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Constructive COIN

How Development Can Fight Radicals

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"We've got a government in a box, ready to roll in," said General Stanley McChrystal, the top American commander in Afghanistan, of plans for holding the hard-won town of Marja in February. As Lieutenant General Mohammed Karimi, the deputy chief of staff of the Afghan army, explained, "We want to show people that we can deliver police, and services, and development. We want to convince the Afghans that the government is for them."

Only a few years ago, the strategy for U.S. troops in Afghanistan and Iraq focused on targeting insurgents. The strategy failed; critics now call it "mowing the grass," since soldiers would repeatedly clear areas of insurgents only to see them reappear afterward. In the face of steadily increasing violence in Iraq from 2003 through 2006, the approach was abandoned. Today the U.S. military's counterinsurgency strategy centers on protecting the population, with a special emphasis on political and economic development.

The objective is often termed "winning the hearts and minds" of the population, and its logic is simple. Insurgents cannot operate without civilians learning something about their location and identities: recruiting, raising funds, and preparing weapons and explosives all entail observable actions. The more effective the government is at providing services to civilians, the more likely it is that they will prefer the government over the insurgents. In turn, the population will provide the government with a steady stream of tactically useful information -- calls to anonymous tip lines about the location of weapons caches, for example -- that the government can use not only to defeat the insurgents but also to prevent their reappearance.

But does that development-based strategy work? The assumption that development helps governments defeat insurgents is testable: one can check if supplying government services is associated with lower levels of violence. In a study we conducted using data on reconstruction spending and violence in Iraq, we found that the provision of certain government services does lead to a reduction in violence.

To measure the provision of government services, we collected data on reconstruction expenditures through the Commander's Emergency Response Program for the period of 2004–8. CERP funds are administered by U.S. forces and spent locally, mostly on small projects implemented by Iraqi contractors. To measure violence, we used data on violent incidents against coalition and Iraqi forces.

Looking across districts in Iraq, the raw correlation between violence and CERP spending is positive; more money is spent in the more violent districts. That is not because CERP spending increases violence but rather that CERP administrators spend strategically: more violent places attract more spending. Once we control for a region's proclivity for violence (by comparing changes in violent incidents to changes in spending), CERP spending appears to reduce violence. That effect was especially strong in the period after the surge in U.S. troop levels, from 2007 on. Importantly, the effects are not limited to reconstruction spending by the military; the Community Stabilization Program, which was administered by the U.S. Agency for International Development, also focused on small projects and had a similar violence-reducing effect.

But this approach has not always worked. Before 2007, it was unsuccessful, likely because the forces administering it tended to spend less time in their communities and so knew less about them. In fact, much of the reconstruction aid in Iraq has not helped reduce violence; CERP and related programs account for only $3.1 billion of the $25.3

billion of U.S. reconstruction spending in Iraq that we observed. The remainder -- including spending on large projects and programs carried out primarily by foreign contractors -- appears to have had no violence-reducing effect. Our data suggest that reconstruction money works when projects are small, troops have a good working relationship with noncombatants, projects are chosen in consultation with local officials, programs are administered by local contractors, and a provincial reconstruction team is nearby to provide guidance.

Does job creation help? Much of U.S. aid to countries emerging from internal conflict is premised on the idea that increasing employment opportunities for potential fighters will reduce terrorism and insurgent violence. Yet despite the massive expenditures involved, the relationship between governance and economic development in conflict zones is not well researched. The assumptions underpinning the job creation argument -- that insurgency is a full-time job, that it is a low-skill occupation, and that the key limit on violence is the number of fighters insurgent organizations can recruit -- are questionable in many conflicts and have largely gone untested.

Another study we recently completed casts doubt on short-term job creation as a counterinsurgency tactic. During periods of insurgency in Afghanistan, Iraq, and the southern Philippines, the correlation between employment rates and violence is weakly positive, and certainly not negative. In other words, the more jobs there are, the greater the violence -- a puzzling result. One possible explanation is that government efforts to reduce insurgent violence also suppress the economy, destroying employment possibilities for residents. Building walls between neighborhoods and setting up strict checkpoints, as U.S. forces did in Baghdad in 2007–8, certainly disrupted trade and movement. Our findings highlight the need to develop methods of controlling insurgencies that protect fragile local economies, especially

considering the evidence linking long-run growth with stability. (Both studies are available as National Bureau of Economic Research working papers and online.)

Conventional wisdom holds that economic development can help fight not just insurgencies but terrorism, too. Economic development, the logic goes, reduces the grievances that generate terrorism. But careful studies have repeatedly shown that terrorist leaders and key operatives are not disproportionately poor. Some terrorists, in fact, are quite well educated. Nor is support for terrorism driven by poverty. In survey-based research conducted with C. Christine Fair, of Georgetown University, and Neil Malhotra, of Stanford University, Jacob Shapiro has shown that in Pakistan it is the poor -- and the urban poor in particular -- who most intensely dislike a range of terrorist organizations.

Moreover, in contrast to insurgents, who aspire to control territory, terrorists do not need to share as much information with noncombatants. That is because terror can be achieved through tactics such as suicide attacks or placing bombs in markets, which require little pre-attack contact with noncombatants. Winning the hearts and minds of the population, then, matters less in counterterrorism. In fact, many terrorist groups manage to train, organize, and operate in places where they are quite unpopular -- including various Taliban strongholds in Afghanistan and the North-West Frontier Province of Pakistan.

Nevertheless, the quality of governance and economic development does matter when it comes to terrorism. It turns out that the lethality of terrorist organizations is correlated with the ability of their parent organizations to provide benign social services to their constituencies. Eli Berman's work with David Laitin, of Stanford University, has shown that among terrorist organizations active in Israel, Palestine, and Lebanon the radical religious groups Hamas and Hezbollah are particularly lethal, especially when conducting suicide attacks. In

contrast, the Palestinian Islamic Jihad, which shares the same theology and ideology as Hamas but lacks a social-service-provision network, is no more lethal than the secular nationalist groups. The Taliban also fit this pattern: a potent terrorist organization that provides not only security but also such services as dispute adjudication.

Given the lethality of terrorist organizations that provide government-like services, a counterterrorism approach analogous to the hearts-and-minds strategy to counterinsurgency is in order: improved governance. When it comes to counterterrorism, however, the suggestion is more specialized. By providing the same services as a terrorist group's parent organization, a government can effectively undermine the organizational capacity of the local terrorist threat. The Egyptian government successfully took that approach to counter the threat posed by the violent wing of the Muslim Brethren (a precursor to al Qaeda) in the 1950s.

Understanding the effect of development in conflict zones is a new challenge for economists and political scientists and is of immediate relevance to domestic and international security. As U.S. forces draw down in Iraq and Afghanistan, it will become more difficult to study the effect of development programs on al Qaeda, the Taliban, and others. Those groups, of course, will not find it harder to destabilize local governments and conduct acts of international terrorism. The time to build our knowledge base to prepare for future conflicts is now.