

“Adding Economic Analysis to Intelligence Preparation of the Battlefield”

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Today, more than ever, economic analysis must be accounted for in Intelligence Preparation of the Battlefield (IPB). Army intelligence analysts already account for terrain and weather effects on the battlefield, but analysts do not account for what is truly the linchpin in all of our fights around the world; economics. Throughout history, economic factors have been the tinder that feeds the flames of war.

Economics is the social science that studies the production, distribution, and consumption of goods and services. The term economics comes from the Greek word for oikos (house) and nomos (custom or law), hence "rules of the house(hold)." ¹ Another definition is the study of trying to meet unlimited needs with limited resources.

Currently, the Army is teaching soldiers and officers cultural awareness. I have attended several of these types of classes, but none have adequately discussed the economics of the culture in question. Yet the etymology of the term “economics,” indicates that by knowing the economics of a place it will show what the “rules of the household” are; thereby deepening the understanding of that specific culture. When analysts can understand our adversary’s holistic situation, more importantly, understand neutral civilian population’s holistic situation, our power to win will dramatically increase both on the ground and in the minds of our adversary. Simply stated, adding an economic analysis tool to the current IPB process will not only deepen our cultural understanding and sensitivity to the area of operation, but enhance our nation’s ability to predict enemy actions.

Army doctrine states on several occasions that economics is a very significant part of warfare, specifically, counterinsurgency operations (COIN). With regard to COIN the leading doctrine on economics is found in the Logical Lines of Communication (LLO) model, found in Field Manual 3-24, Chapter 5, Executing COIN Operations. There are five elements to the key aspect of the LLO model, the last element being economic development. Under economic development there are five recommended actions to take.

- Mobilize / Develop Local Economic Activity
- Initiate Contracts Locally to Stimulate Trade
- Rebuild Commercial Infrastructure
- Support Broad Based Economic Opportunity
- Support a Free Market Economy

Chapter three of FM-3-24, Intelligence in COIN, provides a definition and statement on the significance of economics in COIN. Chapter eight, Sustainment, talks about support to economic development. Chapter two offers one bullet on economics, and chapter four gives a few words on how engineers should focus construction efforts with regard to economics.

What analysts are missing is the analysis and assessment of the economic situation in military area of operations, at the tactical level: battalion, brigade, division. Without analysis and

¹ Harper, Douglas (November 2001). Online Etymology Dictionary - Economy (HTML). Retrieved on October 27, 2007.

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assessment we cannot fully, nor effectively, gauge enemy forces, civilians on the battlefield, or the success or failures of US military actions; whether those actions are lethal or non-lethal.

The recommendation is to insert this economic analysis tool in step two of IPB, Describe the Battlefield's Effects (see IPB insert below). Economic analysis should be briefed after Terrain and Weather Analysis. Intelligence analysts should use map overlays supported with trend-lines shown on charts, graphs or scatter plots to visually prove the analysis and assessments, which is the driving point. Intelligence analysts must produce an overall assessment of economics' effects on the battlefield and a recommended operations list, mostly likely a non-lethal one.

Intelligence Preparation of the Battlefield

1. Define the Battlefield Environment
2. Describe the Battlefield's Effects
 - a. Analyze the Battlefield Environment
 - i. Terrain Analysis
 - ii. Weather Analysis
 - iii. Economic Analysis**
 - b. Analysis of Other Characteristics of the Battlefield
3. Describe the Battlefield's Effects on Threat and Friendly Capabilities and Broad COAs
4. Evaluate the Threat
5. Determine Threat Courses of Action

Economic analysis will be a very powerful tool for commanders and military operations. Understanding the economic situation will:

- Improve battlefield understanding / increase operational efficiency.
- Deny insurgents easy access to the people's hearts and minds.
- Maximize the people's support for their government / our mission.
- Maximize the effectiveness / focus of military operations.
- Minimize negative impacts of military operations on the people.
- Round-out predictive analysis, more inclusive.
- Create a priority list of social needs (non-lethal operations list), guides stability and support operations.
- Evaluate the likelihood of an insurgency taking root in an area.
- Indicate positive / negative economic effects on insurgents.
- Indicate positive / negative insurgent effects on economy.
- Indicate positive / negative military effects on economy.

The application of an economic analysis should follow a defined process. The process should be flexible to the given conflict or other unforeseen reasons. Overall though, the economic analysis should generally follow a phase or step sequence. For example:

Step one, establish economic indicators. These indicators are essentially variables that should be tailored to the area of operation. The indicators need to reflect the preponderance of the economy, rural or urban; agricultural, industrial, or service oriented for example.

Step two, analysts need to collect historical values for each of the selected indicators. For example purposes think of a mostly rural-agricultural economy. Select indicators, such as the number of farms, the size of farms and the number of cattle in the area, to name a few. In step two analysts' reference economic reports from the host country, international organizations and

US economic research organizations and find that a year earlier there were 104 farms, the average farm size was 30 acres and there were 5,852 head of cattle.

Step three, analysts determine the current values for the same indicators and find only 49 farms with an average size of 24 acres and 2,428 head of cattle.

Step four, calculate the difference in the values for each indicator. This step can be made as broad or as detailed as need or deemed appropriate by commanders on the ground. However, the intent for step four is to identify trends. According to the example situation, there was a loss of 55 farms, the average acreage decrease by four acres and the number of head of cattle fell by approximately half.

Step five, make an assessment of the economic effects on the battlefield. Again this step can be very broad or very detailed. Analysts may want to categorize the economic situation or potential impact on the battlefield via a three tier system. Looking at the example situation, a simple assessment may reveal that farmers are selling small segments of their farmland to maintain their income level or farmers are losing their labor force and are not able to farm as much land as usual. Also, a decrease in the number of farms may be indicative of where US and Allied forces emplaced bases of operation or storage, or an indication of insurgent forces buying out farms for the use of the land in training or preparation operations. The significant decrease in the number of head of cattle may be because of decreased amounts of dry food stocks or due to the decreased amount of farm land.

Tier one, weak / failing; tier two, static / unchanging; tier three, strong / growing. Analysts can even use a color-code system as the situation changes during the period of operations. Tier one, may be coded as red due to the failing nature of the economic situation; yellow or amber for the tier two and green for tier three where the economic situation is strong and growing.

An army “fights on its stomach,” and throughout the ages, removing the capability of the land and population to sustain a war effort is part of the strategy for victory. Yet as Jefferson wrote in his "Declaration of Causes and Necessity of Taking up Arms" on the 6th of July in 1775, “We have counted the cost of this contest ...the arms we have been compelled by our enemies to assume we will, in defiance of every hazard, with unabating firmness and perseverance, employ for the preservation of our liberties; being with one mind resolved to die freemen rather than to live slaves.” If we are viewed as enemies of a people rather than liberators, might they too fight to the death?

Extrapolating for a world wide application that our War for Independence strategy of General Washington involved “skirmishing” - attack and retreat, attack the enemy’s supply lines both on land and at sea with his “Washington Cruisers”, and lay in wait for the time when forces can be massed to defeat the superior forces of the enemy. And of course, the delay providing ammunition in the “psychological war” in the minds of the people and their elected servants who do not like to bear the costs of war.

Let us recall further American History and Economics, both for the causes in the initiation of the War Between the States and in the military prosecution of it. That war has been described as the first in the modern era of warfare. Tariff issues and methods of production (slavery on the farms vs. child labor in northern factories) were subordinate issues to the economic competition or “economic warfare” between two regions, one agricultural and one industrial.

The War came and the initial strategy included the “Anaconda Plan” of constricting the South and its economy with a blockade of its ports. That had limited effectiveness, so later the

commander in chief directed the “scorched earth” policy of war with Sheridan in the Shenandoah, and Sherman with his “March to the Sea” in Georgia. While effective in achieving victory, animosities were created that have spanned decades over a century.

Then the Reconstruction Period was basically an economic recovery program in a conquered territory, creating other successes and failures for future leaders to resolve.

Then look at World War I that left the German economy prostrate which served as a tinder box for the animosity that grew into the Third Reich and the flames of World War II. Learning from our post-WWI economic failure, the Marshall Plan in Europe, and McArthur’s work in Japan were very successful Reconstruction periods that have reshaped the modern world for the betterment of all mankind.

The lesson for America to be gained today in our efforts to expand Liberty around the world is that destruction of an adversary’s ability to wage war must then in our victory be reconstructed in a manner that will reshape the world for the future betterment of man. Our reconstruction efforts must be based on Liberty and Free Market Economics so the will and energies of the people are unleashed and encouraged to rebuild their nation into a new form that fosters Freedom and Liberty for all of its citizens.

When that is the result, America and the entire world win.

Autobiography:

I was born in Louisville, Kentucky, and graduated in 2002 as Valedictorian and Class President from Fairdale High School. With support from family, teachers and friends, I earned an Army ROTC Scholarship from the Cardinal Battalion, University of Louisville (U of L) May 2002.

Along with marrying my wife, Laura, in May 2006, I earned my Army Reserve Commission and Bachelor of Science Degree in Political Science from U of Louisville. My major concentrated on U.S. Constitutional Law and Public Policy and my minor was Military Science. I graduated as a Distinguished Military Graduate and awarded the George C. Marshall Award for scholarship, leadership and service.

From August 2006 to April 2007, I worked toward a Masters of Arts in Islamic and Middle Eastern Studies at the Hebrew University of Jerusalem, Israel. Academic studies centered on Islam, Iran and reconciliation in Iraq. Research aimed at each country’s governance and history in an effort to predict future political and military actions.

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