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MILITARY ASSISTANCE PROGRAMS
IN UNDERDEVELOPED AREAS

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Charles Wolf, Jr.

It is sometimes thought that military and economic aid programs are fundamentally different from, and in conflict with, one another. To some extent they are. Their primary immediate goals are different. In an obvious sense, they conflict and compete with one another with regard to budget levels. In a less obvious sense, they compete for the time and attention of top decision-makers within the United States government and within recipient governments. But there are also a number of characteristics and problems which the two programs share, and there are also a number of complementarities between them. Where there are differences or conflicts between economic and military aid, they are often more complex than was, for instance, suggested by a question recently asked in a Congressional Hearing on foreign aid, as to whether guns or jobs are a surer route to stability in the underdeveloped areas.

I want to explore ~~briefly~~ ^{are explored} three connections between economic and military aid as illustrative of this general point. The first connection arises from the character of U.S. objectives in undertaking aid programs in underdeveloped countries. The second is concerned with the role of nonmilitary objectives and criteria in military aid decision-making; and the third connection concerns the problem of incentives for recruiting top-quality personnel to serve in both economic and military aid programs. The first and second are closely related points; the third, clearly, is quite independent.

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I. U. S. OBJECTIVES IN THE LESS-DEVELOPED COUNTRIES

Much has been written on the subject of U.S. objectives in less-developed countries, to which I have contributed more than my fair share. I will therefore confine myself to a few brief comments on the related question of what status of the less-developed countries, individually and collectively, would be congenial to us, and reasonably stable, over the long-run?

In trying to answer this question, let me begin by paraphrasing two answers which are often given to it. One answer, which is associated with the late John Foster Dulles but also has adherents in Congress, the Time-Life publications and elsewhere, views the desirable and stable state of the less-developed countries, as one in which they are firmly allied with and committed to the free world, preferably by mutual defense treaties or other military alliances. A primitive version of this view contends simply that those countries which are not for us are against us (usually adding, implicitly, that those countries which are against our enemies must be for us). A more sophisticated version of this view takes the position that noncommitment and nonalignment are understandable from the point of view of the less-developed countries, and also that they do not imply hostility to the United States and the free world. However, this view contends, nonalignment is neither desirable nor stable, and a posture of nonalignment in the short-run will inevitably be eroded in the long-run, giving way to alignment with or absorption by the Communist bloc. Moreover, so this view runs, in the conduct of its programs in underdeveloped countries, the United States should show its desire and preference for commitment and alliance. If we do not, we simply will cater to and encourage the nationalistic hypersensitivities and squeamishness that

characterizes most of the underdeveloped countries and complicate their own decision-making.

In effect, this answer to the original question concerning U.S. objectives, says that, with appropriate modifications and adjustments, a NATO-type formula and an accompanying military commitment makes sense as a reflection of U.S. objectives in the underdeveloped world, as in the developed areas of the world. CENTO and SEATO are offspring of this view, and, until their amendment in the new Foreign Assistance Act, the legislative conditions governing eligibility for military assistance in the underdeveloped as well as the developed areas, represented another reflection of this view of U.S. objectives.

There is a second answer to this question which is much more actively espoused now and can generally be identified with Walter Lippman, Senator Fulbright and others. This view contends that such a structure of alliances and commitments in the underdeveloped countries is neither desirable nor stable; that it misconstrues the nature of the threat to the less-developed countries; that it diverts attention and resources from the major issues confronting them; and that it unnecessarily arouses nationalistic sensitivities, and, by so doing, interferes with progress toward meeting the major social and economic problems facing the less-developed countries. This answer to the original question of U.S. objectives says that what we should aim for in the less-developed countries are socially, politically, and economically progressive societies, and that the means we should concentrate on to realize this aim should be social and economic development, relatively uncontaminated by military measures and alliances. Consequently, we should be willing to accept, and perhaps even to encourage, nonalignment and "neutralism" in these countries.

Although I have some sympathy for the second view, I think it errs in one very important respect. The neutralism-and-development view of the underdeveloped countries, and of U.S. objectives in them, tends to conceive of the threat to these countries as entirely, or overwhelmingly, a nonmilitary and an internal threat. In fact, the threats facing the less-developed countries are both military and socio-economic, both internal and external. After all, whatever the administrative inadequacies of the civilian government in Laos, the main successes of the Pathet-Lao have come about because of the haphazard and lackadaisical military capabilities of the Royal Lao Army. And, in considerable part, these deficient military capabilities were due to inappropriate military equipment, training and leadership of the Royal Lao Army.

Moreover, as the continuing Chinese military pressure in Ladakh and the northeast frontier have demonstrated in India, domestic economic development cannot itself compensate for an invitingly weak military posture. I would even be inclined to say that the military threat, both internal and external, to many of the less-developed countries may very well intensify as and if they have more success than they have had so far in meeting the vast problems of economic and social improvement which face them. Effective economic and social development under non-Communist political systems may constitute a greater threat to the Communist bloc, and a more disturbing anomaly from the standpoint of Communist doctrines concerning necessary and desirable directions of historical change. As and if some of the less-developed countries show more progress in these directions than they so far have shown, a commitment of further resources by the Communist powers to disrupt this progress may well be

forthcoming. In fact, a strong argument can be made for the proposition that the recent intensification of armed guerrilla activities in South Viet Nam has resulted from additional resource commitments by North Viet Nam and China to support such activities in the hope of disrupting the marked, if modest, economic and political improvements accomplished in recent years by the Diem regime.

From the standpoint of analyzing objectives in a way that will be useful for guiding decisions relating to economic and military assistance programs, I think the preceding discussion has certain implications. It suggests that our aim in the less-developed countries should be to help them provide, or otherwise to obtain, a judicious balance between the capabilities and competences needed to meet both the internal and external, and both the military and nonmilitary, threats which they face. These threats involve both armed guerrillas and possible invasions of various levels of violence. They also involve the risks of internal stagnation, frustration, and hopelessness proceeding from entirely nonmilitary sources. And they, of course, involve various mixtures of military and nonmilitary contingencies.

There is no easy or formulaic way of finding this judicious balance. Moreover, it is at best a dynamic balance. What may be adequate socio-economic or military performance levels at one time, may become seriously inadequate at another time. This doesn't give us an answer to the initial question in any precise way. But it suggests where to look for answers and where not to look for them. It suggests that we keep our sights and our aims on the balance between military and economic capabilities available or becoming available in these countries and, in the case of military capabilities, available for deployment from the outside into these

countries. It suggests also that a formal declaration that a country is "neutralist," "allied," "committed," or "uncommitted," or that it will or will not receive aid from the Soviet bloc, may not be a fundamental U.S. objective in the less-developed countries.

II. CRITERIA FOR PLANNING ASSISTANCE PROGRAMS

The foregoing remarks concerning the importance of both military and nonmilitary components of U.S. objectives in underdeveloped countries have, I think, significant implications with respect to planning economic and military aid programs to carry out these objectives. If U.S. objectives in less-developed countries involve some sort of moving balance between military and nonmilitary capabilities, then the planning and allocation of military aid should be informed by nonmilitary considerations and payoffs -- and, I would add, the planning and allocation of economic aid should take into account military considerations and payoffs. I want to concentrate on the first of these points, namely that which concerns the relevance of nonmilitary objectives for the planning of military aid programs. The point applies symmetrically with respect to economic aid programs, though I will not develop this aspect of the problem here.

It is a well known fact that one of the distinguishing characteristics of many of the underdeveloped countries is the large size and important role of the defense establishments which they maintain. If one looks at seven of the principal Asian countries on the Sino-Soviet periphery,¹ the median proportion between defense outlays and gross investment for the

¹Burma, India, Indonesia, Korea, Pakistan, the Philippines and Viet Nam.

years 1958 and 1959 is more than 30 per cent, between defense outlays and government expenditures, more than 50 per cent, and between defense outlays and government investment, more than 80 per cent. Not all of these countries, of course, receive U.S. military grant aid, but most of them do. In research that has been under way at RAND for the past few years, we have tried to apply the approach I have been describing, concerning U.S. objectives and their interrelationships, to the problem of planning military assistance programs in less-developed countries. Basically, this research was concerned with trying to develop a methodology, and attempting to apply it, to answer the following question: How can military assistance and the structure of defense forces and budgets in the underdeveloped countries be modified so as to yield about equivalent military effectiveness, and yet generate substantially improved economic and political side-effects? Let me describe this research and its principal findings very briefly.

The method which we used to answer this question consisted, first, of drawing up alternative programs for spending a hypothetical military aid dollar budget, the amount of the budget being roughly based on recent experience in the particular underdeveloped countries for which we undertook case studies, namely Viet Nam and Iran. The programs were of equal cost, but they intentionally embodied certain basic differences in content. One program, which we might call the "A" program, generally stressed fairly large, conventionally-armed and trained forces, following pretty closely the lines of present, or at least recent, military aid programs and force structures in the major underdeveloped recipient countries. The other program, which we may call the "B" program, consisted of smaller, more lightly armed forces, with the dollar savings resulting from these

reductions hypothetically used to expand internal security forces, increase ground and air mobility, provide additional ground and airfield installations in order to facilitate intervention by free world forces if this should be necessary and, finally, to expand the technical training of military manpower.

We then used separate methods and measures to test and compare the military performance, the economic performance, and in a still rougher way the political performance of the two equal costing program alternatives, "A" and "B." For the military comparison we used a war gaming technique which involved playing through a range of hypothetical military contingencies. The range of contingencies was played through twice, using two different assumptions concerning the U.S. military assistance program that had been followed in the intervening prewar period, with the results from the two sets of games compared as a rough test of the relative military performance of the "A" and "B" programs.

For comparing the economic performance of the alternative programs, we used more or less standard economic analysis, concentrating upon differences in operating costs (and hence in the internal budgetary implications of the alternative programs), differences in their relative contributions to joint military-civilian capital facilities, and, finally, differences in the numbers of skilled technicians trained under the two programs.

For the comparison of political effectiveness, we relied on the best judgments we could find or make concerning the probable attitudes of different elites in the societies of the recipient countries, and to probable differences in the "public image" of U.S. military aid, and of

the indigenous military establishments, that would result from the alternative aid programs. This last step was plainly the most conjectural of all.

Without going into any further detail, let me say very briefly a few words about our principal findings. Our most significant conclusion was that, by taking nonmilitary considerations into account, a military aid program could be designed which would yield improved economic and political side-effects without discernibly impairing probable military performance. Despite the many uncertainties which were involved in the analytical methods we used, I think this is an important conclusion which has significant implications with respect to the planning and conduct of U.S. military aid programs in less-developed countries. It is also a conclusion which is suggestive of an important class of interrelationships between military and economic assistance programs. In each kind of program, effects and results which spill over into the more obvious domain of the other program may be appreciable. These "spill-over" effects should be accorded explicit consideration in thinking about and planning both military and economic programs, if their effectiveness is to be enhanced.

III. PERSONNEL RECRUITMENT FOR ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

There is one final problem I would like to comment briefly on, namely the problem of recruiting top quality personnel for both economic and military assistance programs. It is a problem independent of the two problems I've been discussing up to now, but it is one of considerable importance for both types of programs.

It is certainly true that there are all too many facets of economic

and military planning in underdeveloped countries that we just know too little about, both from a theoretical and an empirical point of view, to do as good a job in the conduct of these programs as we would like. However, I think there are few serious students of these matters who would not agree that, even on the basis of our limited knowledge and experience, we could do a substantially better job if really topflight personnel could be attracted to work in and on these programs. (Incidentally, this is not a tautological statement. There are fields, like nuclear physics and mathematics, to which this statement would not apply, or at least would not apply with nearly the force that it does in connection with economic and military assistance programs.)

There has already been a good deal of work and study devoted to problems of personnel recruitment for foreign aid programs. But most of this work has concentrated on the demand side of the problem: on the kinds of people who are likely to perform effectively, and should be sought for these activities. Harlan Cleveland and his associates have in fact written a book on the subject which attempts to identify the characteristics of effective participants in these programs in terms of five categories: technical competence; cultural empathy; a sense of mission; a sense of organization; and a sense of politics. These are useful and suggestive categories. But I think they miss the crux of the problem, which deals instead with the difficulty of motivating and attracting topflight people to participate in these programs. They overlook, in other words, the supply side of the problem. To make the point tersely, if oversimply: topflight people, who are needed for these programs, tend to have an abundance of alternative employment opportunities

which remain more attractive to them than the prospect of devoting part or all of their careers to working on foreign aid programs.

I would emphasize that the same problem arises in the military field, as well. Incentives are so structured in the military that service in the U.S. Military Assistance Advisory Groups, which are responsible for foreign military aid overseas, is generally far less attractive from the standpoint of prestige and promotion prospects, than is assignment to major command or staff positions.

This is obviously a large subject and one that I can't deal with fully here. I raise it both because I think it is highly important, and also because it may be a subject of some direct interest to this audience. Essentially, the problem is one of restructuring incentives sufficiently to attract first-rate people. These incentives involve, of course, both pecuniary and nonpecuniary factors. The nonpecuniary factors involve considerations like public and professional prestige, and the effects on seniority and tenure in domestic employment of participation in foreign aid programs -- matters on which sociologists and psychologists should have some useful things to say.

Concerning the pecuniary incentives, I think personally we tend to be surprisingly squeamish about facing the realities of this problem -- the realities being simply that if we are to get better people to work in these programs, we need to pay them more. This is not to deny that the problem is more complex than I've indicated. For one thing, there are already large and invidious gaps between the pay and living standards among the American personnel abroad and the people they are working with. But it may nevertheless be possible to devise ways of providing additional

pecuniary incentives that do not accentuate, and conceivably might even mitigate, these invidious comparisons. For example, a large share of the payment for overseas service might only become available after some minimum term of service has been completed.

In any event, quite apart from the wisdom of such a deferred payment scheme, my own feeling is that at the moment under present salary and other pecuniary arrangements we may really be getting the worst of two worlds: we may be paying too much for talent and skills that we're getting, but not paying enough to attract really first-rate people. (By "too much" and "not enough," what I have in mind is in relation to the alternative or opportunity costs of the people and skills concerned.) The real problem here is to devise an incentive scheme that really works, in the sense of attracting the sorts of people and talents that are needed, rather than just resulting in a surplus or "rent" being paid to some of the people who are already serving but who may not be needed. Though we are often accused of being a materialistic people, I suspect that in this connection our lack of a reasonably materialistic approach is an obstacle to more effective operations in this field.

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