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6. AUTHOR(S) Kapstein, Ethan (Principal Investigator) Berman, Eli (Co-PI)	5d. PROJECT NUMBER
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14. ABSTRACT
Economic activity can both induce and reduce political violence. We have shown that both insurgents and government respond to rising levels of investment by increasing engagement, with violent consequences. We have explored the economic and social benefits of counterinsurgency by the Philippine military, how it can be optimally conducted, and what the effects are on both combatants and civilians.

15. SUBJECT TERMS
Insurgency, counterinsurgency, Philippines, economics, violence, military, rebels.

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Final Technical Report

Award no. N00014-11-1-0735

“The Economics of Counterinsurgency in the Philippines”

June 1, 2011 – June 30, 2016

Awarding Organization:

Office of Naval Research (ONR)
875 North Randolph Street
Arlington, VA 22203-1995

Performing Organization:

National Bureau of Economic Research, Inc. (NBER)
1050 Massachusetts Ave.
Cambridge, MA 02138-5398

Under the direction of:

Principal Investigator **Ethan Kapstein**, Arizona Centennial Professor of International Affairs, Arizona State University, and Senior Director for Research and Decision Analysis of ASU’s McCain Institute for International Leadership.

Co-Principal Investigator **Eli Berman**, Professor of Economics, University of California at San Diego, and Research Director for International Security Studies at the UC Institute on Global Conflict and Cooperation, as well as Research Associate at the National Bureau of Economic Research.

Subcontract Principal Investigator **James Fearon**, Theodore and Frances Geballe Professor in the School of Humanities and Sciences and Professor of Political Science, Stanford University.

Subcontract Co-Principal Investigator **Joseph Felter**, Senior Research Scholar, Stanford University’s Center for International Security and Cooperation (CISAC) and Research Fellow at the Hoover Institution, and retired US Army Special Forces Colonel.

Technical Approach:

Evidence-based theoretical and empirical research exploiting unique access to comprehensive micro-data on 21st century insurgency and counterinsurgency outcomes in the Philippines.

- Project A: Counterinsurgency and Well Being
- Project B: The Micro-Foundations of Insurgent Surrender
- Project C: Sources of Military Effectiveness in Counterinsurgency

Project Objectives:

Formally model hypotheses relating state control to economic activity, violence and wellbeing; generate testable implications; test using data from Philippine insurgency. Develop implications for force configuration, rebel surrender.

Accomplishments:

5 publications, 6 submitted articles, 3 working papers, 3 submitted book manuscripts
3 major datasets organized

Expansion grant accomplishments by activity include:

A. Counterinsurgency and Well Being

1. Econometric modeling complete: Philippine Peace and Development Team (COIN) operations associated with 60% reduction in malnutrition in affected villages after 3 years
2. Draft paper complete, presented January 2015 ASSA

B. The Micro-Foundations of Insurgent Surrender

1. Comprehensive 24 year data set on characteristics and motivations of 13k individual surrendered rebels from multiple insurgent groups compiled and organized
2. Draft working paper provides empirical and qualitative evidence explaining rebel surrender as a function of hardship and commitment interacted with opportunity for surrender
3. Manuscript draft ongoing

C. Sources of Military Effectiveness in Counterinsurgency

1. Comprehensive 37 year incident level data set compiled and organized. Over 102,000 individually coded incidents
2. Draft working paper presents evidence that individual level qualities of security forces and access to local information predict key outcomes and effectiveness in counterinsurgency
3. Two Draft Manuscripts (by Felter and by Kapstein)

Papers:

The following research was directly supported by the data collection and in-country interviews conducted during ONR-funded trips to Philippines.

Berman, Eli, Mitch Downey, and Joseph Felter, "Expanding Governance as Development: Evidence on Child Nutrition in the Philippines," NBER Working Paper No. 21849, 2016. Currently Under Review. <http://www.nber.org/papers/w21849>

Berman, Eli, Joseph Felter, Ethan Kapstein, and Erin Troland, "Predation, Taxation, Investment, and Violence: Evidence from the Philippines," NBER Working Paper No. 18375, 2012. <http://www.nber.org/papers/w18375>

Berman, Eli, Joseph Felter, Ethan Kapstein, and Erin Troland, "Predation, Taxation, Investment and Violence: Evidence from the Philippines," NBER Working Paper No. 19266, 2013. <http://www.nber.org/papers/w19266>

Berman, Eli and Aila Matanock, "The Empiricists' Insurgency," *Annual Review of Political Science*, 18(May): 443-464, 2015.

Crost, Benjamin, Claire Duquenois, Joseph Felter, and Daniel Rees, "Climate Change, Agricultural Production and Civil Conflict: Evidence from the Philippines," Institute for the Study of Labor (IZA) Discussion Paper No. 8965, 2015. Currently Under Review. <http://ftp.iza.org/dp8965.pdf>

- Crost, Benjamin and Joseph Felter, "Is Conflict Contagious? Evidence from a Natural Experiment," Households in Conflict Network (HiCN) Working Paper No. 197, 2015. Submitted to *Journal of Conflict Resolution*.
<http://www.hicn.org/wordpress/wp-content/uploads/2012/06/HiCN-WP-197.pdf>
- Crost, Benjamin, Joseph Felter, and Patrick Johnston, "Aid under Fire: Development Projects and Civil Conflict," *American Economic Review*, 104(6): 1833-1856, 2014.
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- Felter, Joseph, Eli Berman, and Jacob Shapiro, *Big Data Small Wars*, Princeton, NJ: Princeton University Press, book manuscript under contract.
- Felter, Joseph and Benjamin Crost, "Export Crops and Civil Conflict," Empirical Studies of Conflict (ESOC) Working Paper #4, 2016. Currently Under Review at *Journal of Political Economy*.
<https://esoc.princeton.edu/wp4>
- Kapstein, Ethan, "Foreign Aid and Counterinsurgency Policy: Lessons from Land Reform," Center for Global Development (CGD) Working Paper No. 349, 2013.
<http://www.cgdev.org/publication/foreign-aid-and-counterinsurgency-policy-lessons-land-reform-working-paper-349>
- Kapstein, Ethan, "Land and Rebellion: Lessons for Counter-insurgency," *Survival: Global Politics and Strategy*, 56(2): 109-128, 2014.
- Kapstein, Ethan, "How to Do Intervention Without Blowing Stuff Up," *Foreign Policy* online, May 27, 2014.
http://www.foreignpolicy.com/articles/2014/05/27/how_to_do_intervention_without_blowing_stuff_up_cold_war
- Kapstein, Ethan, "Success and Failure in Counterinsurgency Operations," *Journal of Cold War Studies*, 19(1): Winter 2016/2017 issue, forthcoming.
- Kapstein, Ethan, *The Seeds of Stability: Land and Developing World Conflict in U.S. Foreign Policy*, Cambridge, UK: Cambridge University Press, forthcoming.