assert that the situation was unfamiliar to the American forces in the Iraqi theater because of the decades of doctrine dictating conventional wars. As an example, Hoffman (2004) outlines a situation in which the 1st Armored Division, located in the Green Zone in Baghdad, did not receive training or equipment for the non-conventional operating style

\textsuperscript{1} Operation Iraqi Freedom, or OIF in this research project refers to the US involvement in warfare operations in Iraq from 2003 to 2012.
of counterinsurgency. Shortcomings and inadequacies ran rampant throughout the US military and plagued the Coalition’s COIN operation in the months following the initial invasion and march to Baghdad.

Further complicating the strategic outlook, Steven Metz (2007) characterizes the situation the US found with an unwanted insurgency by depicting the violence that was growing across Iraq and the subsequent obligation the US had to fill the power vacuum. Metz (2007) outlines the growing contradictory assertions stemming from the Iraqi citizenry amidst the increasing violence. The assertions begin with Iraqi’s thanking the US for removing a tyrant, then demanding the US go home, and ultimately transitioning to complaining that a nation as lucrative as the United States could restore order, services, and provide a flourishing economy. To make the growing frustrations worse, if the US failed to provide those services, it would be seen as, “a punishment in an effort to dishonor” the Iraqi’s (Metz 2007, p. 2).

The crux of the issue is the United States’ lack of operational training with COIN. Included in this shortcoming is the development of cohesive and coherent protocols regarding the separation of economic reconstruction for the indigenous population and the counter-terror finance (CTF) operations to deprive terrorists and insurgents of their financial security. To fulfill the basic requirements of a successful COIN operation, the primary rule is to destroy the insurgency without creating future insurgents (Hoffman, 2006). However, initial US tactics in Iraq failed to recognize the importance of civil security for the Iraqi population, and the roots of the insurgency took a firm hold and
began seeding the future by creating a new wave of insurgent recruits. As Bruce Hoffman (2004) rightly pointed out, “Ignoring the civil side of counterinsurgency... [is like] playing chess while the enemy is playing poker” (p. 4). With an on-the-fly COIN strategy only in the early stages of development, Iraq was soon falling further into dismay, and al-Anbar Province, specifically Fallujah, Ramadi, and Sadr City, became a hotbed of insurgent activity (Metz, 2007). Having first conducted a conventional military offensive against Saddam Hussein’s regime, the military was transitioning to stability operations when insurgent activity increased in both frequency and violence.

What the US needed was a comprehensive, full spectrum operation to root out the insurgency, without harming the indigenous population. To carry out successful COIN operations, the full spectrum includes a political-economic-military approach. Though the conventional military forces play a smaller role than in conventional military operations, the capacity to quell violence and provide security is achievable by conventional assets and is perhaps the most vital responsibility. In order to do this, the entirety of the target system is taken into account, identifying the repercussions of every military action taken against the insurgency (Petraeus, Amos, 2006). Mitigation of collateral damage is of the utmost importance, and this includes both real and perceived collateral damage. Mitigating collateral damage does not mean that the conventional use of kinetic assets is no longer a viable option, only that the ‘kill-chain’, or find, fix, track, target, engage, and assess (F2T2EA) chain must be followed and carefully thought out to minimize harm to the local population.
Economics in COIN is a vital aspect of continued stability and political reconstruction. However, each theater, each insurgency, and each community demand an independent and thorough evaluation. As the research will discuss, part of an effective COIN operation is not only reconstructive economic strategy but destructive targeting strategies that seek to destroy an insurgency’s financial sustainability. Lessons learned from the US COIN operation in Operation Iraqi Freedom from 2007-2012 is used to evaluate the economic element of power in counterinsurgency warfare.

Ultimately, the research will outline the case of Sadr City and the full spectrum application of the economic element of power. The case of Sadr City in the subsequent research analysis serves as an argument for the systematic approach to COIN operations, including an emphasis on economic stability. Sadr City is an intriguing case study, providing an instance where the indigenous population shifted allegiances from the insurgency to the counterinsurgency (Johnson, Markel, Shannon, 2013).

**Problem Statement**

The economic effort in COIN doctrine has evolved greatly over the past sixty years, from the Marshall Plan to stability doctrine, and now to the economic element of power through reconstruction efforts and international assistance. Given that the broader understanding of economics in insurgency warfare is described as a causal factor, there is an intelligence gap on how to apply the proper forces of economics to economic infrastructure at both the micro and macro levels of economics to gain an advantage over the insurgent forces. The problem is that after initiating COIN operations in Iraq, the US
has not gained a consensus through research, expansion of proven strategy, and innovation to provide a clear depiction of how to apply the economic element of power in full spectrum operations against a modern insurgency.

**Research Question**

The introduction and background information prepared the problem for this research regarding coherent strategy on the application of economics in insurgent warfare. To reiterate from the problem statement, much of the existing research regarding economics and levels of insurgent activity has dealt with the causal elements within a cause-and-effect relationship. Essentially, how the economic disparities present in a region are the cause of insurgent growth within a host-nation. To flip the dialogue of economics in insurgency warfare, the research question posed is respondent to the need for applying economics and the economic element of power to a modern insurgency battlefield. After observing a decade of COIN operations in Iraq, to what extent can US forces use the economic element of power to fight against a future insurgency?

**Statement of Purpose**

The purpose of this research is to find the viable opportunities to use the economic element of power against a future insurgency. With the resulting investigation, finding a broad body of evidence to insinuate insurgencies will begin to grow in multiple countries, the implications of a strong and coherent doctrine to counter this growth is of the utmost importance for strategic studies. Additionally, the spread of the Arab Spring and consequential destabilization in parts of the world has led intelligence officials and
scholars to research the causes of insurgent activity, the transition from conventional
doctrine to asymmetric doctrine, and political stabilization efforts to appease grievances.
However, the body of research on COIN doctrine fails to provide a substantial amount of
importance to the application of economic elements in COIN. Not only does this
research add to the body of insurgent economics research, but applies the US’s recent
history lessons to modern insurgency warfare.

Using the methodology of research as outlined in the flow diagram (Figure 1, p.
48), the purpose of the research can fulfill the requirements of the research question and
problem statement. The purpose of the research is to identify the viable economic
strategies to both stabilize a host-nation under the pressure of occupation and insurgent
activity, rebuild economic infrastructure at the local level, and utilize conventional
military and intelligence assets to destroy the insurgency’s economic and financial
systems.
Chapter 2
Literature Review

Historically Speaking

Failed COIN Was The Real Waterloo:

Military history is not complete without mentioning the grandiose impact of the tactical genius that was Napoleon Bonaparte. Napoleon’s victories are as numerous as they are legendary, and perhaps even more sustaining is his defeat at Waterloo. However, it is the preceding Peninsular War and subsequent clash in the Russian Campaign that ultimately led to the demise of the Napoleonic Era. (Reeves, 2004) Though this was not the first insurgency Napoleon had fought, the Peninsular insurgency bankrupted France, drained Napoleon of materiel, and ended with over 250,000 French casualties (Reeves, 2004).

The prolonged defeat the Spaniards dealt Napoleon between 1807 and 1813 stopped the progress and military momentum of the French in the early 19th century. According to Reeves (2004), the French had superior weaponry, organization, and tactics, so the simple question is; how were they defeated? The cause of Napoleon’s defeat came from two sources, the failure to extract the insurgents from the native population and the introduction of external support for the insurgents from the Portuguese and British (Reeves, 2004). This case study has an important historical context in the field of counterinsurgency as it exemplifies an ideal outcome for an insurgent force against a far superior occupying military. Providing historical context regarding how dangerous COIN operations can be, even for dominant military forces.
History Repeats Itself:

Progressing through history again highlights the French COIN effort, this time in Algeria, ultimately proving strategically ineffectual. Nearly 150 years later, France was repeating the missteps of COIN operations in Spain. These missteps eventually ended their control over Algiers with the defeat of the highly trained and tactically sound French military by untrained bands of Berbers and Arabs (Rogers, 2004). What Roger’s (2004) findings concluded was the vast discrepancy between the insurgents and the French regarding troop strength, French technical assets, and organized logistical support, led to many French tactical victories when meeting the insurgents in battle. However, the conclusion is a reassertion that insurgency warfare dictates that tactical victories do not win the campaign (Rogers, 2004).

Summary:

Algeria and Spain offer two historical examples of the defeat of a vastly superior empire, not on the field of battle, on the field of rebellion and insurrection. Moreover, the additional support the Arabs and Berbers garnered stemmed from a confluence of similar ideologies in the surrounding area. Though the main force of the Algerian insurgency came from within the native population, external groups fought with the Algerians to drive French imperialism from the Arab lands. What this summarizes for a historical analysis of missteps in French COIN operations is two-fold.

The first realization is the disregard for discrepancies in troop strength, technical assets, and logistical support. The aspects of warfare mentioned above are important in
securing territory and defeating insurgents head-on but do little if misappropriated in a COIN capacity. Secondly, cultural considerations and socio-economic conditions provide the basis for many insurgent rebellions. This was the case with Algeria, causing the native population to turn to insurgency warfare when regional literacy rates fell drastically under French imperialism (Rogers, 2004).

**US COIN Review 1950’s to 2001**

**Generational Peculiarity, or Part of a Larger Trend?**

Austin Long (2006) reviewed the literature published by RAND Corporation and their research of US COIN operations from the 1950’s to 2001. Upon this review, Long (2006) contends that the dichotomy in the school of thought regarding insurgencies misrepresents COIN operations from the Cold War era as part of a generational peculiarity that relegated insurgent warfare as a historical anomaly. Through this prism, there is little to learn from previous insurgencies that took place during the Cold War. However, Long (2006) asserts that after reviewing COIN operations over the past sixty years, there is a litany of strategic considerations regarding adaptations in COIN operations focused on contending with a modern or future insurgency.

**HAM or Carrots & Sticks**

During the 1960’s and through the lead up to the American presence in Vietnam, the focus of the discussion regarding COIN was based upon which theory was most accurate in describing insurgency (Long, 2006). The source of friction and contentious division were based on the competing viewpoints of using a “Hearts and Minds” (HAM)
strategy, or the Cost/Benefit strategy when dealing with insurgent forces (Long, 2006, p. 21). Proponents of HAM assumed, in theory, that by winning the hearts and minds of a native population, winning the insurgency is possible. However, dissidents at RAND Corp. and other researchers began to question that particular doctrine as the US was stepping up efforts in Vietnam (Long, 2006). Charles Wolf Jr., economist for RAND Corp., was one of the most vocal opponents to HAM theory. The economist questioned the validity of offering goods and services to a native population without any constraints or reciprocation of goodwill (Long, 2006). In addition, Wolf also questioned whether populist support in the host-nation of an insurgency was as paramount as previously assumed. Wolf contextualized his thoughts by saying:

> From an operational point of view, what an insurgent movement requires for successful and expanding operations is not popular support, in the sense of attitudes of identification and allegiance, but rather a supply of certain inputs. . . at a reasonable cost, interpreting cost to include expenditure of coercion as well as money (p. 24).

By taking an approach to COIN through a Cost/Benefit analysis, Wolf brought insurgency warfare down to the basic level of market economics. According to Long (2006), the Cost/Benefit strategy also had strong detractors, estimating that the proclivity of the insurgency would lead to a, “ratcheted escalation” problem (p. 26). By changing the nature of the conflict in a Cost/Benefit strategy, it could lead both sides to escalate the conflict continually to the point of making de-escalation and reconciliation impossible (Long, 2006).

A History of Flaws:
Analysis of the United States’ COIN operations between 1950 and 2001 undoubtedly includes the overall strategic failure of the Vietnam War to dispel North Vietnamese aspirations, and the subsequent drawdown and withdrawal in the early 1970’s (Long, 2006). Long (2006) also indicates that this time at RAND was similar to the contextual split of the nation regarding Vietnam when ideologies regarding COIN were parting ways and dividing the distinct viewpoints into the classification of, “hawks or doves” (p. 8). This separation led to the subdued COIN research of the 1970’s and early 1980’s. Alternatively, the research and intelligence community transitioned to opting for research set toward goals of strategic security and nuclear deterrents. However, when Ronald Reagan committed to stopping the spread of communism on the “Southern Flank” of the United States, a renewed bout of COIN research began (Long, 2006, p. 10). As the Cold War ended, however, research into the subject deteriorated and left a vacuum concerning official COIN doctrine. Researchers like Bruce Hoffman continued work on insurgencies but were also concentrating on the rising threat of post-Soviet era Communist terrorist cells (Long, 2006).

**Summary:**

Between 1950 and 2001, the style of insurgency changed, but the overarching characteristics of insurgent warfare did not. The motivations of insurgent groups have transitioned from the spread of Communism (Sandinistas & Viet Cong) to the rise of militant Islamists (Hamas & AQ), but this does not mean that the lessons of history are no longer viable in the face of the 21st-century “transnational jihadist” (Long, 2006, p. 18). Viewing COIN operations in OIF through the prism of a historical insurgency, Long
(2006) makes the observation of the coalescence of tribes and factions as a “coalition of the willing” (p. 16) that is not so different to the early stages of the insurgency in Vietnam. This means that groups in conflict can come together to form a coalition, even if these factions and tribes are not a unified movement of the masses or have identical end-goals.

The US has an obligation to attain a coherent and cohesive COIN doctrine that includes lessons learned from past insurgencies while learning from current trends in modern insurgency warfare. The global presence of militant Islamic groups like al-Qaeda (AQ) represents the possibility of global insurgency, forcing the US to identify effective COIN tactics to handle 21st-century warfare. As insurgencies and threats facing the US evolved after the end of the Cold War, research into effective COIN fell by the wayside, exposing a weakness within America’s vast military superiority. After such a bitterly soured outlook on insurgency warfare in the post-Vietnam era, and a historical string of mediocrity in COIN operations, the US became under-prepared for what was to come. After positioning for a conventional war with the Soviet Union for fifty years, the attacks of September 11, 2001, put the US on a collision course with two fronts of insurgency warfare for which Cold War preparations would prove insufficient.
US COIN 2003-2006

Turning Failures Into Recommendations

In the first four years of OIF, the United States failed to plan and carry out an effective COIN operation that quelled the insurgency and protected the Iraqi people (Pirnie, O’Connell, 2008). The lack of comprehensive COIN direction led to an increase in insurgent violence that ultimately shifted away from targeting the Coalition forces, to targeting the Iraqi civilian population in June of 2004, continuing into 2007 (Pirnie, O’Connell, 2008). This increase in violence contributed to the further destabilization of Iraq and made stability and security operations in the region more difficult.

The RAND Corporation report Counterinsurgency in Iraq (2003-2006), authored by Bruce Pirnie and Edward O’Connell, study the effects of US COIN operations and offer critique, as well as solutions and recommendation to future COIN doctrine. The effects the authors discovered resulted in missed opportunities identified and evolved into seven tenets to engage in more effective COIN operations in the latter years of OIF:

1) Demonstrate the ability and willingness to use precise and appropriate force.
2) Partner with indigenous security forces to plan and conduct operations.
3) Promote public safety and security.
4) Infiltrate and report on enemy operations.
5) Provide essential economic and social services.
6) Inform and influence operations.
7) Implement a rigorous and coordinated detainee process.
Pirnie and O’Connell (2008) state very clearly that the missteps of the US in Iraq are largely similar to the missteps that took place in Vietnam:

Though the Vietnam and Iraq experiences are different on the surface, an unfortunate similarity between them is the difficulty the United States has in recognizing the nature of the problem and developing an effective political-military-economic solution, choosing instead to resort to technology for an effort that requires closely synchronized operational art and innovative strategies. The U.S. failure to contain the rising level of disorder in Iraq, as well as subsequent policy and military mistakes, helped create the environment in which an insurgency took hold and a civil war unfolded (p. xiv).

The endgame for combatting an insurgency is to put down the insurgency through providing security to gather the allegiance of the indigenous population. Failing to protect the Iraqi civilians was a misstep that ultimately cost the COIN strategists in time, resources, and casualties as violence shifted from the Coalition to the civilians and disrupted efforts to stabilize the country and destroy the insurgents.

**Counterinsurgency On-The-Fly**

When the 3rd Battalion 4th Marines brought down Saddam Hussein’s statue in Baghdad to the cheering masses, the march to Baghdad seemed to signify the exemplary aspects of US military prowess. The Shock-and-Awe campaign successfully overwhelmed Iraqi security forces, allowing Coalition forces to overtake Iraq by using conventional military assets, and ultimately destroy the Republican Guard. However, the diametric shift in modern insurgency warfare had yet to show itself. With the US now removing the remnants of the Ba’athist regime from power, the vacuum created may have
ushered in a new generation of warfare that has become, “the seminal conflict of the current era and will serve as the paradigm for future strategic decisions” (Metz, 2007, p. v).

Dr. Steven Metz is Chairman of the Regional Strategy and Planning Department and Research Professor of National Security Affairs at the Strategic Studies Institute and researched OIF extensively; especially the misguided application of antiquated COIN doctrine in the earliest years of the conflict. Dr. Metz (2007) states that the decision to unseat governing bodies harboring terrorism, such as Iraq, was inevitably going to involve outdated COIN strategy the US developed during the Cold War, and in effect, “forced the US to relearn counterinsurgency on-the-fly” (Metz, 2007, p. v). As the US was learning this form of modern warfare, the lack of preparation and coordination led to the additional oversight of having an inadequate number of forces in theater. What this ultimately led to was the bypassing of Anbar province, resulting in leaving Hussein loyalists and insurgents a free region to establish an entrenched resistance and gather support amongst the population (Metz, 2007).

The US was also having a distinct difficulty in two areas, establishing the Coalition Provisional Authority (CPA) and defining the violence as an insurgency (Metz, 2007). The initial resistance to reconstruction efforts stemmed from a lack of teamwork, planning and coordination between the Office for Reconstruction and Humanitarian Affairs (ORHA) and the military (Metz, 2007). The disorganization between agencies also bled into the leadership behind the beginnings of COIN operations, including
Secretary of Defense Robert Gates and senior military commanders (Metz, 2007). With only isolated pockets of resistance, the leadership did not begin defining the violence as insurgent and guerrilla warfare until the insurgency coalesced and loosely organized. At this time, the US was still attributing the sporadic attacks to the last remaining elements and “spasms” of the Ba’athist security forces (Metz, 2007, p. 20).

During this period, the relatively unknown and little-discussed aspect of insurgency warfare was taking the US by surprise, but this was the former regimes’ plan. Dr. Ahmed S. Hashim (2006) depicts the deliberate Iraqi preparations that led up to the initial invasion in 2003. Hashim (2006) states the Iraqi defense apparatus clearly prepared to provide support, training, and supplies to an insurgent force in Iraq that was reminiscent of Vietnam. The Hussein Regime tasked Qusay Hussein with ensuring that Iraq undertook preparations to take on a superior conventional force by integrating resistance into the indigenous population, making urban guerrilla operations more effective (Hashim, 2006). The importance of this perspective is vital to understanding how the insurgency established itself and how the infiltration of the native population was so thorough.

The Strategic Shift

In January 2007, after four years of COIN strategy that struggled to establish control and security for the Iraqi population, President George W. Bush announced what would become known as, “the surge” (Metz, 2010, p. 5). The surge was changing the strategic outlook to concentrate on three aspects of countering the growing insurgency.
First, increase the number of US military forces to protect the indigenous population.
Second, increase the amount of reconstruction and economic aid to the region. Finally, to provide assistance and support to a new political reform that could fill the power vacuum left by the former regime (Metz, 2010).

**Transitioning to Comprehensive COIN**

What ultimately happened to OIF, was a fundamental transformation of outlook with short-, medium-, and long-term benchmarks to mark accomplishments (Metz, 2010). The greatest transformation that took place in COIN operations for the US was the adaptation of an all-encompassing strategy to fight the insurgency on all sides. This effectively created a comprehensive strategic synthesis of political-economic-military tactics to create a secure area for indigenous Iraqis to re-establish a country (Metz, 2010).

For the extent of the operation Coalition forces no longer used the moniker of ‘victory’. Rather than discuss victory, the success of US COIN is judged by the stabilization of Iraq and the expulsion of the insurgency from the indigenous population (Metz, 2010).

**Summary:**

Up to 2007, the disorganization and lack of understanding of a comprehensive COIN operation was causing the US to falter in Iraq. Iraqi civilians became targets, and the propensity for the indigenous population to support the insurgency against the government and Coalition grew. Meanwhile, the attacks and attempted subversion of the Coalition’s control is unfolding and expanding with an ever-increasing pool of recruits and growing number of foreign fighters at the disposal of the insurgency. It is at this
point that OIF has conventionally succeeded with overwhelming success tactically, yet continued to struggle to establish a secure nation and root out pockets of resistance. The fundamental shift in approach, as well as the examination of prior tactics, had led to a shift in strategy at the highest levels of US COIN doctrine.

Role Fulfillment in COIN Operations

Overview

The integration and synthesis of the political-economic-military spectrum is a primary tenet of a comprehensive COIN operation. Part of the integration is identifying the roles that fill priorities and responsibilities during an insurgency. The evolution of COIN doctrine and strategy has changed greatly in the past sixty years, coincidentally the use of heavy assets and kinetic assets must also adapt to find their place in a combat role during unconventional warfare. Keeping pace with the evolving battlespace, the epic tank battles and thorough use of heavy assets of World War II in North Africa and between the hedgerows along the Rhine may only serve a poetic analytical purpose in historical military lore, with limited use in insurgency warfare. However, newer generations of thought argue the use of heavy armored assets and Brigade Combat Teams (BCTs) in a modern insurgent war brings advantages that are a vital part of a comprehensive operation. Identifying each component, the importance of that component to the comprehensive operation, and how each component relates to the economic aspect of insurgency warfare, is critical for full spectrum operations.

Heavy Assets in COIN
Part of the comprehensive reaction plan to insurgency warfare is a military component that includes the use of Heavy Brigade Combat Teams (HBCT). Ralph Overland (2009) researched the relevancy of HBCTs by assessing the performance of BCTs in a COIN environment. In the same way COIN strategy evolved since the end of the Cold War, the use of HBCTs in a COIN strategy evolved quickly during OIF to combat unconventional warfare and find a place within the structure of a comprehensive counterinsurgent reaction. Overland (2009) relates the use of HBCTs to support the building of economic capacity at the local levels.

The analysis by Overland (2009) develops the use of HBCTs in clear, hold, build, and sustain success, as per the doctrine of Field Manual (FM) 3-24. After the initial invasion of Iraq and the use of BCTs in 2003 and 2004, the rotating units began to develop new training initiatives to combat an insurgency, rather than a conventional military force (Overland, 2009). The new training initiatives enabled a greater insistence on intelligence gathering, dismounted operations, and enhanced investigatory capabilities. The crux of Overland’s (2009) research is the development of the modular HBCTs and how this structural change affects their “capabilities to be effective in COIN operations allowing commanders to clear, hold, build, and sustain success in their areas of operation” (p. 44).

Overland (2009) continues by explaining the research depicts a clear role for HBCTs in full spectrum insurgency warfare. With structured changes made to doctrine pertaining to the use of HBCTs in COIN, “the findings . . . suggested that HBCTs are
effective in COIN because of increased enablers and deliberate change executed across DOTMLPF which approved their overall capability in COIN since OIF 1” (Overland, 2009, p. 102). Overall, this research and analysis show the evolution of BCTs and their use in COIN operations. The primary role of BCTs in COIN operations is to fulfill a security role by stabilizing communities, and taking the fight to the enemy to protect the indigenous population when the need arises. In addition, the use of the Cavalry Squadron within the BCT filled a primary security role in the case study of Sadr City later in the analysis section.

**Dynamic Targeting in COIN**

The use of aerial kinetic assets, guided munitions, and close-air support in modern warfare is a dynamic tool that can establish superiority and dominance over a battlespace unlike anything else. However, dynamic targeting has proven controversial in COIN operations due to loss of contact between ground forces and the insurgent targets (Brown, 2007). The controversy arises from this type of targeting leading to either real or perceived collateral damage; a crucial misstep in COIN operations. To illustrate the usefulness of kinetic assets, Jason Brown (2007) wrote:

> Although kinetic operations alone will not win the war, they can slow down or suppress the insurgency while political efforts gain strength and momentum. Thus, we should make combat operations persistent enough to eliminate insurgents’ critical nodes and elements faster than they can replace them. Airpower can play an important role in this effort through dynamic targeting; however [sic] we have often employed it in these operations without understanding the consequences of incorrect planning, execution, or assessment. (para. 41)
Dynamic targeting in insurgency warfare is debatable as an inappropriate use of assets due to the propensity for collateral damage, with little or no visible gains at the strategic level (Brown, 2007). When a call goes across the wire of troops-in-contact and close-air-support is required, the validation and importance of bringing aerial ordnance to the fight is clear. However, to engage insurgents operating separately from friendly forces exhibits much risk compared with little reward. To rectify this shortcoming, the commanders and strategists needed to establish an effective way of assessing the need for targeting, and more importantly, establish an effective and accountable engagement and assessment phase. Additionally, as part of the adaptations that have taken place to make the US more effective at fighting an insurgency, is the reduction in time it takes to designate targets through the find, fix, track, target, engage, and assess (F2T2EA) doctrine, or colloquially referred to as the ‘kill chain’ (US Department of the Air Force, 2014).

Brown (2007) contends that the changes in doctrine assist the strategist by lessening the chance of collateral damage by changing the approach to weaponeering\(^2\), targeting, and most importantly, assessing the engagement and entire F2T2EA chain. As stated, the most important aspect of the F2T2EA chain in COIN is the assessment phase, or the battle damage assessment (BDA). Traditionally, the BDA simply evaluated the destruction of the target by utilizing imagery taken after the engagement (Brown, 2007). The proper BDA in COIN operations must go further. Brown (2007) states the

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\(^2\) Weaponeering can be defined as the determination of appropriate ordnance for a task. Accounting for the target, surrounding area, the need for immediate effect, and the risk of collateral damage contribute to the decision to achieve a certain level of damage on the target system.
assessment phase of a strike should place more emphasis on the entirety of the friendly action and the ripple effects the strike causes. Rather than simply concentrating on the effect the strike had on a target, the assessment should emphasize the response of the population affected in addition to the effects inflicted on the entire target system (Brown, 2007).

The questions posed by Brown place the use of dynamic targeting against insurgent forces under the spotlight. The problem that is exposed is how the action of dynamic targeting can negatively influence a COIN operation by emboldening the insurgencies influence over the indigenous population. The impact of Brown’s research and evolving Air Force Doctrine identifies the proper assessment of kinetic assets against an insurgency as how the strikes pertain to the entire target system, not only the immediate target. As part of the comprehensive COIN doctrine, aerial domination by US forces is a strength to exploit, albeit carefully (Brown, 2007).

**USAID and the PRTs**

In 2005, then Secretary of State Condoleezza Rice established the first of the Provincial Reconstruction Teams (PRT) in Mosul, Iraq (Perito, 2013). These civilian-military interagency cooperatives were primarily, “designed to operate in semi-permissive environments” (Perito, 2013, para. 2). The goal of the PRT was to establish a successful promotion of socio-economic growth as well as reach various political objectives, counterterrorism goals, and promote local development (Perito, 2013). The expansion of PRTs eventually culminated in twenty-five programs, with the United
Kingdom, Italy, and South Korea running three of the twenty-five (Perito, 2013).

Following the surge in Iraq, the style of PRTs evolved to become ePRTs; embedded with BCT’s in Baghdad, Anbar, and Babil. The teams consisted of State Department led advisors supporting the COIN operations by building and developing governments from the local level (Perito, 2013). Joining the PRT was the United States Institute for Peace to train the Sunni and Shia groups in conflict resolution and management skills to develop in their local communities (Perito, 2013).

The innovation that went along with the PRTs in Iraq relied upon the cooperation between military and civilian sectors in a conflict zone. Agencies and departments worked together to stimulate the economy and train the local Iraqi’s in everything from conflict resolution to enhanced farming techniques (Perito, 2013). USIP reflects on the PRTs as a demonstration of a cooperative environment between nations to build the sound foundation of COIN operations and self-sufficiency that, “could pay dividends in helping countries recover from conflict” (Perito, 2013, para. 10). The PRTs, State Department, and other civilian agencies fill an important portion of the full spectrum approach to fighting an insurgency.

Christoff Luehrs (2014), a researcher at the Center for Complex Operations at the National Defense University has completed an exhaustive analysis of the PRT reports during the period 2004-2009 to complete a ‘Lessons Learned’ directive for future use. Problems identified by Luehrs are representative of the broad, overarching consensus between reports that lead to issues continuously not addressed, or issues that continually
fail to meet expectations (Luehrs, 2014). The stated goal of Luehrs (2014) was to identify, “the fundamental uncertainty as to the proper concept, role, and objectives of PRTs in Iraq and Afghanistan” (p. 97). Issues noted by Luehrs (2014) include interagency command and control deficiencies, which did not clearly define the role of PRTs concerning their military counterparts, or identifying a predictable and permanent integration of decision-making. Additionally, Luehrs (2014) identifies, “the absence of clear objectives and supporting strategies combines with interagency command and control issues to inhibit coordinated planning and sound assessments of PRT efforts” (p. 98).

The PRTs in both theaters had one commonality, which is particularly damaging in countering a growing insurgency. Luehrs (2014) reported that the lack of engagement with the host-nation was consistently a point of contention between the indigenous population and PRTs. This lack of engagement ultimately led to friction within the management structure of PRTs as well. The purpose of the PRT in Iraq was to engage with the Iraqis to build the coalition inside the host-nation to drive out the insurgency. However, according to Luehrs (2014), in somewhat of a self-deprecating fashion the, “confusing PRT structure makes it more difficult for host-nation members to engage with the teams” (p. 99); derailing the process of host-nation integration before it begins.

Furthermore, the communication issues within the PRT exacerbated the existing issues by stove-piping information between PRTs, lacked the benefits of joint briefings, and identified the breakdown of information between the home agencies responsible for
the PRTs (Luehrs, 2014). With a vital role to fulfill in the full spectrum warfare against insurgents, the PRTs lacked the efficiency in communication, command and control, management, and purpose of executing their mission effectively. Luehrs (2014) concludes by stating:

It is important to recognize that the issue and problems outlined above were identified [sic] early in the development of the PRTs. The literature from 2005 essentially focuses on the same problem set of that of early 2009. Therefore, the most important lesson may in fact be that significant improvements in any of the areas will only result if senior leadership of the relevant agencies prioritize PRTs and act on the insights and advice produced over the last 4 years. (p. 101)

Summary:

Role fulfillment is a vital requirement in insurgency warfare. The existing literature reveals the change and evolution that took place in many aspects of warfare from the civilian to the military perspective. The on-the-fly approach to developing COIN strategy may have had a rough beginning, but the adaptation of ePRT’s, changes to the F2T2EA chain approach, and the inclusion of HBCTs to COIN tactics all became important tenets of a comprehensive approach to the economic aspect of COIN. Ultimately, the fulfillment of these roles impacts the economic prosperity of the indigenous population by providing a safe and secure environment, while simultaneously developing and evolving to destroy insurgents and the target system within which they are contained. Problems that arise in COIN stem from a lack of communication, coordination, command and control, and mismanagement of resources, including funding for PRTs and no clear structure for reconstruction efforts.
The Role of Economics in Insurgency Warfare

Historical Economic Strategy

As the world emerged from the ramifications of World War II, the emerging superpower of the Soviet Union was cobbling together a coalition of nation-states under the umbrella of communism. Afraid of an impending war with the Soviets, President Harry S. Truman directed George C. Marshall to institute a plan for economic stability throughout the states of Europe (Machado, 2007). By using economic aid to influence the elections in Italy and Greece, the Marshall Plan succeeded in thwarting the insurgent communist movements in both countries, and the basis for American counterinsurgency was born.

Over a half-century later, Barry Machado blasted the US Ambassador Paul Bremer and the Coalition Provisional Authority (CPA) for invoking the Marshall Plan’s lessons in the COIN operations in Iraq from 2003 to 2004 (Machado, 2007). According to Machado (2007), the lessons from the Marshall Plan should include a vast array of cultural experts as part of the CPA teams, inclusion and development of the host-nation’s government, and a pre-conceived effort of propaganda aimed at nullifying the work of Al-Jazeera, the Arabic-language network with hostile intentions toward American efforts in Iraq. The CPA effectively succeeded in none of these areas. Moreover, a stark contrast between the Marshall Plan and the CPA work in Iraq is the Marshall Plan’s painstakingly careful documentation and accountability for appropriations and expenditures. Whereas the Iraqi CPA is full of fraud, waste, and abuse (Machado, 2007).
Furthermore, the institution of the Marshall Plan was clearly a program to be undertaken by the American government but required the input and initiative of the European governments to take a leading role in developing their economies (Weidman, 2014). The most deliberate plea for the economic assistance package came from President Truman before Congress that it must be, “the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure” (Truman, 1947). The establishment of the Truman Doctrine set the precedent for the use of the economic element of power. Rebuilding operations in post-World War II Europe also contributed to the counterinsurgency doctrine that followed in Vietnam, El Salvador, Afghanistan, and Iraq. However, the contention of Machado (2007) is the misuse of the application of the economic element of power. Though the users invoke George C. Marshall, the actions and applications of the CPAs do not reflect vital core principles from the Marshall Plan (Machado, 2007).

Commensurate with the Marshall Plan, combatting the spread of communism was a top priority for policymakers and strategists in the coming decades. Increasingly, the US was aiding countries combatting insurgent, irregular warfare on a global scale. Countries like El Salvador, Nicaragua, South Vietnam, Thailand, and the Philippines encountered a growing number of communist insurgencies while still more countries suffered terrorist attacks from communists and sympathizers (Kirkpatrick, 2012). With the destabilization efforts slowly becoming more prevalent and successful, the American doctrine evolved to include the domino theory. The domino theory of the Cold War theorized that once a nation fell to communist influence, the chain reaction would
successively sweep countries already destabilized due to communist insurgents (History, 2009).

However important it was to continue international economic aid to countries inhibit the domino effect from toppling governments, concentrating on the spread of communism shielded the US from identifying the new threat on the horizon. By the 1980’s transnational Islamist insurgency was taking hold in countries across the Middle East and North Africa, gathering a populist movement and establishing theocracies (Kirkpatrick, 2012). However, as the US strategy aligned more closely with strategic security and nuclear deterrence in lieu of counterinsurgency operations, the dawn of insurgent warfare was lost on American strategists. Though economics is a key piece of countering an insurgency, or inhibiting the growth of one, understanding the economic strategy for implementing an economic element of power was fading.

The MAAWS Battle Tool

As an attempt to develop operational level control over economic reconstruction, the Commander’s Guide to Money as a Weapons System (MAAWS) (USCAC, 2009), distributed by the Center for Army Lessons Learned (CALL) aids field commanders in learning to use money effectively as a deterrent to insurgent activity without creating collateral damage. Of the eight key lessons listed, the primary takeaway is that “money is a valuable weapons system” (USCAC, 2009). To successfully develop and coordinate the deployment of MAAWS tactics, ground commanders, NGOs, and PRTs needed to channel the strategy of the Marshall Plan with structure, discipline, and tangible goals.
As this money provided by MAAWS begins distribution for economic and social services to the indigenous population, the grasp that the insurgency has over the native population begins to recede. As part of this strategy, the host-nation must be able to carry on the financial infrastructure once the US military and PRTs are no longer there to distribute funds for projects (USCAC, 2009). The United States Agency for International Development (USAID) has laid out fundamental progressions for the Iraqi’s to take over this process once the US has left. Concurrently, the USAID financial development program (FDP) worked with local Iraqis to establish, regulate, and educate the finance industry; inviting local business leaders to carry on the promotion and sustainment of economic growth in Iraq.

One avenue that opened after the COIN surge in 2007 is the microfinance institution (MFI) industry in major population centers, effectively creating a civilian MAAWS. Going directly in-line with the socio-economic aspect of defeating an insurgency, the USAID/Iraq-Tijara (USAID-Tijara) Provincial Economic Growth Program is providing the means to small businesses and the indigenous population who are continuing to experience the economic prosperity necessary to expel the insurgency (The QED Group, 2012). The MFIs had nearly tripled the investments in loans since 2008 by serving 96,898 clients and distributing nearly $150 million (USD) in 2012 (The QED Group, 2013). This major step forward is part of the larger operation in assisting the indigenous population to grow out of the strife that is inherent under the pressure of insurgency operations.
Buying a COIN

Andrew Shaver (2013), contends that research into economics based insurgency warfare had yet to determine what affect the economic initiatives had on violence at local levels. By utilizing an Ordinary Least Squares analysis, Shaver (2013) was able to ascertain detailed reports of economic prosperity and relation to violence at local levels. The service program Shaver (2013) concentrates on include Iraqi First, an initiative that placed emphasis on the purchasing and service contracts by the military to local providers (p. 1). By placing the emphasis on hiring service providers locally, the military sought to quell the growth of insurgent activity by stimulating the economy. Accordingly, the assumption that the US built much of the insurgency strategy upon was the general belief that poor socio-economic conditions led to the propensity for insurgencies to grow (Shaver, 2013).

The research question Shaver (2013) raised ultimately asked, “In what way do economic conditions affect insurgencies? And under what circumstances, if any, can economics-based counterinsurgency programs be implemented with effective results?” (p. 2). The general working assumptions for the study include the belief that microeconomic improvements would lead to macroeconomic stability, stabilizing the population and subduing the insurgency (Shaver, 2013). One factor of long-term stability achieved through the microeconomic policies include a perception characteristic that Shaver (2013) described as, “[when the perception is] that the environment is safe enough to leave families at home, workers will seek employment or conduct public economic activity” (p. 4). The domino-effect of stability begins to cascade, given there
are no interruptions in the system to sustain grassroots economic growth. Building upon this success, the economy can become the driver of stabilization in other sectors of the country. Army/Marine Corps Field Manual 3-24 and Petraeus & Amos (2006) describe the process as, “establishing an environment that attracts outside capital for further investment” (p. 5-5). The creation of a self-sufficient local economy in the midst of an insurgency is a step that cultivates the revenue streams necessary to establish a transitional political transformation, ultimately promoting counterinsurgency (Shaver, 2013). The research and regression analytics performed by Shaver (2013) begin on the basis that one of two outcomes is likely:

To narrow the list of plausible causal mechanisms at work in the Iraqi case requires establishing whether economic counterinsurgency programs reduced or increased violence. An increase in violence would point to a self-defeating program that made intelligence collection more difficult for counterinsurgents. On the other hand, a decrease in attacks should direct the attention of the researchers towards mechanism involving the creation of alternative employment opportunities for would-be insurgents (p. 9).

A discussion explored by Shaver (2013) is the prospect of economic growth and subsequent positive correlation with levels of insurgent attacks. This outcome would run counterintuitive to the general assumptions of a declination in insurgent activity; however, the possibility of positive economic growth and correlating increases in insurgent violence is plausible.

RAND economist Charles Wolf Jr. identifies this outcome, stating the distribution of generic economic stimulus funds may land in the hands of the insurgents, leading to greater amounts of violence and greater levels of insurgent activity (Long, 2006). Shaver
(2013) includes in the initial theory that the outcome of positive performance metrics in microeconomic stimulation may not be as immediately apparent as infrastructure construction, but has the opportunity to yield a more positive effect over the medium- to long-term; though the immediate effects may be less visible.

The study conducted by Shaver (2013) outlines the model used as, “regression analysis [that] is used to generate an initial associational relationship between spending on local goods and services and attacks on Coalition” (p. 12). Controls and variables include spending patterns, battalions deployed per province, population, unemployment levels, district-level community characteristic data, and finally, cultural data such as the year, season, and holiday biases (Shaver, 2013). Concluding the analysis Shaver (2013 stated, “contractual obligations are negatively associated with acts of insurgency violence against the Coalition and support the hypothesis that local spending on goods and services was responsible for effecting a reduction in attacks” (p. 21). In other words, targeted economic stimulus at the local level reduced the number of attacks perpetrated by the insurgents.

**Combatting Terror Financing**

**Modern Insurgent Financing Techniques**

Microeconomic and international aid programs can assist in deciding the outcomes of a counterinsurgency operation, but the true testament to full spectrum warfare against insurgents is the ability to take away the core financial capabilities of insurgents. Fundraising for insurgents and terrorists is remarkably similar. Patrick B.
Johnston (2014), a researcher at RAND Corporation specializing in terror financing, explained to a congressional delegation that through declassified ledgers containing the financial documents from the Islamic State of Iraq and Syria (ISIS), funding for the group has largely come from internal sources. Johnston (2014) continues by stating that ISIS raises vast sums of money through black market oil trade, extortion, taxation, looting, and war spoils. The documents elude to the fact that ISIS is wary of strings attached to revenue accepted from external sources. Limiting this inflow of money succinctly restricts the amount of vulnerable exposure the financial network suffers. Ultimately, this leads to questions regarding the efficacy of sanctions and counter-terror finance operations targeting a future insurgency (Johnston, 2014). A litany of possibilities exist on the matter, but recent trends may indicate that Abu Bakr al-Baghdadi’s leadership may have opened up ISIS to a limited amount of external donors, exposing a small amount to counter-terror financing (CTF) efforts (Johnston, 2014).

**Identifying Targetable Financial Networks**

The inclusion of foreign investment into the ISIS insurgency exposes a portion of the groups funding to surveillance efforts against terrorist networks by the Federal Bureau of Investigation (FBI) and the Office of the Comptroller of Currency (OCC). Specifically, Ralph S. Boelter, Acting Assistant Director of the FBI’s Counterterrorism Division describes the Terrorism Financing Operations Section’s (TFOS) mission as:

> The mission of the Terrorism Financing Operations Section (TFOS) is twofold. First, to manage the FBI’s investigative efforts in relation to individuals who provide funding to terrorists; and second, to ensure financial investigative
techniques are used, where appropriate in all counterterrorism investigations to enhance the investigations . . . In coordination with our law enforcement and intelligence community partners, TFOS carries out this mission through the application of financial investigative techniques and the exploitation of financial intelligence.[sic] To improve its ability to detect and disrupt this with the intent of capability to conduct attacks against the United States, TFOS has undergone a significant shift in the way we address the threat of terrorism financing.

(Boelter, 2011, paras. 2 & 3)

Furthermore, the TFOS targeting unit uses all-source intelligence from local and national level government and law enforcement agencies in an effort to identify fundraisers and their associates (Boelter, 2011).

According to Boelter (2011), and the FBI (2013) the development of the FBI’s TFOS partnership with the Treasury Department’s Financial Crimes Enforcement Network, has led to the education, training and outreach necessary to combat terror financing efforts across the globe. This outreach program includes the use of Suspicious Activity Reports (SARs) available to commercial institutions in the private sector (Boelter, 2011 & OCC, 2014). This enhances the capabilities of the FBI to assess the current threat picture at home and abroad. International training implementation resulted in twenty training courses, taught in seventeen different countries (Boelter, 2011 & OCC, 2014). Additionally, Boelter states, “This training enhances our foreign counterparts’ awareness and capabilities and promotes financial exploitation in all counterterrorism investigation” (para. 12).
The Future of Insurgency

Insurgency’s Leap to Modernity

As the threat of transnational Islamist terrorism is evolving at a break-neck pace, Seth Jones & Patrick Johnston (2013) create a compelling case for the direction of modern insurgency. To make their case and understand the future of insurgencies, the article poses the following questions. First, “What have been key insurgency trends over the past several decades? Second, what do these findings suggest about the future of insurgencies over the next decade?” (Jones & Johnston, 2013, p. 2). Early in the analysis, Jones & Johnston (2013) conclude that China will play a major role in state-sponsorship of insurgencies to secure their national interests, much like the Soviet Union throughout the Cold War. In addition to China playing a role in future insurgencies, the technical revolution will lead to insurgencies evolving faster and reaching maturity more quickly than previously seen (Jones & Johnston, 2013). Included in this new technical capability, the insurgents will reach proficiency in asymmetric warfare tactics faster, and the application of effective propaganda campaigns. Jones & Johnston (2013) contend that this will lead to the learning curve related to technology such as the improvised explosive device (IED) shortening and becoming more lethal in a shorter period. With this knowledge, the importance of understanding future trends of insurgency for the strategist and 21st-century warfighter cannot be overstated.

With the modern face of insurgency including a more rapidly adaptable and deployable guerrilla force, the importance for understanding root causes and trends is
important for the future COIN strategist. The historical argument for the advent of an insurgency is economic. Jones & Johnston (2013) reported the results of a study in which, “estimates that a country in which primary commodity exports comprise one-third of its Gross Domestic Product (GDP) faces a risk of civil war some 20 times greater than a similar country whose economy does not rely on primary commodity exports” (p. 3). Jones & Johnston (2013) then reasoned that the conflict regions of Nigeria and Sierra Leone corroborate this assertion. Statistically, this trend is reaffirmed by the World Bank data which indicates countries scoring the lowest have the highest numbers of civil wars, and subsequently those nations ranking at the top of the list have the fewest (Jones & Johnston, 2013). However, with the rise in ethnocentric rebellions, the capacity of the state to govern is now a causal factor in the prominence of insurgent struggles as well. Ethnic insurgencies reflecting this assertion continue to play out with ongoing Shia-Sunni conflicts, the conflict between the Hutu’s and Tutsi’s, and more recently the rise of the Houthi rebels in Yemen (Jones & Johnston, 2013).

**Thick as Thieves: The Convergence of Terrorist and Insurgent**

Bruce Hoffman (2006) identifies the convergence and convolution between the definitions of insurgent and terrorist a growing trend that should not become the normal way of defining either term. Hoffman (2006) concedes, “This is not entirely surprising, since guerrillas and insurgents often employ the same tactics (assassination, kidnapping, hit-and-run attacks, bombings of public gathering places, hostage-taking, etc.) for the same purpose . . . as terrorists” (p. 35). Additionally, the various factions of rebels typically employ the commonality of wearing neither uniform nor insignia to designate
themselves as different from noncombatants (Hoffman, 2006). These similarities typically blur the lines between insurgent, terrorist and guerrilla. Terrorist tactics employed by insurgency groups and the oversimplification in the reporting of terrorism by insurgents have led to the synonymity becoming a mainstay of American perception. Hoffman (2006) separates the terms by describing insurgency by the qualities of its members:

‘Insurgents’ share these same characteristics; however, their strategy and operations transcend hit-and-run attacks to embrace what in the past has variously been called ‘revolutionary guerrilla warfare’, ‘modern revolutionary warfare’, or ‘people’s war’ but is today commonly termed ‘insurgency.’ Thus, in addition to the irregular military tactics that characterize guerrilla operations, insurgencies typically involve coordinated informational (e.g. propaganda) and psychological warfare efforts designed to mobilize popular support in a struggle against an established national government, imperialist power, or foreign occupying force. Terrorists, however, do not function in the open as armed units, generally do not attempt to seize or hold territory, deliberately avoid engaging enemy military forces in combat, are constrained both numerically and logistically from undertaking concerted mass political mobilization efforts, and exercise no direct control or governance over a populace at either the local or the national level (p. 35).

Hoffman (2006) offers the concession that none of the groups known for terrorist attacks in the modern era is purely defined by any one term, with clear and considerable overlap between insurgent, guerrilla, and terrorist. Further blurring the line, the evolution of tactics used by insurgents and terrorists coincide during eras of major conflict. Jones & Johnston (2013) explain that during these eras, patterns of strategy do not remain static. During the Cold War and in the post-9/11 era, guerrilla warfare was more popular,
whereas the doctrines of the 1990’s focused more on the conventional conflict between failing states and rebellions (Jones & Johnston, 2013). The research appears to show a trend that increasingly depicts a future with a rise in both conventional and asymmetric insurgencies, largely depending on the stability of the host-nation’s governing capacity (Jones & Johnston, 2013).

The Future of External Support for Insurgencies

Patterns in insurgency warfare are somewhat related to the amount of external support the insurgency receives. Jones & Johnston (2013) refer to the fact that insurgencies with external support structures managed to last over seven years, four years longer than insurgencies with no external support. With this information, it is acceptable to believe that external funding for insurgent warfare is a vital aspect of building a lasting asymmetric capacity. Jones & Johnston (2013) contend that the Chinese tool of foreign policy in the future may consist of proxy support for insurgents where national interests lie. The most intriguing of these areas for the US strategist is the Middle East where oil exploration and strategic cooperation exists between the Chinese and oil rich nations, as well as the mineral and metallurgical extraction operations in Taliban-controlled areas of Afghanistan and Pakistan (Jones & Johnston, 2013).

The growth and continuation of support to proxies and insurgencies will shape the future of asymmetric warfare in the future (Jones & Johnston, 2013). To this point, external support systems for insurgencies provided by Saudi Arabia, Russia, the United States, China, and Iran will continue to grow in relevance as a tool of foreign policy. As
technological developments continue in these countries, as well as China, the use of command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) by insurgencies will become more prevalent (Jones & Johnston, 2013). This development is particularly interesting for the COIN strategist as one of the greatest assets in the COIN toolbox is the C4ISR advantage the US has over insurgent groups in Iraq. As part of the technology boom in developing nations, the C4ISR gap will begin to shrink unless there is innovation from COIN forces (Jones & Johnston, 2013). The technological revolution, mentioned earlier, applies to second-world and developing nation governments as well. These nations’ governments, to some extent, have more volatile leadership structures and tend to use proxies exerting asymmetric warfare in the region as a primary tool of foreign policy, adding to the propensity for insurgencies and terrorist cells to cause issues for global superpowers. (Jones & Johnston, 2013).

The Future of Insurgent Tactics

The importance of the improvised explosive device (IED) to insurgents is well-known; however, the importance to the COIN strategist has developed from the evolution of the devices in recent history. The Irish Republican Army developed their IEDs over the course of thirty years, developing from timed devices to remotely controlled devices (RCIEDs), and finally, shaped-charges. The Islamic insurgencies of the past decade, with networks of information, war zones for research and development, and transnational capabilities, have condensed the development of sophisticated IEDs to a few years, or a few months in some cases (Jones & Johnston, 2013). Most notably, groups like Boko
Haram, have developed IEDs in a remarkably short period. Jones & Johnston (2013) outline the cooperative environment and development of Boko Haram’s capabilities:

In Nigeria, for example, groups like Boko Haram are already conducting sophisticated IED campaigns with aid from Al Qaeda in the Islamic Maghreb. The group has dramatically increased its rate of IED attacks, from only one documented attack in 2009 to nine in 2010 and 88 in 2011. In particular, Boko Haram has improved its ability to build hollow charges—or directional blast devices—that are capable of causing substantial damage to structures and lightly armored vehicles. (p. 16)

The IED is not merely a new development akin to OIF or Operation Enduring Freedom (OEF), the insurgencies of the 1970’s contributed to the rise and development of the modern IEDs to combat superior conventional forces (Jones & Johnston, 2013). The IED is a low-risk, high reward weapon, which is transportable, readily deployable, and as the name suggests, the weapon derives from local, improvised materials. The development of the IED as an invaluable tool for the modern terrorist or insurgent stems from the precision the weapon can offer, as well as the flexibility it offers when considering the targets. These improvised devices can be RCIEDs to directly attack specific targets, vehicle-borne IEDs (VBIEDs) to decimate larger areas or hardened targets, or victim-activated IEDs that kill indiscriminately, terrorizing the indigenous population (Jones & Johnston, 2013).

Enhancements in communications, evolutions in networking, open source information development, and commercially available technology allow for a condensed development and training period (Jones & Johnston, 2013). The expectation for insurgents to increase the use of social media, digital communication, and the internet for
proliferating tactics and instructions poses an intriguing problem for strategists.

Interestingly, as the development of third- and second-world nations increase in economic productivity and stability, the availability and use of technology will exponentially increase throughout the populous, which includes possible insurgent forces. One consideration to extrapolate from available technology is the effect of global internet traffic upon insurgency. Jones & Johnston (2013) found this of particular interest in identifying the various trends of insurgency in the future. According to Jones and Johnston (2013), “Democratizing Innovation” (p. 17) is a side effect of the growth in information sharing in which insurgencies will take full advantage.

In 2010, approximately one-third of internet protocol (IP) addresses originated through wireless devices and the remaining two-thirds through wired-devices (Jones & Johnston, 2013). Technology systems analysts believe that by 2015, wireless IP networks will account for 54% of internet traffic, signaling a shift in power between wired and wireless systems (Jones & Johnston, 2013). In regards to this shift in technology, Jones & Johnston (2013) add that the most dramatic shifts will occur in countries in Latin America and the Middle East and Africa with a compounding yearly increase of wireless IP networks of 48%, and 52%, respectively. Jones & Johnston (2013) continue that, “these advances will likely make it easier for insurgents to recruit, distribute propaganda, communicate and identify and track people” (p. 17).

Summary
The rapid advancement of insurgency into the 21st-century is in large part provided by a decade of violence across hot-zones in the Middle East, Southeast Asia, and Africa. The technology explosion is also a contributing factor in the growth of insurgent success. Combining the information learned over the past century, as well as disseminating information learned from war zones in Syria, Iraq, Afghanistan and Africa, leads to the modern insurgency becoming more effective in a condensed period of training to full operational capacity. Additionally, the outlook for external support systems will prolong the lifespan of insurgencies, making COIN efforts more time-intensive if insurgencies grow unfettered out of their infancy and into full-fledged asymmetric fighting groups.

The final advancement and learning curve the modern insurgency has keyed on is the refinement of tactics that are beneficial to their groups’ financial success. Terrorist tactics outlined by Hoffman (2006) developed over many decades; however, the efficiency in which insurgencies learn to apply those tactics to coerce an indigenous population will increase with information networking. At the other end of the use of force spectrum, an insurgency, which is technically proficient, will have the ability to use fundraising, theft, and black market commodity sales to secure support from an indigenous population, without having to resort to violence and coercion (Johnston, 2014).
Chapter 3
Methodology

Introduction

This thesis effectively identifies the proper application of the economic element of power in a future counterinsurgency operation, to identify the economics of insurgency warfare, and the role fulfillment of conventional assets in an economic offensive against the insurgency. This chapter describes the research methodology used to answer the research question regarding the economic element of power, the application of economics, and the proper assessments to combat modern insurgency warfare. The chapter discusses the research approach, the evaluation, the analysis strategy, and a conclusion.

Approach to Conducting Research

This research project used a mixed methodology analysis producing a mix of data analysis and graphic representation of the economic assessment. The research plan contains an analysis of the economic element of power in COIN doctrine, specifically the strategic shift in Iraq from 2007 to 2012 with the development of FM 3-24, role-fulfillment in full spectrum insurgency warfare, combatting terror-threat financing, and the future of insurgency. The literature review identifies trends and uses of the economic element of power in COIN operations, specifically using OIF as a case study. The use of OIF for a case study allowed the evaluation of the US COIN doctrine in a modern, post-
Cold War setting. The evaluation assessed the coherency and uniformity of COIN doctrine in OIF, as well as the effectiveness in countering insurgent activity.

**Procedures for Evaluating the Research**

The evaluation of the research developed from multiple criteria. The first criteria met was the relevancy of the research. Though there was a large existing body of data on insurgency warfare in Iraq, the concentration of data relating to the economic element of power in OIF was low. Piecemeal assessments of existing research established a complete picture of the use of economics in Iraq between 2003 to 2012. Research publications outside of the US military chain of command were vital resources in gathering the data and assessing the effectiveness of economic elements in OIF; these resources included RAND Corporation and the Intelligence Unit of *The Economist*.

Secondly, the research evaluation included assessing the reliability and credibility of both the authors and the publications. Within the literature review, data reliability and author credibility utilized existing peer-review guidelines; drawing information from respected and reputable journals, publications, universities, and military colleges. Credibility was established by verifying source materials of the previous research and analysis. The final assessment and analysis of the research concluded in following the previous research to original source material whenever possible.

Lastly, the research not contained in the literature review includes news publications that provide up-to-date information based on current events. The methodology for using this research includes the verification of sourced reporting,
verifying data by cross-referencing articles used in economic reporting, and checking official governmental reporting against the news reports. The final reason for the use of these resources include the imperfections of using market data from greater than six months before the research project began. With the quantitative analysis of market volatility and future economic progress under consideration, the most up-to-date information would provide the most accurate assessments. For example, data from six months prior to the beginning of research would not account for the oil market volatility and actions the organization of the petroleum exporting countries (OPEC) has taken since the end of 2014; thus, requiring the use of non-peer-reviewed material within the data analysis.

**Data Development**

Analysis of the research established an order to the use of COIN operations. The assessment style uses a chronological, evolutionary appraisal of US COIN doctrine. This was the most logical form of assessing the data to establish a viable evaluation of the use of the economic element of power in Iraq from 2003 to 2012. By building a big-picture view of US COIN operations from 1950 to present, the research led to a reasonable analysis of the economic elements of US COIN doctrine and the application of these elements to future insurgency warfare. The following diagram depicts the data development of research and analysis.
Figure 1:

After observing a decade of COIN operations in Iraq, to what extent can US forces use the economic element of power to fight against a future insurgency?

Data Development

Quantitative Research
- COIN Doctrine in Iraq 2003-2012
- Civilian Agencies
  - 2003-Present
- Conventional Assets
  - 2007-Present
- Intelligence
  - 2007-Present
- Future Insurgency / ISIL
- Role Fulfillment for the Application of the Economic Element of Power in Iraq

Qualitative Research
- Economic Infrastructure
- Social Programs
- Host Nation Capabilities
- Future Insurgency / ISIL
- Future Insurgency / ISIL
- Role Fulfillment for the Application of the Economic Element of Power in Iraq

Data Analysis

Qualitative Research: Coin Doctrine in Iraq from 2003-2012
The COIN Reformation

The strategy for analyzing the missteps in US doctrine from 2003-2006 will pertain to the undermining growth of insurgency after a decisive conventional military campaign. The association of this analysis to the research question is the missed opportunities early in the campaign, which hardened the indigenous population and created a vacuum the insurgency filled in the months after removal of the Ba’athist party. In this section, the main analysis is qualitative, with limited use of quantitative analysis to clarify and depict pertinent points to stability and economic analysis of Iraq.

The literature review depicted this portion of research as the strategic shift. The analysis portion will show the shift in doctrinal priorities established by Gen. David Petraeus and Gen. James Amos and FM 03-24 on Counterinsurgency and the ramifications of COIN operations on the existing economic infrastructure, as well as the reconstruction efforts undertaken in the process. Additionally, the roles of the ePRTs and CPA need evaluation for effectiveness and usefulness in future insurgency warfare. The period of OIF from 2003-2006 should not be discounted from a scholarly perspective, however, the tribulations and missteps explored therein do not provide an adequate amount of viable research to answer the research questions, nor provide insight into combating insurgency in Iraq in the near future. Therefore, the COIN reformation largely credited to Gen. Petraeus & Gen. Amos in 2006-2007 is the turning point for research, where applicable tactics are identified in the data development portion to be able to move forward with effective COIN doctrine to combat a future insurgent force.
Civilian Agencies

PRTs, CPAs, and NGOs fulfilled a vital role in the combatting of insurgencies in Iraq from 2003-2012. The strategic security implications for the inclusion of data from civilian agencies pertains in large part to the cooperation between the host-nation and the coalition forces through NGOs and various civilian entities. The research into the use of civilian agencies includes their ability to cooperate with the host-nation, the effectiveness of programs targeting the indigenous population, and stability operations executed in concert with security and military forces. The qualitative methodology regarding civilian agencies dealt with identifying the agencies involved, their purpose and roles in full spectrum warfare, and the effectiveness to which the host-nation and Coalition utilized the agencies.

Conventional Assets

Military assets used to cordon, clear, and sustain success in COIN operations is divided into multiple areas, including air assets, conventional ground maneuver brigades, and security forces. The methodology for advancing existing knowledge on the use of conventional assets in COIN operations identifies the evolution of conventional US forces from preparing for conventional, symmetrical warfare into an adaptive force to combat an unconventional guerrilla enemy. The methodology outlined the transitional phase of conventional assets into COIN doctrine, and the research assesses the success achieved thereafter. The research contributed to strategic security implications by identifying trends in the use of conventional assets as part of a full spectrum asymmetric response to insurgency warfare. The research methodology explores the use of
conventional assets and the relationship to intelligence activities as well as civilian agencies in COIN operations.

**Intelligence Assets**

Research into COIN doctrine from 2007 to 2012 included a resurgence of intelligence operations, intelligence gathering, and the recruitment of HUMINT assets that ultimately led to Coalition advances against insurgents. The qualitative data development of intelligence acquisition in COIN operations progressed to the expanded use of intelligence, surveillance, reconnaissance (ISR) capabilities, intelligence gathering accompanying economic development, and greater involvement of indigenous assets to HUMINT collection. The methodology of research for intelligence gathering in Iraq outlines the broader use of intelligence in COIN as described in FM 03-24 (Petraeus & Amos, 2006). Successful inclusion of intelligence capabilities into COIN operations from 2007-2012 integrated with security forces and civilian agencies provided insight to the application of intelligence collection in concert with the economic element of power to future insurgency warfare.

**The Evolving Insurgency and its Impact on Strategy**

Analysis of the evolution of insurgency warfare provides the basis to analyze future role fulfillment, counter-terror financing, and economic development. The evolution of insurgency, terrorism, and guerrilla warfare revealed in the literature review provides vital insight into analyzing COIN doctrine for future application. This perspective requires the analysis to give due process to the direction of insurgency
movements, the prevalence of insurgencies, and the strategic outlook for insurgent capabilities.

**Role Fulfillment in the Modern Insurgency**

Within the analysis of the research, perhaps the most important part is the role fulfillment in future, full spectrum operations. Specifically, analyzing how the roles pertain to the economic element of power in COIN. The analysis includes the roles of BCTs, air power, conventional military assets, special operations forces, next-generation ePRTs, foreign direct investment, multinational corporation involvement in reconstruction, and the role of NGOs during stability operations.

The final phase of analysis regarding establishing the economic element of power in COIN deals directly with countering the financial networks and sustainability of the insurgent forces. During this portion of the analysis, a mixture of quantitative and qualitative analysis establishes the basis for future use of kinetic assets, targeting financial operations, and exploring options to counter fundraising capabilities of insurgent economies. Additionally, the analysis explores the impact these operations have on the indigenous population.
Quantitative Research

The use of a limited amount of quantitative methodology in the research project is an important aspect to understand the economic ramifications of operations, as well as graphically depicting future trends. The formulation of economic metrics to establish a baseline for Iraq’s economic output allows the research to place a value on the toll both insurgency, and counterinsurgency operations place on an economy. Quantitative analysis also allows the extrapolation of the data into the future to assess the effectiveness of COIN operations, PRTs, NGOs, and MFIs.

The quantitative research also assesses the use of the economic element of power to counter an insurgent force, as well as provide basic economic and social programs. The research methodology deals with the economic infrastructure provided by the host-nation, and the nation’s capability to provide social programs to the indigenous population. This aspect is important as the research explores the capability of the host-nation to handle and accept internally displaced persons while combatting an insurgency. Finally, the coalescence of the quantitative research and analysis of the HN economic environment can provide insight into the proclivity of the HN to be a breeding ground for insurgent activity.

Conclusion

The research methodology combines both qualitative and limited amounts of quantitative research to assess the US COIN doctrine from 2007 to 2012. Development of the data divides quantitative and qualitative research into separate categories. Further
development of data segregates COIN doctrine from 2003 to 2007 and COIN strategy from 2007 to 2012 into separate segments because of the reformation doctrine by US forces. The synthesis of the data development coalesces around the three significant areas of civilian agencies, conventional assets, and intelligence collection. Additionally, the research into these areas of interest are further refined into categories that include 2007-present, the future of insurgency warfare, and role fulfillment in full spectrum operations for the application of the economic element of power in Iraq. As the data progresses through the research and literature review, the data analysis synthesizes the lessons learned from Iraq from 2007 to 2012 to apply civilian agencies, conventional assets, and intelligence collection to future economic COIN operations. To conclude, the research and analysis portion synthesizes in an effort to grasp the overall direction of insurgency, dynamic operations against insurgencies, and the recommended steps taken to properly and effectively apply the principles of economics to win insurgency warfare.
Chapter 4
Data Analysis and Discussion

Introduction

COIN in OIF from 2003 to 2006 was a demonstration of a strategic hangover from the Cold War era of conventional warfare. The United States fell into a situation in which the military’s strengths became a weakness. Conversely, an elusive and adaptive enemy exploited those weaknesses. Pirnie & O’Connell (2008) identified the largest oversight of the first year of operations as the failure to concentrate on the protection of the Iraqi people.

The first year of Iraqi operations after the fall of the Ba’athist regime resulted in a struggle against the insurgency and conventional military forces, leading to a reluctance of US policymakers and strategists to consider the shift in policy towards COIN. However, once the violence began to shift from targeting the Coalition to the targeting of the indigenous population, the need for a dynamic operational shift became apparent.

Pirnie & O’Connell (2008) show the dramatic shift in strategy the insurgency undertook between June and July of 2004. The following depiction shows the percentage of total deaths within the Iraqi population, compared to the US military deaths from March of 2003 to January of 2006. The graph shows the complementary relationship between US military and Iraqi civilian deaths. Enemy insurgents clearly began taking the fight directly to the Iraqi civilian population. Thus, the US did not fulfill a primary tenet of COIN by protecting the indigenous population.
The ultimate resurgence of American strategy in 2006 originated using lessons learned from the first three years of OIF. Shortly after the shift in strategy by the insurgent forces in Iraq, Gen. David H. Petraeus (USA) and Gen. James F. Amos (USMC) sought to fill the doctrinal gap that existed in American strategy. Identifying this need for new doctrine, Gen. Petraeus and Gen. Amos released the commissioned *Counterinsurgency Field Manual* in December of 2006. Petraeus & Amos (2006) describe the urgency of the situation in the preface:

> It has been 20 years since the Army published a field manual devoted exclusively to counterinsurgency operations. For the Marines it has been 25 years. With our Soldiers and Marines fighting insurgents in Afghanistan and Iraq, it is essential that we give them a manual that provides principles and guidelines for counterinsurgency operations (p. iii).
It is after this shift, which operational gains in both support and strategy develop from having a direction; complete with benchmarks and goals to achieve the ultimate goal of leaving Iraq a sustainably stable nation once the Coalition departs.

Petraeus & Amos (2006) describe the difficulties of COIN operations by explaining the multi-faceted nature of insurgencies, how the insurgencies occur in phases, and that the true nature of insurgency warfare is a, “learning competition” (p. x). Additionally, the targeted governments and forces are typically unaware that they are under insurgent attack, therefore, once the realization happens the military force and government are already fighting from behind (Petraeus, Amos, 2006). The pacification efforts in COIN typically begin poorly, mostly because Western military forces fail to prepare themselves for the prospect of unconventional, insurgency warfare (Petraeus, Amos, 2006). Ultimately, Petraeus & Amos (2006) state, “the military forces that successfully defeat insurgencies are usually those able to overcome their institutional inclination to wage conventional war against insurgents” (p. x). With this realization in mind and the publication and adoption of the *Counterinsurgency Field Manual*, the US Strategy was ready to begin destroying the new face of America’s 21st-century enemy combatants, the insurgents in Iraq.

**The Establishment of Insurgency Warfare**

Despite how momentous the establishment of modern COIN doctrine was, the insurgency had hundreds of years of asymmetric warfare to examine and from which to learn. Amid the years of insurgent successes in history, comes the Napoleon epoch and
his defeat at Waterloo, preceded by his failure to subdue the insurgencies in the Iberian Peninsula and Russia, according to Reeves (2004). Growth in insurgency warfare was stimulated by the Cold War, in which proxies used by the US, Soviet Union, and other competing ideologies, squared off against one-another. With stalemates resulting from guerrilla forces staving off the might of the United States and the Soviet Union in Vietnam and Afghanistan, insurgent forces dealt defeats to superpowers across multiple centuries. Successes from the early 19th century to the late 20th century exploited the international recognition of guerrilla warfare as an effective tactic, solidifying the strategy for future use against the conventional forces of military superpowers.

As the United States entered the 21st-century battlefield, the centuries of insurgent tactics developed into a notable opposition force that coalesced around a radical ideology of Islamism (Hoffman, 2006). Meanwhile, in the lead-up to the terrorist attacks on September 11, 2001, the United States was in the process of consolidating, and resizing forces developed for a conventional conflict with the Soviet Union. After downsizing throughout the 1990’s, reducing the US Army to its smallest size since before World War II (Alexander & Shalal, 2014). Now that the new-age enemy of insurgency found itself in the crosshairs of the American military structure, the US was struggling with combatting the opposing insurgent forces (Metz, 2007). Bogged down and showing a slowdown of progress, the US outlook to victory required a reformation.
The Reformation: COIN 2006-2007

The development of COIN doctrine to combat the modern insurgency, Field Manual 3-24 (2013), originally commissioned by Petraeus and Amos (2006) as the US Army (USA) and US Marine Corps (USMC) Counterinsurgency Field Manual for Iraq and Afghanistan, fulfilled a strategic need in the American military for a plan to successfully move OIF forward. The ideological shift in contemporary military doctrine developed from the need to combat the insurgents with means unfamiliar to the US military. Over the last forty years the US became such a significant leader in conventional warfare and technology, that few instances occur where an enemy engages in conventional combat against US forces; Panama in 1989 and Iraq in 1991 and 2003 are the conventional American conflicts of the past four decades (Petraeus, Amos, 2006). The overwhelming capabilities of the US led to the decisions of these conflicts coming to an end in hours or days. Overwhelming conventional capacity is a vital aspect of a 21st-century superpower. However, because of this overwhelming conventional force, enemies either include asymmetric means as part of their strategy or defer to asymmetric, guerrilla warfare as a strategy to use against the superior force brought by the US (Petraeus, Amos, 2006).

The development of insurgent tactics evolved to operate as closely to civilians or to operate from their position of infiltration within the indigenous population. This makes conventional warfare and the use of overwhelming fire superiority a near impossibility, and counterproductive (Petraeus, Amos, 2006). Governments and insurgencies intertwine in an ongoing struggle of maintaining an establishment of order
or sowing chaos and disorder. Governments require the maintaining of order to keep support amongst the civilians, and the insurgency thrives if the government is no longer credible in stabilizing the region (Petraeus, Amos, 2006). This illustration of struggle is the 21st-century dichotomy of insurgency warfare.

By 2006, the government of Iraq was in shambles, entire sectors of infrastructure shutdown, and the insurgency was growing in each month the stability of the region declined. With stability in decline, the indigenous population was evolving to support the insurgency as the guerrillas sought out and established strongholds in areas of Ramadi, Fallujah, and Sadr City, a strategic suburb of the capital Baghdad. Through coercion and violence, the insurgency tightened the stranglehold on the population. Undeterred, the strategists and policymakers developed a plan to surge Coalition forces into Iraq with improved training, command structures, intelligence capabilities, and a better understanding of insurgency warfare (Metz, 2010). Amongst this understanding of insurgency warfare, was the goal of pacifying the resistance without accruing collateral damage to establish support to the indigenous population and ultimately expel the insurgency from their communities (Brown, 2007).

Occupying forces have understood the economic aspect of insurgency warfare, yet the understanding usually stops at attempting to identify the causal factors of insurgent activity. FM 03-24 (Petraeus & Amos, 2006) established doctrine in which an additional layer of full spectrum operations came to life, an economics aspect of warfare to facilitate economic growth and financial stability at the local level. Going forward, this additional
layer of full spectrum operations, ultimately satisfies the needs of the indigenous population, subdues the influence an insurgency, and succeeds in halting the creation of future insurgents.

**The Evolving Insurgency and its Impact on Strategy**

**Introduction**

Modern insurgency warfare doctrine is evolving to combat a transnational political revolutionary force. Petraeus & Amos (2006) describe the modern insurgency as, “one that seeks to impose revolutionary change worldwide” (p. 1-5). Examples of this global revolutionary ideology include Islamist radical groups like AQ and affiliates, as well as the Islamic State of Iraq and the Syria (ISIS). Petraeus & Amos (2006) contend that the methods and tactics of a modern insurgency are similar to the insurgencies of the 20th century. However, the ideology of today’s insurgency tends to include the establishment of a regional or global caliphate (Allen, 2014). Whether this is a valid argument or overblown expectations with little or no possibility of actually occurring, does not matter when defeating the insurgency. The insurgents believe this ideology and are driven by it, which therefore demands respect.

As mentioned above, AQ and ISIS are modern insurgencies that believe in this global ideology. The rise of ISIS has been traced to the later stages of the Iraqi insurgency, when the US was quickly defeating AQ in Iraq (AQI) in 2009 (Keane, 2014). Subsequent policy decisions and the ongoing conflict in Syria allowed core members of AQI to regroup, gather assets and forces, and succeed where AQ did not. Gen. Jack
Keane (USA Ret.) (2014) provided valuable testimony to the House Foreign Affairs Committee in July of 2014 regarding the rise of ISIS. From 2011 to 2014, ISIS has been capturing and controlling a vast swath of territory from east of Aleppo, Syria, to Al Anbar Province, Iraq; essentially rendering portions of the Syria-Iraq border nonexistent (Keane, 2014). In addition to the capturing of small cities and controlling rural areas of Syria and Iraq, Keane (2014) refers the more dynamic actions ISIS has taken:

Two years ago, ISIS began a concentrated terrorist campaign in Mosul, Anbar province and in Baghdad. Mosul received particular attention with frequent suicide bombings, attacks on police stations and military outposts and last summer they began an assassination campaign to kill prominent government and military officials. These terrorist activities were a prelude to the army like conventional attack that ISIS made to seize Fallujah, Mosul, and much of northern Iraq (p. 3).

Echoing Gen. Keane’s point, ISIS is the tip of the spear for modern irregular threat warfare. As ISIS gains more traction and transitions to a more conventional force, strategists may begin to discuss ISIS as a hybrid threat³, defined by Field Manual 3-0 (p. 1-3). The Islamic State is currently a growing threat, wielding a tremendous amount of regional influence through violence, raising an unheard of amount of money for a terrorist organization, and using social media and cyber capabilities, unlike any transnational jihadist terror cells before them. The rapid evolution of Iraq’s insurgency to

³ A hybrid threat refers to the description of a diverse and dynamic combination of regular forces, irregular forces, criminal elements, or a combination of these forces and elements all unified to achieve mutually benefitting effects (p. 1-3)
a hybrid threat with conventional capabilities outlines the need for comprehensive strategic initiatives to combat the growing threat in Iraq and Syria. Under the context of the current security concerns in the Middle East, the recent American experience in Iraq needs refinement and strategic guidance for role fulfillment in combatting modern insurgent warfare.

**Role Fulfillment in Modern Insurgent Warfare**

**Introduction**

Petraeus & Amos (2006) describe the start of many COIN operations as beginning with an inherent disadvantage of the countering force. The reason for this disadvantage is the lag in the realization by the government or the occupying force that an insurgency is developing. Once the realization takes place, the insurgency already gained a groundswell of indigenous support, and the government is fighting from behind, attempting to overcome a steep learning deficit (Petraeus, Amos, 2006). As stated earlier, the true nature of insurgency warfare is boiled down to a learning competition.

According to Petraeus & Amos (2006), the steep nature of the learning deficit inherited by an occupying force results in a force multiplier for the insurgency; especially exacerbated when the government and occupying force are fighting a conventional war against an asymmetric enemy. This multiplies the forces of the insurgency by gathering funding, support, and distributing propaganda during the time when conventional attacks are disrupting civilian activities, causing collateral damage, and sewing the seeds of a new class of insurgent recruits (Petraeus, Amos, 2006). To combat these forces and the
growing groundswell of support, an overwhelming full spectrum COIN operation is the only counter-acting force available to an occupying military to drive back support and expel the insurgency.

The principles in FM 3-24 do not change the existing school of thought for warfare, such as calling for the cooperation of civilian and military forces to first provide security, protection, and stability to the indigenous population. The change from existing doctrine to FM 3-24 (2014) is how to extract the existing insurgent force from the indigenous population, without creating a new wave of insurgents. The initial phase of security will lead to the reestablishment of social services and economic stimulus necessary for greater reconstruction and stability operations. In order to provide these essential activities, the full spectrum operations revolve around microeconomics supplying support for the government, rather than the insurgency. Additionally, the application of full spectrum operations is distributed among the intelligence services, conventional military assets, civilian agencies, NGO’s, and the host-nation. Once the full spectrum operations begin, the well-being of the economy is a paramount concern in COIN operations. Petraeus & Amos (2006) state the following:

Military operations or insurgent actions can adversely affect the economy. Such disruptions can generate resentment against the HN [host-nation] government. Conversely, restoring production and distribution systems can energize the economy, create jobs and growth, and positively influence local perceptions. To determine how to reduce support for the insurgency and increase support for the government, commanders determine the following:

- Whether the society has a functioning economy.
To fulfill the implementation of full spectrum operations, the roles of individual arms of the occupying force and host-nation must adhere to the responsibilities of COIN to effectively administer the economic element of power. Every respective branch of the COIN campaign must have a coherent direction regarding the fulfillment of the effective pacification of an AO, from the onset, this process begins with intelligence.

**Intelligence Preparation of the Battlefield**

The capacity that intelligence possesses is not only to gather information on the enemy but more importantly in insurgency warfare, assess and evaluate the non-combatant environment the COIN force will operate (Petraeus & Amos, 2006). To establish the basis for economic theory and the application of the economic element of power in COIN, the methodology for describing the economy will flow from macroeconomic to microeconomic analysis. First the analysis will showcase macroeconomic intelligence of host-nation economic performance regarding the growth of insurgent activity, then subsequently continue to microeconomic and microfinance analysis. Intelligence Preparation of the Battlefield (IPB) is an important aspect of this intelligence role in COIN operations because it provides the commanders, ground forces, and aerial assets a vital overview of the battlespace, including the degree of resistance.
COIN forces may encounter. The US Army Techniques Publication (ATP) 2-01.3 further emphasizes the importance of the IPB (2014) wherein the publication states:

Intelligence Preparation of the Battlefield (IPB) is a systematic process of analyzing the mission variable of enemy, terrain, weather, and civil considerations in an area of interest to determine their effect on operations. Intelligence Preparation of the Battlespace (IPB) is the systematic, continuous process of analyzing the threat and environment in a specific geographic area...the products created during IPB are critical to planning information collection/intelligence collection and targeting operations. (p. 1-1)

Additionally, Petraeus & Amos (2006) establish that identifying grievances of the insurgent force are an important piece of intelligence to understand in order to counteract propaganda, and influence the indigenous population away from the effects of the insurgency. Economic intelligence is a critical component of identifying grievances, creating an effective preparation of the battlespace, and the ultimate means of evaluating strategy and implementation.

Preparation of the battlespace in economic COIN operations include the assessment of historical economic trends in the area of operations (AO), identifying what resources are available, and this preparedness allows the civilian integration of PRTs to develop to deal directly with pertinent economic growth industries. Reflecting on OIF, preparation of the battlespace precludes the reformation of COIN doctrine, and harkens back to the original circumstances within Iraq before US involvement in the
dethronement of the Ba’athist regime. Ultimately, the Republic of Iraq is a commodity-driven economy comprised nearly entirely of oil production, oil production support industry, and services. Therefore, the PRTs, NGOs, CTF operations, and military strategy must keep in mind the success of oil production on a macroeconomic level to provide success on a microeconomic level in regional stability operations.

According to the US Department of State (2013) (DoS), sanctions against Iraq in the 1990’s, stemming from abuse of economic assistance like the Oil for Food program, were undermined by Saddam Hussein’s regime and loyalists that kept the population under strict control while hoarding the limited assets and oil profits to develop military infrastructure. Hussein’s regime was internationally known for punishing political foes and using weapons of mass destruction against ethnic minorities; most notably the chemical attacks against the Kurdish peshmerga and civilians in northern Iraq. This misuse of assets and repressive domestic policy ripened Iraq for an insurgency developing from grievances against the Ba’athist regime (US DoS, 1999). From 1999 to 2003, the economic outlook worsened as the Hussein regime became embattled with greater amounts of tribal division and growing instability. Intelligence preparation of Iraq’s macroeconomic outlook showcased the network of grievances and became a primary tenet of the “pre-deployment planning” (p. 3-1), as outlined by Petraeus & Amos (2006).

The US Energy Information Administration (2015) tracks oil production and consumption in Iraq since 1990, when reliable data became available, revealing the trends
and major events marking production spikes, valleys, and the stability of the consumption market. Information, such as the data provided by the US EIA, about the prominent sector economies in the AO, along with the historical analysis of economic intelligence, is vital for COIN success.

The production aspect of the state-run economy through the state-owned enterprises (SOE) of Iraq is developed nearly entirely from oil production (World Finance, 2015). Production in the Iraqi oil economy accounts for 64.6% of gross domestic product (GDP) composition, with consumption and service industries accounting for 32.1% of the GDP composition, and agriculture completing the GDP composition with 3.3% (World Finance, 2015). What this means for the IPB in COIN operations is that on the macroeconomic level, with an economy nearly completely comprised of oil production and service consumption related to the oil markets, the resulting PRTs, and multinational corporation cooperatives need to account for the inclusion of oil market experts embedded in reconstruction teams integrated with the security forces. The specialization that arises from each operational environment is an important step in COIN planning. Petraeus & Amos (2006) state that this IPB step, “improves the knowledge base used to develop an understanding of the AO” (p. 3-3). Thus, the learning curve encountered in the earliest stages of COIN operations begins to soften as the Coalition gains socio-economic footholds in the AO.

The utilization of intelligence does not stop at the preparation of the battlespace; rather the intelligence continues to evolve as the strategy is implemented. As insurgency
warfare ensues, the transition of intelligence collectors to gather actionable intelligence to conduct direct action against the insurgents. Additionally, intelligence specialists provide targeting packets of specific target systems with the intent to destroy and degrade insurgent financial infrastructure, core leadership, and weapons caches. Once the AO is beginning to become secure and the indigenous population can expect a reasonable degree of security, intelligence gathering evolves once again to develop intelligence data on overt microeconomic intelligence gathering, and the final phases of destroying the network of terrorist cells.

The use of HUMINT

Outside of using human intelligence (HUMINT) to gather data on the target systems by conventional military operations, HUMINT can be an overt collection tool to when used for gathering economic information about a region or community. As part of the community outreach that COIN is indicative of, HUMINT can fulfill the role of relating valuable data. To a certain extent, this is what some of the PRT units attempted in Iraq, but confusion, cultural barriers, and miscommunication led to missed opportunities for creating valuable community-wide assets (Luehrs, 2014). At the Brigade and Company level intelligence collection efforts, the USACAC (2009) CALL handbook outlines MAAWS as an effective intelligence collection tactic in counterinsurgency operations. This non-kinetic weapons system proved successful in turning intelligence assets, gathering data, and gaining indigenous support by enhancing infrastructure amid the micro-economies of various localities (USACAC, 2009).
However, as outlined below, the troubles and misuse of HUMINT collection efforts have missed the mark on utilizing the valuable intel collection technique, especially in efforts to assist the indigenous population in securing their community and developing the local economy.

Chief Warrant Officer III Conan Payne and Chief Warrant Officer IV Chad LeBoeuf (2011) have outlined the shortfalls of HUMINT collection stemming from conventional military forces prepared for full spectrum operations as opposed to COIN and vice versa. One problem diagnosed by Payne and LeBoeuf (2011) depicts the utilization of HUMINT as a ‘passive’ form of intelligence collection, whereas the mere presence of a HUMINT collector will allow the flow of intelligence to begin cascading into the data centers.

Efforts to standardize operations in COIN environments arrest the tactics, techniques, and procedures (TTP) used for HUMINT collection within military intelligence (MI) frameworks (Payne & LeBoeuf, 2011). The standard operating procedures of attaching collectors and interrogators to BCTs operating in a local neighborhood are not conducive to developing sources in HUMINT collection. This in turn relegates the HUMINT collectors within the MI structure to tasks that are not central to HUMINT collection (Payne & LeBoeuf, 2011). Overall, the TTP for HUMINT collection at the tactical level has to develop the sensibilities to adapt to both conventional full spectrum operations and COIN operations, achieving success in both tactical environments. This translates to HUMINT collection efforts in COIN adapting as
the mission evolves, and specifies the role of HUMINT not only for kinetic operations but also for economic and social intelligence in the AO.

Additionally, Payne & LeBoeuf (2011) assert that a primary problem with HUMINT collection in a COIN environment is the “Harry Potter” method of collection perceived by some commanders in modular BCTs. This colloquially named method is in reference to an oversight by commanders in that a single-disciplined HUMINT collector can wave their ‘wizard wands’ and develop, ascertain, and provide multi-discipline intelligence reporting to the commander. This misunderstanding and stretching of INT-discipline resources, simultaneously leaves intelligence gaps in reporting and inhibits the production of vital HUMINT, which is a primary discipline of COIN operations (Payne & LeBoeuf, 2011). HUMINT in COIN has the ability to provide specific intelligence reporting at the community level, thus directing specific operational plans to specific areas within an AO; providing invaluable insight into the microeconomics and perceived impact of operations on indigenous populations. This insight in modern insurgency warfare dictates to the commanders what role the conventional military has in the conflict, thereby properly allocating conventional resources to achieve maximum productivity in a COIN environment.
Conventional Military Assets

The use of conventional military assets in COIN operations has the potential to be counterproductive and create a larger problem than it solves. Petraeus & Amos (2006) summarize the use of conventional military assets by stating, “Counterinsurgency operations are, by their nature, joint operations — and air power and land power are interdependent elements of such operations” (p. E-1). The association of COIN operations and conventional assets have seen a rough patch of assessment, with the efficacy of conventional assets seen as questionable during times of asymmetric warfare.

Lt. Gen. Thomas McInerney (USAF, Ret.) and Maj. Gen. Paul Vallely (USA, Ret.) (2006) echo this sentiment of joint operations by referring to the Blitz warfare strategy of OIF as networked warfare. The network of communication, as defined by McInerney & Vallely (2006) allows the President of the United States or a commander to direct and communicate directly with a regional commander, a captain of a warship, or brigade commander to guide strategy. When exploring a strategy to fulfill specific roles in modern insurgency warfare, the full spectrum operations rely on an expansion of McInerney & Vallely’s (2006) networked warfare. No longer is the communication loop filled by those in the inner-circles of military strategy, rather the loop is expanded to encompass the multi-faceted capabilities of American forces including intelligence agencies, conventional military assets, civilian agencies, and counterterrorism finance operations (McInerney & Vallely, 2006).
Though sometimes fair, in many instances, the condemnations of conventional assets are not founded on the inherent attributes and capabilities conventional assets offer, but the strategy of implementation for those assets. As with any assessment, context is key. The initial implementation of “on-the-fly” COIN doctrine was hastened during the vacuum left at the dethronement of the Ba’ath party (Hoffman, 2004). As a result, the US military was thrust into fighting insurgency warfare after designing decades of strategy for conventional war. Consequently, the DOTMLPF contributed to the improper application of conventional assets in COIN.

The contribution of conventional military assets comes in various forms. The adaptability of the US military is a strength requiring optimization while fighting asymmetric warfare. Maj. Ralph Overland (2009), USA, stated within his research, that over the course of three rotations of Brigade Combat Teams (BCTs), the existing doctrine ultimately underwent a retrofitting to use heavy assets in a COIN environment. By identifying the shortcomings and pitfalls of the traditional use of conventional tactics in unconventional warfare, the BCTs adapted to include better intelligence capabilities, more modularity, and redesigned their organization to offer better adaptability through dismounted patrols, IED training and the capability of interagency outreach (Overland, 2009). The evolution of BCTs showcases part of the larger structure of the American military adaptation to COIN.4 With the initial 2003-04 assessment reviewed by Overland (2009) lacking COIN training and doctrine for stability operations, the intermediate phase

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4 Primary research into the use and evolution of HBCTs in COIN operations was performed by Maj. Ralph W. Overland (USA) in Heavy Brigade Combat Team in COIN: An Assessment of Capabilities to Clear-Hold-Build-Sustain Success (2009)
took into account the combat lessons learned, and the final assessment included the implementation of counterinsurgency doctrine, FM 3-24 *Counterinsurgency* (2006). Thus showcasing the adaptability of the American military’s conventional power and concurrently developing a new system for strategists to implement full spectrum COIN operations, to include security, reconstruction, and economic stimulation.

As part of the inherent cooperation between the military and civilian aspects of COIN, the principle development of military forces is fulfilling a security gap in an insurgent environment. As Metz (2007) and Hoffman (2004) summarized, the primary misstep that allowed a significant jump in the insurgency, and the consequent indigenous support for the insurgency, developed from a lack of security for the indigenous population. In this context, the misuse of conventional assets forced them to sit idly while the insurgency mounted a campaign to spread the propaganda of Coalition caused civilian deaths, as well as turning to a coercion and extortion campaign to increase indigenous support. Without an effective counter-propaganda campaign, and little in the way of structured COIN doctrine, the Coalition was losing credibility and support (Metz, 2007). To exacerbate the problems for the Coalition, the delay in defining the fight as insurgency warfare allowed insurgent forces to coalesce around specific areas in Iraq to solidify their presence; such as Ramadi, Fallujah, and Sadr City (Hoffman, 2004).

Petraeus & Amos (2006) address the importance of conventional clear-hold-build operations in specific, high-priority regions with, “overt insurgent operations” (p. 5-17). These operations in Iraq included disruptive environments in AO’s like Ramadi, Fallujah,
and Sadr City. As David Johnson, M.W. Markel, and Brian Shannon (2013) describe, the Coalition implemented a siege offensive to drive out the insurgency in Sadr City. Following the offensive, counterinsurgent forces could then regain control of the Baghdad suburb by using a full spectrum COIN operation consisting of intelligence operations, conventional forces, and reconstructive economic tactics. The US evolution for operations in controlling urban warfare was critical for victory in pacifying the district. After Ja’ish al-Mahdi (JAM) overran the Government of Iraq’s (GoI) district posts and launched rocket attacks against the international zone within Baghdad, a series of innovative tactics using a full spectrum of operations subdued the uprising (Johnson, Markel, Shannon, 2013).

**Securing Borders**

Lieutenant Colonel Robert Ward (USA, Ret.) (2007) also describes three phases of COIN operations, where conventional military assets can be used to great effect. The first is clearing and consolidation (C&C), then disruption, and finally border patrol. Austin Long (2006) reiterates this point by identifying the cross-border infiltration of personnel and materiel into Iraq. McInerney & Vallely (2006) also show the equally harmful and opposite point as well, reflecting on the escape of materiel, personnel, and sensitive evidence exfiltrating from Iraq across the border to Syria and Lebanon in the months leading up to the 2003 invasion.

Throughout the OIF conflict and to this day, the Iraqi-Syrian border has been a thoroughfare for foreign fighters entering Iraq to fight. Petraeus & Amos (2006)
identified low-tech aerial assets, as well as UAVs, to be used in COIN operations to assist in securing borders to restrict the freedom of movement by insurgents. To this point, securing borders to restrict the freedom of movement does not have to deal with national or provincial borders, either. Securing borders can refer to city borders, or the established borders within a city to divide it into sectors for cordon and clear or C&C operations.

After establishing the restriction of movement, the C&C operations allow for a greater degree of security, the detainee and retention process becomes more feasible, and the targeting of insurgents becomes more accurate (Ward, 2007). Additionally, the economic ramifications of securing the borders are detrimental to an insurgency as the restriction of movement also restricts the insurgents logistical capacity and chokes down funding, funneling insurgent finances into more predictable avenues, thus proving an effective CTF tactic (Johnston, 2014). While this may cause inconveniences at the local level, the microeconomics in the region are now controlled, promoted, and influenced by the Coalition through border security.

The additional layers of economic power in securing borders during an insurgency are multi-faceted. First, the securing of the border provides a general security for the area, which in turn increases economic activity. Second, the securing of the border establishes controls over the flow of goods entering and leaving the region, choking the black-market trade of goods, services, and illicit wares, which consistently fund insurgent activity, promoting CTF objectives. Finally, the control over a secure border inhibits the sale, transport, or disruption of illicit goods and commodities (Johnston, 2014).
If the borders are not secured, certain ramifications are nearly guaranteed. Locally, a flux of black market goods from outside of the region can inhibit economic prosperity, thwarting the efforts of reconstruction and economic power. Nationally, the influx of goods may result in increased levels of instability and a deepening mistrust of the host-nation’s ability to secure the community will continue to fester. To outline the effective use of securing cities with conventional forces through C&C operations, transitioning to full-spectrum tactics, and economic stimulus, the research will now discuss the case of Sadr City.

The Case Study of Sadr City

The pacification of Sadr City was a cooperative campaign by civil-military authorities, working with the Government of Iraq to isolate specific AO’s within the city to provide access control throughout the city (Johnson, Markel, Shannon, 2013). In addition to the construction of walls and transit barriers, the US forces’ launch of a determined reconstruction program, changed the allegiances of the city’s population from the insurgency to the Coalition. Reconstruction efforts included the resurgence of revenues in the Jamiliyah Market, concurrent with additional security measures denying access to the Jamiliyah Market by JAM insurgents (Johnson, Markel, Shannon, 2013). The completed construction of the Route Gold wall initiated the Task Force in the area to “flip the switch” to COIN operations” (p. 85). With this switch, came the inclusion of Mine Resistant Ambush Protected vehicles (MRAPs) in favor over Abrams, Bradley’s, and infantry fighting vehicles. The switch allows for more contact with the indigenous
population rather than a fortified and imposing, armored presence (Johnson, Markel, Shannon, 2013). However, the importance of the heavy infantry fighting vehicles in concert with IED clearance components in the preliminary preparation of the battlespace cannot be understated; the fighting vehicles are paramount to the clear-hold portion of operations in support of COIN.

In addition to the conventional pacification of Sadr City, the Task Force in the area undertook the facilitation of micro-grants in denominations of $2,000 or less (Johnson, Markel, Shannon, 2013). Ground commanders could use these micro-grants as compensation for damages, business improvement, recouping losses incurred from raids and operations in the area, and for general economic development in the local markets (Johnson, Markel, Shannon, 2013). Coinciding with the analysis from USACAC on the MAAWS lessons learned, commanders found the micro-grants to be especially useful, with Task Force’s enjoying considerable success in growing support and interaction with locals (Johnson, Markel, Shannon, 2013). As part of the full spectrum operations of COIN, Johnson, Market & Shannon (2013) identified three additional programs that led to eventual success in Sadr City.

The first of these programs was a simple medical drive and outreach program to provide medical services to the locals in Sadr City that found themselves caught up in the fighting. Great achievements happened when coercion attempts and injuries inflicted by JAM against civilians received treatment by US and Iraqi medical staff (Johnson, Markel, Shannon, 2013). Secondly, was an expansion of the reconstruction and improvements to
Jamiliyah Market. JAM had originally used the refuse and sewage flowing openly in the streets of the market as a grievance against the government of Iraq and the Coalition, gaining support from the locals. However, as part of the Task Force, US engineers undertook a project to clean up the sewage, drawing more interest in the market and bringing in new vendors who no longer avoided the blight of open sewage on the market (Johnson, Markel, Shannon, 2013). Finally, the Task Force in charge of Sadr City, in cooperation with local community leaders, were able to petition Maliki’s governing officials to develop a garbage removal service that cleared the streets of refuse. Not only did this add to the appeal of the city, but the availability of IED emplacement areas disappeared as well; insurgents could no longer plant IEDs in the piles of garbage. Overall, reconstruction efforts succeeded as hoped. The full spectrum COIN operation drew in additional, actionable intelligence gathered by locals, identifying large weapons caches, identifying bomb-makers and facilitators, and developing a network of IED watchers that called in tips and delivered photographs (Johnson, Markel, Shannon, 2013).

The Task Force’s involved in the operation at the onset of the battle in 2008 were rarely in contact with local officials and community leaders, under consistent pressure from JAM, and positioned in a disadvantageous position of countering JAM by entering costly and casualty-inducing urban warfare. Conversely, at the outset of operations by 2009, Colonel Hort, the commander directing battalion resources in Sadr City, stated, “at the end and during reconstruction efforts, we had over 70 local sheiks and the entire Sadr City district working hand in hand with the BCT leadership and the Iraqi Army” (Johnson, Markel, Shannon, 2013, p. 90). This unmitigated success of US civil-
military and GoI forces successfully implemented a full spectrum COIN operation that worked from the local level to stabilize the area, stimulate the local economy, and pacified an insurgent force. The case of Sadr City successfully showcases the uses and ultimate transition of conventional warfare assets to COIN operations. The BCTs Lines of Operations for the surge are reflected:

Figure 3:

2-82 BCT’s Lines of Operation

- **End State**
  - Security situation in FALCON OE is stabilized and population feels secure
  - ISF capabilities enhanced to a level of self-reliance
  - Functioning and effective local government able to meet the basic needs of the population
  - Stimulating economic development

- **Desired Effects**
  - Insurgents defeated
  - Population protected
  - IA and NP units leading COIN operations to maintain sustainable security
  - IP conducting law enforcement within local communities
  - Iraqi local government supported and strengthened
  - Fulfillment of basic needs enabled
  - Local economic opportunities developed by Iraqis

Source: Johnson, Markel & Shannon, 2013

**Conventional Aerial Assets**

The additional capacity of conventional assets translating to COIN extends to air assets, not only conventional ground forces. In the example of Sadr City, ISR capabilities
came primarily from MQ-1 Predator drones and RQ-7 Shadow drones, assisted by USAF Tactical Air Control Party’s. Johnson, Markel, Shannon (2013) show the relationship of assets to ground commanders by depicting each level of aerial asset available to the Sadr City Task Force (Figure 4). As the depiction shows, the availability of air assets for ISR and targeting allowed for up-to-date information nearly instantaneously, showcasing what McInerney & Vallely (2006) referred to as networked warfare. This immediate intelligence led to targeted air strikes that limits collateral damage while inflicting casualty events on the enemy.

**Figure 4:**

*ISR and Strike Assets Employed in the Battle of Sadr City*

Source: Johnson, Markel & Shannon, 2013
Additionally, Petraeus & Amos (2006) explore the caution around the role of strike capabilities from aerial platforms by stating:

Effective leaders weigh the benefits of every air strike against its risks. An air strike can cause collateral damage that turn people against the host-nation government and provides insurgents with a major propaganda victory . . . Even when destroying an obvious insurgent headquarters or command center, counterinsurgent forces must take care to minimize civilian casualties. (p. E-2)

In full spectrum operations, air power can be an invaluable asset in ISR, as well as the use of dynamic targeting and kinetic assets to eradicate enemy forces, away from civilian locations. In Sadr City, Johnson, Markel & Shannon (2013) note that, though rare, the use of 500lb. guided munitions to destroy entire structures by US forces effectively dealt with weapons caches and counter-sniper operations. Overall, the use of air power can bring the insurgent fight to an end more quickly, ushering in the implementation of reconstruction efforts, and the rebuilding of the local economy.

Integrating PRTs to Conventional Assets

As shown in Sadr City, the security must be established before civil aspects of COIN can begin to fulfill their objectives. The integration of Provincial Reconstruction Team’s (PRTs) into the civil-military paradigm is paramount to the success of reconstruction. The PRTs in Afghanistan were comprised almost entirely of military personnel, with a single, or very few, civilian advisors embedded in the units (Luehrs, 2014). In Iraq, however, security levels allowed a more effective use of smaller military
footprints in the PRTs and civilian advisors working with smaller contingencies of security forces (Luehrs, 2014). Moreover, the use of civilian assets in PRTs allow for a closer relationship with the officials in the host-nation who occupy the corroborating offices in the government. Once the security measures have been taken to give the PRTs a reasonable amount of safety, the reconstruction efforts can begin. PRTs can start fulfilling objectives centrally located near to the main operating bases and government offices, slowly working into the local and surrounding communities as the security forces establish greater control over a larger area.

Civilian Agencies, Multinational Corporations and NGO’s

Civilian Agencies

As stated in the Army Techniques Publication 2-01.3 (2014), the IPB serves an important purpose for the preparations of conventional military assets, as well as the use of pre-2003 Iraq for pre-deployment planning phases of COIN for economic inclusion of PRT specialization. However, in COIN operations, the area of economics that contributes the most to the immediate financial security of the population is the microeconomic level and the inclusion of microfinance in reconstruction efforts. The fundamental missteps of PRTs from 2004 into 2007, as described by Christoff Luehrs (2014) includes the lack of streamlining and integration of primary funding mechanisms, both on the input and output sides of PRTs. Additionally, the culture clash that existed between the military-civilian partners of the PRTs and the interagency partners on the Iraqi side led to miscommunication resulting in funding oversights at the local level; further causing
conflict between the Iraqi civilians against the government (Luehrs, 2014). Perhaps the most important oversight, was the need to increase all levels of host-nation involvement throughout stability and economic reconstruction processes (Luehrs, 2014).

Barry Machado (2007) included this oversight in his analysis of modern COIN doctrine, comparing US COIN from 2003-2006 to the Marshall Plan and reconstruction in post-war Europe. The success of the Marshall Plan, according to Machado (2007), was that the economic prioritization was regional, insisted on European self-help, created small autonomous agencies to be free of bureaucracy, and imposed relentless standards on those recruited and hired as personnel in order to be free of corruption and scandal. With the widely reported amounts of abuse, misuse, fraud, and waste within the CPAs and early PRT structures in Iraq, as well as corruption within the host-nation, the microeconomic stimulus was ineffectual at the local level, where COIN forces defeat insurgencies.

Luehrs (2014) is right to point out the fundamental structure of the PRTs were set up for failure without a clear designation of purpose and objectives. Luehrs (2014) continues, “the basic understanding of what a PRT should be trying to achieve and what it realistically can achieve has been in flux” (p. 96). Without a clear depiction of purpose for the PRTs in Afghanistan, and simply trying to retrofit existing structure with additional layers, the initial COIN efforts in Iraq were also ineffectual. To alter the purpose and objectives of PRTs, Petraeus & Amos (2006) describe the conceptual role of
PRTs, or “Country Teams” (p. 2-12) much like that of the civil operations and rural development support (CORDS) program of the Vietnam war.

Though Vietnam ended poorly for American policymakers and was politically detrimental, what goes largely unreported is that the pacification efforts of CORDS led to a 20% increase in village security, effectively uprooting the insurgency from 93% of South Vietnam, forcing the North Vietnamese to attack with conventional forces across the border (Petraeus, Amos, 2006). The efforts of the CORDS teams show the efficiency in which military-civilian cooperation can have on a host-nation and full spectrum COIN operations.

According to Weidman (2014), the common misconception is that the economic efforts in Vietnam failed, because the War effort failed. What this assessment fails to recognize is the incredible success CORDS had in defeating the Viet Cong insurgency. With economic initiatives, localized control, and incredible amounts of civilian and military cooperation, the pacification efforts largely defeated the insurgency, only to lose the War to the North Vietnamese conventional forces (Weidman, 2014). The economic stimulus provided through the pacification efforts of CORDS ultimately doubled the gross national product of South Vietnam from 1967 to 1973, coinciding with a precipitous fall in insurgent activity over the seven years leading up to the final withdrawal of American forces in 1973.

Attempting to capture the same success of CORDS in Vietnam, the reconstruction and pacification efforts in Iraq sought to analyze the effect PRTs, military operations, and
civilian agencies had on the situation in Iraq from 2006 to 2012. The QED Group⁵ (2012) identified the overall objective of private sector financial development as the primary concern for the USAID/Iraq-Tijara Financial Development Program. However, the Financial Development Program (FDP) results were inconclusive at the time of mid-term evaluation because of misreporting by Iraqi bureaucracy in regards to the financial sustainability of companies partnering with USAID in Iraq (The QED Group, 2012). Overall, the implementation of the FDP on a macroeconomic purview, and on the banking and financial infrastructure, had yet to produce demonstrable results.

Nevertheless, where insurgencies are won are with the local communities, and it is in those local areas that financial development programs led by civilians, and MAAWS programs led by the military, are proven effective in providing a microeconomic stimulation within communities.

According to the concluding report issued regarding the USAID-Tijara project, The QED Group (2013) identified Iraqi officials as primary inhibitors of the success of MFIs⁶. The Iraqi government lacked a prominent vision for the importance of microeconomics in their economy, once again, abandoning the civilians in local communities (The QED Group, 2013). From January of 2008 to February 2013, USAID-Tijara sought to promote economic growth through the expansion of micro, small, and

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⁵ The QED Group is an international consulting firm, specializing in evaluation, management, and technical support services. Regarding OIF, The QED Group was a primary organization managing the evaluation of Coalition and American financial and economic activity in Iraq from 2003 to Present.

⁶ MFIs - Microfinance Institutions are banking financiers specializing in micro-loans in developing economies. Microfinance Institutions cater to low-income centers by providing loans, insurance, and depository services. Over the past decade, MFIs have been some of the most effective poverty-reduction entities around the globe.
medium enterprises (MSMEs). Part of the headwind that resulted in slow results for the MFIs, and led to the reluctance of Iraqi government officials, was the cultural context of religious beliefs. MFIs struggled because the belief in Islamic culture that borrowing money at a specific interest rate was sinful (The QED Group, 2013). After the initial reluctance, local leaders’ approval, and the issuing of a *fatwa*, a religious edict approving the practice, led to a remarkable expansion from 2008 to 2012.

As far as economic growth in emerging economies and improving poverty indicators, MFIs are irreplaceable in reconstruction economics (Noeth, Sengupta, 2012). MSMEs require funding in order to grow and kickstart economic development, and with a banking system in its infancy, the MFIs are the only entities in developing nations to fill this role. Additionally, as part of the surge and enhanced US COIN policy, AQI began drawing down forces, and requesting foreign fighters to refrain from traveling to Iraq in 2009, thus, allowing the MFIs in local economies to gain traction (Keane, 2014). This is showcased by the MFI growth between 2008 and 2012 where the total gross loan portfolio grew from $59 million to $148 million, resulting in large part from enhanced security and financial injection from USAID (The QED Group, 2013). Breaking down the financial indicators further, the amount of female borrowers indicated an additional change in dynamic. Between 2008 and 2012, the percentage of female borrowers grew nearly 57%, from 14% of total borrowers to 22% (The QED Group, 2013).

MFIs and the efforts the PRTs are expounding work very well in the local communities afflicted by insurgent activity. As the previous sections have outlined, the
microeconomic growth is the basis for financial stability across a nation. However, the importance of a healthy national macroeconomic prospectus is important in order to continue providing security and stability throughout the region. Macroeconomic outlooks are complicated pieces of analysis which rely on significant data factors to obtain accurate projections. Under the essence of simplicity, analysis of Iraq’s oil economy can demonstrate the continued influence of NGOs and PRTs on the macroeconomic scale. Assisting a nation like Iraq in maintaining continuity and minimize future grievances is an aspect of the prolonged counterinsurgency operation.

**Multinational Corporations**

Once the security is established in sections of a country, the emerging markets of developing nations can be opened for two types of capital inflows for macroeconomic growth. The first investment route for emerging markets is foreign portfolio investment (FPI), which is investment as an asset for a capital return, without a controlling interest in the company (Noeth, Sengupta, 2012). Secondly, foreign direct investment (FDI) entails an investment with some form of controlling interest, typically reaching a minimum benchmark of 10% ownership (Noeth, Sengupta, 2012). Additionally, the difference between FPI and FDI in foreign equity flows typically boil down to volatility, economic growth, and employment growth. FDI investors operate in environments where volatility tends to be high, but control of the investment entity lowers volatility by overcoming information and control problems between management and ownership. As a result, FPIs are viewed as “ownership without control”, resulting in more volatility because the FPIs
can be resold more quickly than investors attempting to extricate themselves from FDIs and transfer ownership (Noeth, Sengupta, 2012, para. 10). Since the role of FDIs in emerging markets typically results in greater economic growth and stability, the FDIs prove more effectual and realistic for strategic partnerships from multinational corporations.

According to Noeth & Sengupta from the Federal Reserve Bank of St. Louis (2012), “FDI cultivates development because, in addition to the resources that it provides developing economies, it gives them the opportunity to ‘learn by doing’, which leads to growth-enhancing innovation and spillovers” (para. 7). In the Iraqi oil economy, leading partners in oil field development, refining processes, and transport capabilities include BP (formerly British Petroleum), China National Petroleum Corporation, ExxonMobil, and Shell. The inclusion of these multinational corporations induces a form of growth by utilizing first-world business practices in developing countries and their respective emerging markets. As an example of this growth-inducing inclusion, Iraq’s Ministry of Oil struck a $100 million deal with BP to provide consulting services to identify strategies to extract oil reserves from underperforming reservoirs (US Energy Information Administration, 2015). The US Energy Information Administration (EIA) (2015) also notes Iraq’s Ministry of Oil has multiple technical service contracts with international oil companies. With these strategic alliances, the output of Iraqi oil production is slated for 9.0 million barrels per day (bbl/d) by the year 2020; this outlook may be somewhat overly optimistic, but fits with a pro-growth model in post-conflict Iraq.
The strategic alliances of oil company’s and the government in Iraq present the opportunity for growth and subsequently, may become one of the largest exporters in OPEC. However, recent setbacks have hampered progress on the evolution of Iraq’s economy. Political instability, sectarian violence, and the threat of a resurgence of insurgency warfare stemming from ISIS significantly raises the level of uncertainty in Iraq’s economic prospectus (USEIA, 2015). Additionally, the technical service contracts still retain a significant amount of the Arab Socialist Ba’ath Party’s nationalized operational characteristics, with an enormous amount of influence and ownership the GoI has over the oil fields inhibiting growth (Department of State, 2013). The inhibition of growth in turn creates weak attraction levels to international oil company’s looking to invest in new projects (USEIA, 2015). With almost 18% of proven oil reserves in the Middle East and 9% of proven global reserves, Iraq has the capacity for tremendous economic growth (USEIA, 2015). However, over-promising and underperformance can sow the seeds for future insurgencies to sweep Iraq once again. Conversely, an important point to reiterate is that economic development can be a dual-purpose weapon as economic prosperity produces revenue to combat an insurgency, as well as leading to the undercutting of many insurgent grievances.

HN Application of the Economic Element of Power

Implications for the resurgence of an insurgent force in Iraq are far-reaching. Possibilities on the horizon regarding a negative economic outlook for Iraq’s oil economy prove that commodity-driven economies are more prone to conflict, and the re-emergence
of an insurgency is closer than it appeared in the first months after the US military withdrawal. The grievances cited in the Iraqi insurgency were primarily based upon lack of protection, or security from the government, and the lack of economic performance (Metz, 2007). Going forward, multiple cases and hypothetical evaluations regarding the existing body of research showcase the possibility of insurgency warfare becoming widespread in Iraq in the near future. Predicting the future of economic growth, especially with a high degree of volatility and uncertainty as in Iraq, is incredibly difficult under nominal circumstances. However, going forward, the analysis will use existing research of Iraq’s oil markets against benchmarks the GoI has set for itself in the promises to the citizenry. This analysis will be used to validate the threat of re-emerging support for an insurgency.

Furthermore, the Heritage Foundation (2015) assesses the failing infrastructure, bureaucratic red tape, sectarian violence, and widespread corruption as impediments to economic development. The 2015 Index of Economic Freedom, compiled by the Heritage Foundation (2015) places the inflow of FDI at approximately $2.9 billion. Primarily comprised of oil interests in the region, FDI in Iraq is growing more slowly than projected with investors realizing the risks posed in the region might be causing speculative investors to shy away from potentially lucrative oil reservoirs. All the while, oil production in Iraq has hit an all-time high at 3.4 million bbl/d, with the Iraq Ministry of Oil expecting the oil figures to hit 9 to 12 million bbl/d by 2020 (The World Bank, 2014). Realistically, the probability of the GoI reaching these projections is low.
To complicate the issue further, the falling oil prices and commodity indexes, projected to remain low, wreak havoc upon the budgetary considerations of the GoI. Thus, causing ripple effects in social programs and infrastructure expenditures; further engraining the fact that commodity-based economies are twenty times more likely to be the victim of insurgent activity (Jones, Johnston, 2013). According to Elliot Bentley, Pat Minczeski & Jovi Juan (2015) of the Wall Street Journal, Iraq requires a market value of crude oil at $100.60 in order to reach their break-even point. The following table displays budgetary shortfalls in relation to varying oil prices for the government of Iraq, specifically targeting defense and security spending, as well as social services, including subsidy support for industries, and social protection programs with proportional reductions in revenue expectations:
Table 1:

Based upon 2015 GoI Budget of $105B in expenditures, GDP of $248B. This table is adjusted to reflect the Government of Iraq’s expected revenue adaptations of current oil market prices.

<table>
<thead>
<tr>
<th>Crude Oil Market Price USD/bbl</th>
<th>Total Budget Deficit (in billions)</th>
<th>Depressed Defense Expenditures</th>
<th>Depressed Social Service Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55</td>
<td>($22.50)</td>
<td>$12.425</td>
<td>$59.626</td>
</tr>
<tr>
<td>$70</td>
<td>($18.53)</td>
<td>$15.813</td>
<td>$62.496</td>
</tr>
<tr>
<td>$85</td>
<td>($16.63)</td>
<td>$19.202</td>
<td>$63.866</td>
</tr>
<tr>
<td>$101</td>
<td>$0</td>
<td>$22.816</td>
<td>$75.888</td>
</tr>
</tbody>
</table>

GDP: $248  2015 GoI Budget Oil Price: $105

Source: Author, Republic of Iraq Expenditure Review

Summary:

The propensity for Iraq to create a budget that meets expectations is highly volatile given the attachment Iraq’s economy has to the world crude oil market (World Bank Group, 2014). According to the World Bank data from the Republic of Iraq Expenditure Review (2014), the oil price collapse of 2009 showed the complications of middle-term orientation for budget considerations. As an example of short-term
fluctuation volatility, any change in the oil market can directly affect over 93% of the Iraqi budget revenue (World Bank Group, 2014). While serving an obvious role in their survival, the host-nation government has a tremendous burden in the immediate aftermath of the conflict to provide security, both physically and economically. Making matters more difficult, in a commodity-based economy, not all of the variables are under the government’s control, thus adding additional instability. The prolonged nature of insurgency warfare plays to the advantage of the insurgent, and this caveat of HN capabilities illustrates why.

**Non-Governmental Organizations**

Non-Governmental Organizations, as described by Petraeus & Amos (2006) include organizations like the Red Cross, Doctors Without Borders, and World Vision. These civilian organizations require an element of security before the organizations can fulfill their respective roles. Organizations such as the Red Cross operate in volatile hot zones across the globe, but ISIS targeting of civilians places an additional amount of strain on security forces to protect civilians in NGOs. Recently, the extent of violence was realized when an American humanitarian was kidnapped by ISIS while leaving a Doctors Without Borders operation near Aleppo, Syria (Ferran, Dwyer, 2015).

Nevertheless, the important role NGOs play in COIN operations is indispensable. Ultimately, humanitarian efforts can quell many grievances indigenous population has, helping to build trust between the occupying force, host-nation, and population, the medical and social programs provided by NGOs can enhance the security and well-being
of the families in the communities, satisfying the economies of self, and heal wounds inflicted by the insurgency (Johnson, Markel & Shannon, 2013).

NGOs fill a vital role for the US-led campaign to modernize Iraq both, economically and politically. Unfortunately, complications in withdrawal strategy by the US and Iraq’s additional eruptions of sectarian violence have dealt a possibly unsustainable blow to NGO operations in Iraq. As Matt Bradley (2013) of the Wall Street Journal summarizes, the growing violence in Iraq with little influence from the US has depleted the number of NGOs operating in Iraq from a peak of nearly 12,000 in 2006 to only 2,000 in 2013. Many of the NGOs in Iraq work in the political landscape of elections and human rights advocacy, without these organizations the outlook of a democracy-embracing Iraq is looking less likely. The stated goal of democracy in Iraq by the US appears to falter along with the downturn in NGOs as vitriolic politicians, sectarian advocates, and radical clerics drown out the NGOs attempting to fill voids the government of Iraq has left open (Bradley, 2013).

**Counter-Terror Finance**

**Digital F2T2EA**

As part of the application of the economic element of power, the US must find a way to destroy, degrade, and inhibit the economic development of insurgent forces and terror cells. Contrary to applying economics to stabilize and pacify a region, the counter-terror finance (CTF) initiatives taken by the US are defined by the kinetic, non-kinetic, and dynamic targeting of infrastructure and materiel, financial networks, and external
support structures. Full spectrum COIN operations include the use of CTF strategies to mitigate the assets insurgents and terrorist have at their disposal. As outlined earlier, the threat of ISIS in the Middle East is the pressing issue facing strategists concerned with future insurgent warfare. The global implications of the recruiting efficiency and continued support ISIS receives are far-reaching. Establishing controls over their freedom of movement, including financing, is paramount to eliminating the threat modern insurgency poses. In order to fulfill the full spectrum objectives, CTF objectives must be comprehensive and include the targeting of the financial infrastructure, both digitally and kinetically.

The FBI’s strategy of CTF evokes the shadowy nature of terrorist financing cells. The FBI (2013) stated that US-born cleric Anwar al-Awlaki wrote the essay *44 Ways to Support Jihad* and within this essay, five of the top ten means of support were dealing with fundraising efforts of jihadist organizations; proving the importance of countering the fundraising efforts. As the FBI (2013) states, “There [is] a flip side to this proverbial coin. In the shadowy, secretive world of terrorists, this spending leaves a trail—a trail that we can follow to help expose extremists and their network of supporters” (para. 3). This ideology serves as the basis of CTF strategy.

In the global economy, the financial networks between international banking institutions, coupled with international reporting regulations lead to the near impossibility of keeping terror financing completely ‘off-the-books’. TFOS and affiliated groups working in the IC have established a difficult environment for terror cells to operate
financially. With this complication, the rise of *hawala* networks in Afghanistan and other informal money transfer networks serves as the new frontier of financial combat in CTF operations.

Notwithstanding the informal money transfer networks, the FBI, Treasury Department, Office of the Comptroller of Currency, and the IC use the financial networks of terror cells to find, fix, track, and target the organizations financially. The US Treasury, at the onset of post-9/11 strategy, implemented the Terrorist Finance Tracking Program (TFTP) to identify, track, and pursue terrorists (US Department of the Treasury, 2014).

Analyzing the pursuit of terrorists eventually leads to a network of connections and contacts; the financial network. This networking has been cited by Petraeus & Amos (2006) as vital in tracking and gathering intelligence data developed to defeat insurgents. Clark (2013) defines the nodes in financial networks as critical information gathering tools in target-centric intelligence analysis for identifying and analyzing the organizational structure of a target system. Not only does the CTF approach contribute to the systematic dismantling of the financial structure of the terror cell or insurgency, but the analysis can also lead to additional network connections, state sponsors, and international enablers funding terror operations from across the globe.

As part of a globally cooperating initiative, the TFTP has been instrumental in tracking networks and provided vital intelligence relating to the investigations of violent attacks, or the preemptive investigations of planned attacks (USDoT, 2014). As part of
the strategy, the US issues requests and subpoenas to the Society for Worldwide Interbank Financial Telecommunication (SWIFT). SWIFT is the telecommunications agency for the worldwide messaging system for banking institutions (USDoT, 2014). According to the US Department of Treasury (2014), the US has negotiated with the data collection offices of SWIFT in Belgium to transfer data to the Treasury in order to fill intelligence gaps in investigations, assist in identifying an individual or entity, and trace transaction information to map terror financing operations. TFTP operations have allowed the US and allies to locate financiers, middlemen, couriers, and operatives at the terminal end of terrorist network transactions (USDoT, 2014).

As part of the comprehensive CTF operation in COIN, the Department of Treasury (2014) has the capability to apply pressure to supportive nation-states through the form of economic sanctions. As ISIS does not use the traditional banking system as AQ had in previous years, ISIS is more likely to utilize banks or hawala networks that do not comply with international reporting regulations, therefore inhibiting the ability of the US CTF operations from successfully targeting ISIS financial operations.

Fortunately, the targeting of facilitators and enablers across the region is a viable option. Marcel (2014), Macias (2014), and others have identified the transport and sale of discount crude, and refined oil products to Turkish organizations as a funding avenue for the current Iraqi insurgency. This relationship with Turkey is particularly troubling as the US has labeled Turkey as a partner in the Middle East going as far as calling them an, “absolutely indispensable” ally in the region to fight ISIS (Kelley, 2014, para. 22).
Identifying the Turkish organizations, and following the money trail from the demand side of the economic spectrum can provide the intended effects of CTF operations. The ramifications of CTF operations will effectively deal a blow to the demand market within an insurgency’s supply market of ill-gotten oil.

As part of the CTF operations, the military aspect is indispensable to carry out direct action raids, aerial operations, and dynamic targeting of economic infrastructure that can only be fulfilled by a conventional military apparatus. Friedrich Schneider, Tilman Brück, and Daniel Meierrieks (2015) discuss the option of disrupting terrorist activities through direct military action. Not only does the direct action disrupt the operations of the terrorist or insurgent organization, but the dynamic operations can also change the economic landscape of insurgent activity, recruiting, and operational capacity (Schneider, Brück, Meierrieks, 2015). The CTF operations discussed in the previous paragraphs depict the limitations placed on the facilitation of terrorism and insurgency, thus placing heavy burdens on the opportunity costs of insurgent activity. The targeting of assets under an insurgent or terrorist cell umbrella serves a two-fold purpose, first by showing the credible commitment to COIN efforts by the countering force, and secondly by increasing the materiel costs of terrorism and insurgency by increasing the costs of operational assets through destruction (Schneider, Brück, Meierrieks, 2015).

The modern insurgency is adapting to the capabilities of CTF operations developed countries can use in conjunction with international banking infrastructure. More terror cells are simultaneously stepping up their use of technology for recruiting
efforts while using less technology in their financial infrastructure (Johnston, 2014). Translating to the modern insurgency, this means a reversion to local fundraising tactics, rather than external support, through traditional terrorist activities, such as kidnap, extortion, and pillaging, with the addition of using existing economic infrastructure in insurgent-controlled areas. Black market oil sales in rural areas of Syria and Iraq have been as low as $10-$22/bbl, cutting the market price by more than 50-70% to garner local support and market demand (Marcel, 2014). The undercut of market pricing in remote regions is a boon to the rural economies of war-torn Syria and northwestern Iraq, accomplishing the intended effects of the insurgents; providing financial and ideological support to the insurgency.

Petraeus & Amos (2006) define passive internal support as a form of support that does not provide material assistance but allows the insurgents freedom to operate and refrain from providing information to COIN forces. In addition, “this form of support is often referred to as tolerance or acquiescence” (Petraeus, Amos, 2006, p. 3-16). The passive support infrastructure is where the black market economic growth is most important for the insurgency. As passive support transitions to more active support by funding the insurgency, dynamic targeting becomes both a vital and a needed aspect of CTF functions.

**Dynamic Targeting in COIN**

Ultimately, a complicated formula of weighing negative impacts against civilians relying on cheap energy is added to the benefits of disrupting insurgent activity. Johnston
(2014) identifies the need to target the financial networks of local schemes as part of a comprehensive plan of gathering intelligence, supporting Iraqi and Kurdish security forces, and continued targeting of oil assets and infrastructure under ISIS control. The dark underside of this tactic is assessing the effect that these dynamic targeting operations have on the local economies, and the propaganda dissemination any modern insurgency will ultimately use against the US, the government of Iraq, and Coalition nations.

The primary concern with dynamic targeting is refraining from using kinetic assets when the application will have negative repercussions and cause collateral damage (Brown, 2007). This concern not only refers to the effect of civilian casualties, but the entrenchment of an insurgencies supply of goods in the local economies complicates the prospect of destroying economic production infrastructure; thus, hurting the regional communities, giving a propaganda victory to the insurgency, and enhancing the existing economic grievances. Brown (2007) reiterates the kill-chain in COIN is a vital tool for preemptively assessing the positive and negative effects a kinetic strike will have. Furthermore, the post-strike intelligence gathering of the BDA is paramount to countering propaganda, and obtaining an up-to-date picture of the insurgents capabilities and financial stability (Brown, 2007). As a primary tenet of COIN strategy, the use of kinetic strikes will ultimately degrade the economic independence of an insurgency. However, the question is, at what cost?

The constant dichotomy of COIN is actions and inactions of the countering force versus reaction among the insurgents and indigenous populace. Ultimately, identifying
which action in COIN operations will have the greatest positive, or negative impact on
the local community. Johnston (2014) refers to this in the dynamic targeting of illicit oil
production, sale, and transport of ISIS attained commodities. As an example, targeting
the oil infrastructure of ISIS is a three-step process according to Johnston (2014):

(1) enhancing intelligence cooperation with Kurdish and Iraqi partner to identify
oil facilitators; (2) prioritizing collection on, and monitoring of, the quantities and
prices of oil that facilitators and intermediaries are smuggling; and (3) identifying
and monitoring all external contracts for areas in and around territory ISIS
controls, and taking action to stop them if they are not absolutely necessary for
the population’s well-being. (p. 8)

The final portion of the process is the most important, identifying if the resources
are not vital for the well-being of the local population. Additionally, the long-term
ramifications of targeting infrastructure, given the strikes are effective in breaking the
insurgency, will lead to the destruction of vital economic production infrastructure of the
future government or legitimate successor (Johnston, 2014). In Iraq, the essential
economic recovery tool is the oil infrastructure; therefore, the targeting of this
infrastructure should be done so carefully to maintain the ability for the GoI to raise
revenue, and simultaneously restore the legitimacy of Baghdad’s leadership.

Macroeconomic Outlook for Continued HN COIN Operations:

The US EIA (2015) has established that 95% of Iraqi oil production and export
takes place in the southern region of Iraq, boarding oil tankers for international
distribution. Oil fields near Kirkuk and the Baiji refinery came under attack by ISIS during 2014 and 2015; however, air strikes have made some of these production sites, such as Ajeel oil field, inoperable (USEIA, 2015).

Production for Iraq in 2014, compared to 2013, increased over 300,000 bbl/d, while simultaneously shifting transportation of the Basra crude grade to the southern ports for export through the Persian Gulf, avoiding the ISIS affected areas. However, the pipelines connecting the Northern, Midland, and Southern oil companies is under considerable capacity strain. New FDI entities and strategic contracts with development companies will increase future capacity upon completion of construction efforts (USEIA, 2015). However, the problem is that 2017 is an optimistic target date, having already been pushed back by the exit of ExxonMobil from the SOE partnerships in Iraq (USEIA, 2015). Development of infrastructure is concerning for the GoI because this may inhibit their ability to counter an insurgency in the northern oil fields, especially if vital pieces of infrastructure are compromised. One such compromising situation is the precarious position of the Haditha and Mosul Hydroelectric facilities and the subsequent refining capacity powered by the generators in the region.

ISIS was dangerously close to securing Iraqi hydroelectric facilities, overtaking towns, and controlling rural areas surrounding vital economic infrastructure. However, US-led airstrikes repelled the advances of the insurgent army, only after the Mosul Dam was contested for a brief period in the summer of 2014 (Masi, 2014). Control over the facility was so close to being lost the Iraqi army nearly released the gates of the dams to
destroy downstream infrastructure and mitigate the economic gains, and coercive methods ISIS could have used from the takeover of the hydroelectric facility (Jacob, 2014). By showcasing the extent to which the GoI will go to choke ISIS of economic assets, opens the possibility for future offensive economic actions.

Though the future repercussions of destroying oil field assets will cost the Iraqi government through the failure to extract, produce, and capitalize on oil facilities. Contested fields in Northern Iraq are already proving costly in future production and coincidentally contributing to the funding of ISIS. Considering that ISIS already destroyed main pipeline infrastructure for transporting crude to Turkey and European markets, the GoI should consider taking offensive steps. Prior to taking offensive action, the PRTs, Multi-nationals, NGOs, Coalition strategists, and Iraq must look at four basic questions:

1) What will the effects of targeting the infrastructure have on the local, non-insurgent, population?

2) What is the projected oil revenue, and GDP contribution from production goals in the Northern Oil Fields?

3) What are the expected shortfalls in oil receipts from the dynamic targeting of infrastructure in northern Iraq?

4) What are the capacity restrictions on oil production/transport/storage in Southern Iraq?
Table 2:

Straight-line estimate of the expected government revenues from projected 2020 production goals of the Government of Iraq resulting from a 27.5% yearly production growth.

<table>
<thead>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>3.4</td>
<td>4.3</td>
<td>5.5</td>
<td>7.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Oil Revenue (bil. USD)</td>
<td>97.7</td>
<td>124.5</td>
<td>147.6</td>
<td>175.1</td>
<td>207.6</td>
</tr>
<tr>
<td>GDP Projection (bil. USD)</td>
<td>316.2</td>
<td>403.2</td>
<td>514.0</td>
<td>655.4</td>
<td>835.6</td>
</tr>
</tbody>
</table>

Source: Author, Republic of Iraq Expenditure Review

The lofty aspirations of the Iraqi government have already come under intense pressure as the prices of oil dropped from nearly $100/bbl to a low of $47/bbl early in 2015, and continuing a volatile trajectory going into 2016. The government of Iraq has issued a revised budget based on the new market fluctuations but shows the volatility of Iraq’s capacity to govern based upon the commodity-driven economy.

The KRG is establishing multinational corporations to support pipeline projects for oil distribution into Turkey, but 2017 is the target completion date. Furthermore, the transport of Iraqi oil is further deterred by the lack of storage capacity, totaling under seven days of capacity in the southern ports (USEIA, 2015). This lack of storage makes Iraqi oil company’s susceptible to production and transportation interruptions. The production capability of Iraq with proven reserves makes the lofty goals plausible, but the
infrastructure is a growth inhibitor that must be dealt with first. Additionally, ISIS has attacked pipeline infrastructure in the northern oil fields, disrupting over 600,000 bbl/d of transportable crude (USEIA, 2015). If ISIS continues to harass the oil infrastructure, the choice of the Iraqi government may be taken away, and the insurgency will disrupt vital revenue streams. Questions still remain regarding Iraq’s ability to continue COIN operations, and the ability of the Coalition to answer the questions above and commit to fulfilling the intelligence, kinetic, economic, and reconstructive aspects of targeting the existing infrastructure to disable the insurgency.

Summary

US military doctrine dealing with COIN operations came at a time when conventional forces lacked the proper training, and procedures to subdue violence without breeding more insurgents. Proving the adaptability and improvisation capabilities of the US armed forces, the period from 2003 to 2007 saw a tremendous amount of change across the broad spectrum of full-scale operations. From the military invasion to the civilian side of conflict termination, COIN demands a different degree of respect and handling than the conventional wars the US trained for. As difficult as it may be, the next-generation American warfighter must train for operations against an insurgency, as well as be able to handle a conventional conflict. With a decade to learn from COIN operations in Iraq, the essential point is answering the question regarding the role the economic element of power has in insurgency warfare.
From the onset of insurgency warfare, economics can be altogether a causal factor, a reactive factor, and a vital factor in recovery and reconstruction. The start of COIN operations begins with the intelligence analysis and preparation of the battlespace, which includes the economic prospectus and outlook for the AO, as well as identifying grounds for grievances that breed support for insurgent activity. During operations in insurgency warfare, the caution as operations move forward is derived from a consideration for the effects COIN has on the indigenous population. Finally, in conflict termination and reconstruction, operations rely on the economic stimulation provided by FDI, multinational cooperations, NGOs, and civilian agencies integrated with military partnerships. Ultimately, the final success of COIN operations relies on the HN and their capability to carry on operations and integrate lessons learned from the conflict into the future of government responsibility. In the case of COIN in Iraq, a tumultuous regional security situation, a commodity-driven economy, and a government still reeling from ongoing sectarian struggle reveal the government’s capability to dispel an insurgency may prove nearly impossible.

The government of Iraq must weigh the prospect of an insurgency with ever increasing control over northern and western Iraq, with the repercussions of causing possible harm to the rural economies in which ISIS operates. The most appealing option for the GoI, and the international community is to target the financial infrastructure through non-kinetic means. These include CTF operations such as sanctions against governments and entities providing material support, tracing international financial support, and those providing a market for the sale of black market oil under ISIS control.
TFOS and TFTP can have success against external support structures assisting ISIS, but as Johnston (2014) stated, modern insurgencies learned from AQ and ultimately kept external funding to a minimum and only use banking institutions that will not report their banking activity. Essentially, Iraq and Coalition-led COIN coalitions have to weigh the options of destroying critical infrastructure, and pursuing reconstruction later. However, the longer the governments wait, the further ISIS gets from an insurgency, graduating to a hybrid threat, and the closer they get to their grandiose idea of a widespread caliphate across a vast expanse of the Middle East. Iraq must address these issues now. Unfortunately, falling oil prices are hurting the Iraq’s ability to carry out prolonged HN COIN operations, and in turn, threatening the stability of Iraq and the region (Banco, 2015).
Chapter 5
Conclusion & Recommendations

Bruce Hoffman (2006) stated, “Winning the war on terrorism will take decades, not years, to accomplish. If we are to succeed, our efforts must be as tireless, innovative, and dynamic as those of our opponents” (p. 295). Under the presumption that the surge tactics in Iraq from 2007 to 2012, and FM 03-24 will provide the basis for US COIN operations into the near future, Hoffman’s statement is congruent with military leadership. The dynamism of the US military, intelligence agencies, and civilian aspects of COIN retain the capacity to combat the modern insurgent threat. Along these lines of involvement, the economic lines of effort must also prevail to pacify the insurgency while avoiding extensive harm to the indigenous economy. While concentrating on the economic element of power in COIN operations, the role fulfillment of conventional military assets, intelligence assets, NGOs and Civilian agencies, and CTF initiatives can do their respective parts to fulfill the full spectrum operations of countering insurgent activity. To succeed, the simplification of economics in COIN operations as simply the causal factor in insurgent uprisings needs to be extinguished, and the proactive steps in using economics in COIN as an innovative and dynamic weapons system expanded.

Geoff Demarest (2013) discusses the outlook of winning in insurgent warfare, stating that the causation factors regarding insurgencies do include socio-economic factors. Demarest’s response to this assertion is, “Of course, so what?” (p. 131). Within the pages of Winning Insurgent War: Back to Basics, Geoff Demarest (2013) pointed out
that little spatial correlation exists between economic programs leading to the amelioration of violence unless a greater effort is placed on auditing the effects of economic aid; as in placing greater accountability measures on economic programs. Barry Machado (2007) echoes the same sentiment in stating that the primary successes of the Marshall Plan in post-War Europe in the 1950’s stemming from economic aid were due in large part to the tireless and stringent accountability and performance metrics concurrently implemented on the reconstruction teams. In addition to the conclusions provided by Machado (2007) and Demarest (2013), the efficacy of economic aid in COIN environments is furthered by research into the cohesion of conventional assets and economic assistance by Andrew Shaver (2013).

Though Demarest (2013) uses the geographic dispersion of economic aid in Colombia as an example of insurgent activity, the same tactics hold true on the opposite side of the globe in Iraq. The areas where the distribution of economic aid takes place have similar problems of extortion, kidnapping, and show noticeable effects on insurgent sanctuaries and routes to and from the strongholds. By noticing this trend, the importance of the security provided by conventional assets in building a secure area for PRTs, NGOs, and host-nation assets to operate and distribute economic assistance proves invaluable. Furthermore, the effectiveness of local distribution over widespread distribution, lowers the risk of abuse and misuse of funds and targets the insurgent activity more directly. Working on a smaller scale with conventional assets, intelligence assets, and the indigenous population allows for a more dynamic, adaptable, and innovative COIN force.
T.E. Lawrence, the British commander known as Lawrence of Arabia, said, “The smaller the unit, the better the performance” (Ch. XXII). In the context of COIN, this statement holds a guiding truth to use in the future conflicts the American military will face in the 21st-century. The enhanced-PRTs (ePRTs) in Iraq proved that the bloated and bureaucratic CPAs were a far less effective force for countering the insurgents than the locally based teams that succeeded in turning regions of Iraq into stable, pacified regions of economic growth and security. The Robert Perito from the US Institute of Peace (2013) describes the success of small-scale units of ePRTs embedded with BCTs in that, “ePRTs demonstrated that civilian personnel could work in tandem with their military counterparts at a village level in a conflict environment” (para. 10). Additionally, the USIP elude to the greatest missed opportunity of the conflict was the drawdown of ePRTs in 2010, leaving with their tasks unfinished as the last of the “Surge” BCTs left the Iraqi theater (Perito, 2013). Similar to the CORDS development in Vietnam, the development, trial, and error periods of the first years of OIF did eventually lead to the successful implementation of ePRTs and local pacification efforts. However, the lack of cohesive unity among the interagency relationships and lack of host-nation inclusion, led to hard, yet valuable, lessons learned through the tumultuous period between the conventionally victorious invasion in 2003 and the implementation of COIN doctrine.
Proper Allocation of Assets in COIN

Under the assumption that security is a primary concern, Weidman (2015) contends that the three common tenets of historical COIN operation success are host-nation partnerships, capacity development, and unity of control. Carl Schramm (2010), President of the Kaufmann institute, postulates an intriguing avenue to the development of COIN efficiency, explaining that the US military is the ultimate entity to establish expeditionary economic reconstruction and pacification efforts, given the proximity to the local populous. While simultaneously carrying out security operations, the military presence can establish the three tenets Weidman (2015) identifies; especially the lingering problem of unity of control, given the fact that the military will execute duties typically carried out by civilian agencies. Though this outcome is intriguing, Weidman (2015) explains that this is a non-starter. Given the drawdown of US armed forces, the increase in responsibility of carrying a uniformed economic advisory capacity is simply not feasible at this time. Budgetary considerations will constrain the operational environment of the military for the foreseeable future, thus inhibiting the development of new expeditionary economic roles for the US military.

The ideas presented by Schramm (2010) under the tenets of Weidman (2015) ultimately show the path forward to gain the upper hand in the lines of economic effort in COIN operations. Under the premise that the conventional military assets will handle the security and provide targeted use of force whenever necessary, successful implementation of COIN doctrine is achievable with the correct unity of command and control in place,
the inclusion of local governance, and can be done with integrated civilian agencies. Through a unity of effort, conventional assets and intelligence agencies can still execute portions of the economic lines of effort as well, such as the MAAWS tactics, and developing successful networks of intelligence. Working within local communities, the MAAWS and intelligence gathering networks will assist in the CTF operations undertaken by civilian financial agencies and the targeted use of direct action against insurgents.

In addition to developing IPB capabilities, the intelligence gathering capabilities of military and intelligence services can enhance the success of civilian agencies as they attempt reconstruction efforts. As the case in Sadr City, the intelligence gathering allowed the community to establish requests for projects they wanted for locality improvements; undermining the insurgent grievance tactic used to solicit support (Markel, Shannon & Johnston, 2013). Consequently, as the security becomes more established and reliable, the potential for micro-economic growth is substantial. From this point, the development of the institutions of banking and finance can further enhance economic stability operations. As stated, the importance of MFIs in developing and emerging economies are tried and proven; inclusion of these firms in reconstruction efforts will be vital to combatting future insurgencies.

Conclusion:

The research recounted in this project was put together to satisfy the primary research question presented in the first chapter: After observing a decade of COIN
operations in Iraq, to what extent can the United States use the economic element of power to combat insurgent forces? Research into this question places a spotlight on the problem statement that initiated the research: The problem is that after initiating COIN operations in Iraq, the US has not gained a consensus through research, expansion of proven strategy, and innovation to provide a clear depiction of how to apply the economic element of power in full spectrum operations against a modern insurgency.

Continuing the previous research, this project concludes that the United States bears considerable capability to carrying out COIN operations in a variety of environments while continuing to be a conventional heavyweight, an unrivaled military superpower. However, the administrative bureaucracy inhibits the prominence of the adaptability and unconventional capability the US can employ. Hy Rothstein (2006) encapsulates the inherent problem with the inverted pyramid, leading to the lack of unity of command in the early stages of OIF and poisoning the early success of OEF. Rothstein illustrates this by stating that conventional military school of thought stonewalled the unconventional specialists by adding layers of bureaucracy and stovepipes to force insurgent warfare into a conventional struggle. Speaking in the context of Afghanistan between October and December of 2001, Rothstein states:

As the war became increasingly unconventional, the command and control arrangements became more conventional. The command arrangement evolved into a large and complex structure that could not adequately
respond to the new unconventional setting. The bureaucratized military had reproduced their own image. (p. 14)

This analysis is congruent with Weidman’s (2015) tenets of successful economic implementation in COIN warfare, where the unity of command and control is tantamount to success.

Successful tactics implemented by the United States in the OIF COIN environment are similar to the successful programs in history, such as CORDS in Vietnam, and are even more effective with new global initiatives in economics, namely MFIs. Ultimately, the insurgency in Iraq spawned a new era of warfare to the world. Not only did the world’s greatest superpower become entrenched in a quagmire of difficult circumstances, the failure of previous doctrine and the lack of futuristic vision by strategists caused the US to miss an opportunity to put away the Iraq war swiftly, without a sustained presence. However, from the ashes of what exhibited the symptoms of a strategical failure, rose the doctrine of counterinsurgency that the US now understands; providing a blueprint for COIN operations in the years ahead. As part of the full spectrum of operations, COIN and economics are inseparable. Each action in COIN is fulfilling a purpose which infiltrates a community, and then a locality, a region, and ultimately leads to the securing of a solidified economy for the host-nation in the future. Every step towards security, reconstruction, and transitioning responsibilities to the host-nation, is a rectification of a grievance insurgents can no longer use.
It is important that the modern strategist identifies and accepts the lessons learned from past conflicts; most notably how the ePRTs and CORDS teams were wildly successful in slowing, or pacifying insurgent activity. The next conflict of insurgency warfare for the United States can be dealt with more effectively by using the dynamism of the unconventional aspects of the American military to adapt to changing battlefield conditions, effectively flattening the hierarchy like the earliest months of the War in Afghanistan. FM 03-24 echoes the sentiment, appealing to the commander’s to allow their small units to achieve large-scale successes (p. A-3). Rather than dealing with the black-white world of conventional warfare, the 21st-century warfighter and strategist must be ready to use the grays to their advantage, knowing when to apply the economic element of power through both kinetic destruction and proactive construction to knock the insurgency out of the fight.
References


