

# *Peace Economics, Peace Science and Public Policy*

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*Volume 17, Issue 1*

2011

*Article 4*

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## The Political Economy of the Creeping Militarization of U.S. Foreign Policy

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# The Political Economy of the Creeping Militarization of U.S. Foreign Policy\*

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## Abstract

This paper analyzes the political economy of the creeping militarization of U.S. foreign policy. The core argument is that in integrating the “3D” approach—defense, development, and diplomacy—policymakers have assigned responsibilities to military personnel which go beyond their comparative advantage, requiring them to become social engineers tasked with constructing entire societies. Evidence from *The U.S. Army Stability Operations Field Manual* is presented to illustrate the wide scope of responsibilities assigned to the U.S. military. The tools of political economy are used to analyze some of the implications.

**KEYWORDS:** 3D approach, U.S. foreign policy, The U.S. Army Stability Operations Field Manual

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\*I would like to thank Rachel Mathers, Adam Pellillo, two referees, and the Editor for helpful comments and suggestions. An earlier version of this paper was presented at The Association of Private Enterprise Education annual meetings in Nassau, The Bahamas, April, 2011.

## 1. Introduction

Consider the following hypothetical situation. The corporate complex of a company catches fire, and the local fire company arrives to extinguish the flames. In addition to extinguishing the fire, the fire chief tasks the firefighters with an array of activities which they must accomplish in addition to their core function of putting out the fire. First, they are ordered to deliver and administer medical supplies and care for those in need. Second, they are tasked with overseeing the physical reconstruction of the buildings once the flames are extinguished, even if the fire continues to burn elsewhere. Third, the chief orders the firefighters to oversee the supply chains between the company and its suppliers and between the company and its customers in order to foster sustained growth and development. Finally, the chief learns that the company has had several legal disputes with suppliers. He therefore tasks the firefighters with mediating and resolving these disputes in order to foster stability and growth going forward.

Most would find the demands put on the firefighters in this scenario to be unrealistic. They would contend that the firefighters are trained to extinguish fires which, in itself, is an extremely difficult task. They are not trained in construction, mediation and dispute resolution, or in managing economic affairs.

Yet these are just some of the tasks that members of the U.S. military are expected to accomplish under the worst possible conditions such as ongoing conflict, dysfunctional governments, humanitarian crises, and widespread poverty. The tasks required of soldiers have expanded well beyond traditional combat operations to include constructing societies from the blueprints of U.S. policymakers. This sentiment is captured by Defense Secretary Robert Gates (2009: 31) who recently stated that the United States needs a “military whose ability to kick down the door is matched by its ability to clean up the mess and even rebuild the house afterward.” In this context, rebuilding the house involves more than just physically reconstructing infrastructure and instead includes rebuilding all aspects of societies in the image of a blueprint based on U.S. values and designed by U.S. policymakers.

The expanded scope of military activities is part of the “creeping militarization” of U.S. foreign policy. The militarization of U.S. foreign policy is not a recent phenomena, as illustrated by the work of Charles Beard (1910), Smedley Butler (1935), Chalmers Johnson (2004), and Andrew Bacevich (2002, 2005), who have pointed out how the military has become increasingly involved in all aspects of U.S. foreign policy. The most recent example of this creeping militarization is the “3D approach”—defense, development, diplomacy—which has come to dominate U.S. foreign policy. This whole of government approach is intended to create continuity across U.S. diplomatic, defense, and development efforts. One consequence of this policy is that the military is explicitly tasked with

moving beyond its traditional defense activities to also become involved in diplomacy, humanitarianism, and development resulting in the explicit militarization of nearly all aspects of U.S. foreign policy.

In a 2008 speech, Gates addressed concerns about the creeping militarization of American foreign policy, noting that “This is not an entirely unreasonable sentiment. As a career CIA officer I watched with some dismay the increasing dominance of the defense 800 pound gorilla in the intelligence arena over the years” (2008). However, Gates did not see this as a significant issue as long as “...there is the right leadership, adequate funding of civilian agencies, effective coordination on the ground, and a clear understanding of the authorities, roles, and understandings of military versus civilian efforts, and how they fit, or in some cases don’t fit, together” (2008). Gates may be right that creeping militarization is not a major issue as long as the right conditions exist. However, how confident can we be that these conditions will actually hold in practice? An array of public choice models, which predict government failures in the process of designing and implementing policies, suggests that Gates’ assumption should be met with skepticism (see Mueller 2003).

The purpose of this paper is to analyze the political economy of the most recent iteration of the creeping militarization of U.S. foreign policy—the 3D approach. The core argument is that in integrating the 3Ds policymakers have assigned responsibilities to military personnel which go beyond their comparative advantage, requiring them to become social engineers tasked with (re-)constructing entire societies. In order to illustrate the wide scope of responsibilities assigned to the U.S. military under the 3D approach, I provide evidence from *The U.S. Army Stability Operations Field Manual* (2009). This manual is intended to provide a guide to U.S. military involvement in reconstruction and stabilization efforts abroad. In operationalizing the 3D approach, the Manual provides insight into current policy and expectations as they relate to the role of the military in U.S. foreign policy.

The tools of political economy are then used to develop several predictions regarding the expanded role of the military as required by the 3D approach. These include the likelihood of (1) competition between government agencies, and between these agencies and non-government civilian organizations, (2) competition between the operating principles of government agencies and non-government civilian organizations, (3) significant waste and fraud, and (4) more failures than successes in accomplishing desired end goals. These predictions are based on a long history of creeping militarization of U.S. foreign policy. Since the 3D approach continues and accelerates the trend of militarizing foreign policy, we can draw on past experience to deduce what can be expected under this new approach.

I proceed as follows. Section 2 discusses the creeping militarization of U.S. foreign policy. Section 3 documents the expansion of tasks assigned to the military by drawing on the *The U.S. Army Stability Operations Field Manual*. Section 4 offers several predictions regarding the increased militarization of U.S. foreign policy. Section 5 concludes with the implications.

## 2. The Creeping Militarization of U.S. Foreign Policy

The creeping militarization of U.S. foreign policy is not a new phenomenon. In his critique of the idea that the U.S. was a reluctant superpower, Charles Beard (1910: 331) noted the militarization of U.S. foreign policy, concluding that "...at no time has the United States refused to defend American commercial enterprise in any part of the globe." U.S. Marine Corps Major General Smedley Butler (1935) offered an indictment of the militarization of U.S. foreign political and economic policy in his famous speech and pamphlet, *War is a Racket*, which was based on his own role in a series of U.S. military interventions in the early 20<sup>th</sup> century. In addition to highlighting the long history of the militarization of U.S. foreign policy, both authors make clear how special interests can influence and manipulate political elites to use the military to serve their narrow interests. More recently, Chalmers Johnson (2005) has traced the expansion of U.S. foreign military bases to the Spanish-American War, which resulted in military installations in Central America as well as in various islands in the Caribbean, Guam, and the Philippines. These military bases, along with others established throughout the world since, have been central to carrying out U.S. foreign policy.

Andrew Bacevich (2002) has identified the overarching "grand strategy" of U.S. foreign policy, from World War I through the present, as being based on the "...creation of an open and integrated international order based on the principles of democratic capitalism, with the United States as the ultimate guarantor of order and enforcer of norms" (2002: 3). While the strategies to achieve this meta-goal have varied over time, they have typically involved the use of the military to varying degrees. For example, during the Cold War, U.S. foreign policy focused on containment strategies in order to open the world to democracy and capitalism. However, as Beinart (2010) has recently documented, creeping militarization during this period led to a shift from diplomacy to the use of the military in regions and conflicts that went well beyond the goal of containing Communism. Since the end of the Cold War, the promotion of globalization has been at the forefront of efforts by U.S. policymakers to spread democratic capitalism (see Bacevich 2002; Priest 2003). Further, because U.S. policymakers view democratic capitalism as being based on distinctly American values, they have concluded that the U.S. must play an active role as the leader of the spread of globalization (see Bacevich 2002; Mearsheimer 2011). This vision was reinforced

after the 9/11 attacks as indicated in President George W. Bush's second inaugural address where he noted that "...[I]t is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world" (2005).

The view that the military is central to U.S. foreign policy has been held by those from both of the two main U.S. political parties. For example, in 1990, conservative commentator Charles Krauthammer noted that "American preeminence is based on the fact that it is the only country with the military, diplomatic, political and economic assets to be a decisive player in any conflict in whatever part of the world it chooses to involve itself" (1990/1991: 24). He concluded that U.S. policymakers should be prepared to provide the "strength and will to lead a unipolar world, unashamedly laying down the rules of world order and being prepared to enforce them" (1990/1991: 33). In a 1998 interview, then Secretary of State Madeleine Albright stated that if the U.S. has "to use force, it is because we are America; we are the indispensable nation. We stand tall and we see further than other countries into the future."

Most recently, Secretary of State Hillary Clinton (2009) noted that "The foreign policy of the United States is built on the three Ds: defense, diplomacy, and development." This is just the latest, and perhaps most explicit, iteration of the militarization of U.S. foreign policy. The 3D approach is holistic and intended to create continuity across those involved in designing and implementing policies in these broad categories. The 3D approach emerged in response to the perceived lack of coordination between the various U.S. government civilian and non-civilian agencies—Department of Defense, State Department, and the United States Agency for International Development (USAID)—involved in designing and implementing U.S. foreign policy (Finney 2010). Its intention is to coordinate the visions and efforts of the various government agencies around unified goals.

In theory, the efforts of these different agencies should be mutually reinforcing, as illustrated in President Obama's National Security Strategy, which emphasizes the 3D approach (2010). Regarding diplomacy, the document states, "Our diplomats are the first line of engagement, listening to our partners, learning from them, building respect for one another, and seeking common ground. Diplomats, development experts, and others in the United States Government must be able to work side by side to support a common agenda" (14). Highlighting the role of defense, the strategy document continues that "We are strengthening our military to ensure that it can prevail in today's wars; to prevent and deter threats against the United States, its interests, and our allies and partners; and prepare to defend the United States in a wide range of contingencies against state and nonstate actors" (14). Finally, regarding development, it notes that "Through an aggressive and affirmative development agenda and commensurate resources, we can strengthen the regional partners we need to help

us stop conflicts and counter global criminal networks; build a stable, inclusive global economy with new sources of prosperity; advance democracy and human rights; and ultimately position ourselves to better address key global challenges...” (15).

This 3D approach is at the core of current U.S. foreign policy, including the transnational war on terror, efforts to fix the perceived ills that plague weak and failed states, and efforts to address a variety of humanitarian issues (see, for example, Shane, Mazzetti and Worth 2010). This approach makes explicit the U.S. military’s role in *all* aspects of American foreign policy, including such things as humanitarian and development aid. Young (2010) emphasizes the increased militarization of aid when he writes, “A principal tool in this vast [3D] effort is humanitarian and development assistance...Flows of aid to fragile states have grown significantly over the past decade...The rhetoric of foreign assistance policymakers is infused with terminology derived from national security and counterterrorism doctrine. Defense ministries now control vast aid budgets.”

The militarization of development can also be seen in the view that aid—development and humanitarian—is another “weapons system” that can complement broader diplomatic and defense goals (see US Army Combined Arms Center 2009). From this standpoint aid is a tool to win “the hearts and minds” of foreigners to achieve broader foreign policy goals. In contrast to the humanitarian view that aid should help those in need while striving for neutrality and impartiality, under creeping militarization aid is viewed as one aspect of broader political and military goals.

### 3. Evidence from *The U.S. Army Stability Operations Field Manual*

#### 3.1 *The Manual*

In order to illustrate the most recent iteration of the creeping militarization of U.S. foreign policy, I draw insights from *The U.S. Army Stability Field Manual* (the Manual) which is military doctrine regarding the “Army’s approach to the conduct of full spectrum operations in any environment across the spectrum of conflict.” The doctrine contained in the Manual “...focuses on achieving unity of effort through a comprehensive approach to stability operations” (2009: v). The Manual “was written *for* and *by* the civilian-military community of practice, which extends well beyond the U.S. Army.” As such, “...it is in every...way, shape, and form a true interagency, whole-of-government product” (2009: xxii, italics original).

Focusing on the Manual is useful since it is grounded in the holistic 3D approach. This “whole of government approach...integrates the collaborative efforts of the departments and agencies of the United States Government to achieve unity of effort toward a shared goal” (2009: 1-6). As such, the Manual can be seen as an attempt to operationalize the 3D approach to foreign policy. The tasks outlined in the Manual will therefore provide insight into the expectations placed on U.S. military personnel resulting from the creeping militarization of U.S. foreign policy. The Manual is intended to prepare the military when policymakers decide that intervention is necessary, but as the following subsections show, successful preparation would require the military to become experts in designing, or redesigning, entire societies from the ground up. While Shadlow (2009) may be correct in saying that “...Army engineers aren’t eager to become social engineers,” the reality is that this is precisely what is required of them given the ends established by policymakers and illustrated in the Manual.

### 3.2 Expected Outcomes

The Manual lays out clear guidelines for what the U.S. military is expected to accomplish in conflict environments. In the Foreword, Lieutenant General William B. Caldwell IV, Commander, US Army Combined Arms Center writes that “...we [the U.S. military] will work through and with the community of nations to defeat insurgency, assist fragile states, and provide vital humanitarian aid to the suffering...promote participation in government, spur economic development, and address the root causes of conflict among the disenfranchised populations of the world” (2009, Foreword). Elsewhere the Manual states that the goal of the U.S. military is to support reconstruction and stability operations by

...leveraging the coercive and constructive capabilities of the force to establish a safe and secure environment; facilitate reconciliation among local or regional adversaries; establish political, legal, social, and economic institutions; and help transition responsibility to a legitimate civil authority operating under the rule of law. This transition is fundamental to the shift in focus toward long-term developmental activities where military forces support broader efforts in pursuit of national and international objectives (2009: ix).

Later, the Manual goes on to define a “legitimate civil authority” as one with four main characteristics (2009: 1-11 – 1-12, bold original):



- **Honors and upholds basic human rights and fundamental freedoms.** Respects freedom of religion, conscience, speech, assembly, association, and press.
- **Responds to their citizens.** Submits to the will of the people, especially when people vote to change their government.
- **Exercises effective sovereignty.** Maintains order within its own borders, protects independent and impartial systems of justice, punishes crime, embraces the rule of law, and resists corruption.
- **Limits the reach of government.** Protects the institutions of civil society, including the family, religious communities, voluntary associations, private property, independent businesses, and a market economy.

Even under the worst conditions, where governments are completely dysfunctional, the expectations on the military are no less ambitious. The Manual states that the goal in “fragile states” requires the U.S. military to “Promote freedom, justice, and human dignity while working to end tyranny, to promote effective democracies, and to extend prosperity through free trade and wise development policies” (2009: 1-18). In sum, the U.S. military is tasked with building the entire array of institutions that underpin liberal democratic-capitalist societies.

### 3.3 The 3Ds

The doctrine in the Manual is grounded in the holistic 3D approach, which seeks to integrate the three main aspects of U.S. foreign policy into a single unified effort. In doing so, this approach necessarily expands the role of the military beyond traditional combat activities. To understand the array of tasks assigned to military personnel, consider Table 1.

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#### Defense

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- Enforcing cessation of hostilities and peace agreements including identifying and neutralizing potential adversaries (3-4).
- Establishing the conditions for the successful reform of the security sector which includes vetting indigenous officers and commanders for past crimes, building the host nations capacity to protect military infrastructure, and establishing “defense institutions” (3-5).
- Design and implement a “disarmament, demobilization, and reintegration program” (3-5).
- Monitor and regulate borders and establish and enforce rules of movement (3-6).
- Design and implement an “identification program” related to personal identification and personal property (3-7).

- Provide security to key government facilities, religious and cultural sites, and reconstruction and stabilization personnel (3-7).
- Clear explosives and chemical, biological, radiological, and nuclear (CBRN) hazards. (3-8 – 3-9)
- Establish public order and safety (3-9)
- Establish an interim criminal justice system while reforming the permanent law enforcement and judicial systems (3-10 – 3-14).

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#### Diplomacy

- Support transitional administrators including local governance including: vetting government officials, reconstituting leadership at all levels of government, supporting elections, and supporting anticorruption initiatives (3-21 – 3-23).
- Civil affairs forces should support the full spectrum of operations by providing “unique area and linguistic orientation, cultural astuteness, advisory capabilities, and civilian professional skills...” (3-32). Success requires “...leveraging the relationship between the military force and every individual, group, and organization in the operational area” (3-33).

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#### Development

- Provide for the immediate humanitarian needs of the population, including food, water, medical supplies, proper sanitation and waste disposal (3-15 – 3-18).
- Support human rights initiatives, public health, and public education programs (3-19 – 3-20).
- Support economic recovery and enterprise creation by an initial infusion of cash into local economies. This initial infusion should be balanced with long-term stability and growth (3-24).
- Design and implement local job programs (3-25).
- Assess and support monetary institutions and programs, as well as the operations of the national treasury (3-25 – 3-26).
- Strengthen public and private sector development which includes (1) prioritizing public investment projects, (2) paying civil service debts, (3) facilitating access to markets, (4) strengthening the private sector through the facilitation of contracts and outsourcing, and (5) facilitating access to credit (3-26 – 3-27)
- Protect natural resources and the environment (3-27 – 3-28).
- Support agricultural development programs through the construction of infrastructure (e.g., irrigation), establishing work programs, and channeling food aid in order to promote exchange and market activity (3-28).
- Construct, or reconstruct, telecommunications, energy, and other infrastructure (3-29).

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**Table 1: A Sampling of the 3D approach**

Note that this table captures just some of the “essential” tasks which must be accomplished in order for stability operations to be successful. Like the

hypothetical story that began this paper, Table 1 illustrates how members of the military are tasked with a significant number of major responsibilities from providing basic security, delivering humanitarian aid, overseeing the rebuilding of infrastructure, and fostering economic development, all while engaging in ongoing combat.

### 3.4 Overarching Planning

In order to achieve the expected outcomes, the Manual notes that smart and comprehensive planning is crucial. This requires that "...commanders develop personal, detailed understanding of the situation and operational environment. They then visualize a desired end state and craft a broad concept for shaping the current conditions toward that end state. Finally, they describe their visualization through the commander's intent, planning guidance, and concept of operations... (4-1). Success ultimately requires planning not solely for military actions, but also ensuring that those activities align with the actions of the various civilian agencies and organizations involved. While the Manual notes that effective planning requires that the planner "reduce complexity" (4-2), only a few pages later it indicates that "Effective planning requires a broad understanding of the operational environment at all levels" (4-7). Further, in order to be effective, commanders and soldiers must "...anticipate the operational environment's evolving military and nonmilitary conditions" (4-7). They must do this while determining how to "balance resources, capabilities, and activities" (4-3), "shape a positive future" (4-4), and "recognize time horizons (4-4) in order to "understand [and avoid] the pitfalls" (4-5).

In order to assist in the planning process, the Manual suggests that planners at all levels use "lines of effort" which link "...multiple tasks and missions to focus efforts to establishing the conditions that define the desired end state" (4-15). The idea is that planners can use these lines of effort to illustrate how actions relate to one another and to desired end states. As noted, the military is not expected to accomplish these end goals by itself, but rather through a "unity of effort" which entails "integrating the capabilities of all the instruments of national power, as well as those of other nations, nongovernmental organizations, intergovernmental organizations, and the private sector" (1-6). This, of course, creates a massive coordination problem given the sheer number of people, agencies, and organizations involved. In order to solve this problem, the Manual calls for the creation of a series of "coordination centers" to serve as the primary "...interface among the local populace and institutions, humanitarian organizations, intergovernmental and nongovernmental organizations, multinational military forces, and other agencies of the U.S. government" (A-19). The number and size of centers will depend on the context of the specific intervention.

## 4. The Political Economy of the 3D Approach

Applying the tools of political economy to the past militarization of U.S. foreign policy provides a means of making predictions regarding what can be expected from the current iteration—the 3D approach—and its operationalization in the Manual. The 3D approach is a relatively new policy which is still being implemented, so we cannot attribute past outcomes directly to this new approach. However, we can extrapolate from past experiences with increased militarization to formulate some general pattern predictions of what we can expect from the 3D approach.

*Prediction 1: The 3D approach will result in competition between U.S. government agencies (civilian and non-civilian) and between government agencies and non-government civilian organizations for power and resources.*

In a speech on “Development in the 21<sup>st</sup> Century,” Secretary of State Hillary Clinton (2010) stated that, “Development must become an equal pillar of our foreign policy, alongside defense and diplomacy...” Later in that same speech, Clinton recognized a potential problem—“...that integrating development means diluting it or politicizing it – giving up our long-term development goals to achieve short-term objectives or handing over more of the work of development to our diplomats or defense experts.” However, she quickly dismissed this: “That is not what we mean, nor what we will do.”

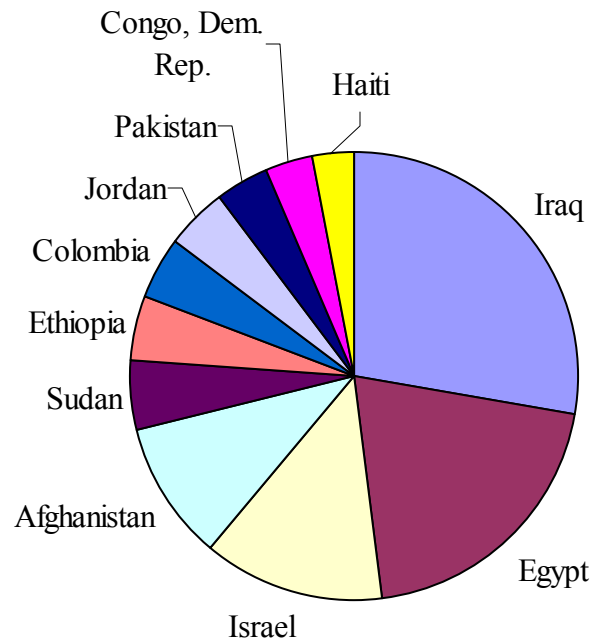
This logic, however, neglects the political economy of government agencies which indicates that the 3D approach will lead to conflict on several margins. The political economy of bureaucracy emphasizes that government agencies are driven by increasing the scope of their power through increases in the budget and staff size. The result is a competition between agencies for power over the design and implementation of policy. This involves allocating resources to lobbying to secure as much of the available budget as possible. Further, as non-government civilian agencies have become increasingly involved in foreign policy, they too have entered the competition to secure funds. For example, regarding humanitarian relief agencies, Foley (2008: 15) notes that, “Press offices and lobbyists are employed to highlight particular crises... Their job is to stir people’s consciences to ‘do something to help.’ This has institutionalized political humanitarianism in the work of most relief agencies.” There is a long history of competition for resources among the military, State Department, and USAID. The problem has always been that it is not a competition among equals since the past

militarization of U.S. foreign policy has resulted in the military possessing significant influence and a larger share of the available resources.

In the context of the 3D approach, the potential problem is that even though the various government agencies (civilian and non-civilian) and non-government civilian organizations are supposed to be part of a broader, holistic effort, they will, in reality, be competing with one another. This was evident even before the U.S. reconstruction of Iraq began and well before the 3D approach was elucidated. Diamond (2005: 28–29) notes that “A number of U.S. government agencies had a variety of visions of how political authority would be reestablished in Iraq...In the bitter, relentless infighting among U.S. government agencies in advance of the war, none of these preferences clearly prevailed.” Similarly, Philips (2005: 7) indicates that “relations between the Office of the Secretary of Defense (OSD) and the State Department became increasingly acrimonious. U.S. officials vied for control over the Iraq policy.” In general, when agencies are competing over limited resources and power it undermines broader efforts to achieve common goals.

Yet another way that competition between government agencies, and between agencies and non-government civilian organizations, manifests itself is through the disconnect between agendas and related time horizons. As the above quote by Clinton made clear, the biggest concern is that short-term military objectives will replace longer-term development objectives. Despite Clinton’s attempt to dispel this concern, it is precisely what we observe happening in practice. Consider that a coalition of eight NGOs working in Afghanistan recently released a statement noting that the use of aid by the military “...focuses not on alleviating poverty but on winning the loyalty of Afghans through the provision of aid.” They went on to note that projects funded and directed by the military “...aim to achieve fast results but are often poorly executed, inappropriate and do not have sufficient community involvement to make them sustainable” (Act!onaid et al. 2010: 1). As this example illustrates, a 3D approach leads to defense objectives driving development policy.

To provide further evidence that defense objectives drive development initiatives, consider the top recipients of U.S. official development assistance (net disbursements) during the 1989-2009 period as shown in Figure 1.



**Figure 1: Total Official Development Assistance from U.S.: 1989-2009 (Constant 2008 Prices)<sup>1</sup>**

Aid to Iraq and Afghanistan is driven by the U.S. military occupation of both countries. Consider that between 2000 and 2009, Iraq (\$31bn) and Afghanistan (\$11bn) were the two largest recipients of official development assistance from the U.S.<sup>2</sup> Note also that between 1989 – 1999, Iraq received approximately \$958 million in total aid, while Afghanistan received approximately \$500 million. Afghanistan and Iraq only became development priorities *after* they were deemed to be defense priorities. It is well-known that U.S. aid to Egypt and Israel is driven by other political and security interests beyond development (see, for instance, Clarke 1997). Similar arguments can be made for aid to Sudan, Colombia, and Pakistan. Given that there is evidence that defense already drives development aid, one should expect the influence of defense objectives to only increase under the 3D approach.

<sup>1</sup> Source: OECD International Development Statistics, ODA by Recipient.

<sup>2</sup> Source: OECD International Development Statistics, ODA by Recipient.

More generally, a central lesson from political economy is that it cannot be assumed that aid is allocated according to a benevolent standard of helping those most in need. Instead, political factors influence how aid is allocated. An existing empirical literature supports this insight. Anwar and Michaelowa (2006) attribute variations in bilateral aid flows from the U.S. to Pakistan to the influence of ethnic lobbying and U.S. business interests. Olofsgard and Boschini (2007) explore the reduction in aid from 17 donor countries following the end of the Cold War. They find that reductions in aid are correlated with a decrease in military expenditures in the former Eastern bloc, implying that these expenditures were a motivating factor behind aid delivery. Kilby (2009) analyzes how pressure from powerful donors can influence the enforcement of aid conditionality and finds that the World Bank is less likely to enforce structural adjustment conditions against those countries aligned with the U.S. Fleck and Kilby (2010) analyze how the allocation of U.S. aid has changed with the onset of the War on Terror, finding that decreased weight has been placed on the need of the recipient country as the strategic use of aid to fight terrorism has increased. Finally, Dreher and Sturm (forthcoming) analyze the influence of the IMF and World Bank on the voting patterns in the UN General Assembly. They find that countries receiving adjustment programs from the World Bank, and larger non-concessional loans from the World Bank and IMF, are more likely to vote with the average G7 country.

Taken together, this literature implies that competition between political interests plays a central role in aid allocation. This dynamic will continue under the 3D approach which creates competition between U.S. agencies and non-government civilian organizations. The issue then becomes which agencies will win the competition for power and influence.

The final issue with achieving a balance between the 3Ds is the existing size and influence of U.S. agencies. Nathan Finney (2010) points out that “the DoD’s budget alone dwarfs the others, as does their personnel capacity. The disparity in resources and size make it challenging for the State Department, USAID, and the many NGOs to act as equal partners with the DoD.” The large size of the DoD, relative to other government agencies, means that it is likely to be the main driver of U.S. foreign policy. Easterly and Freschi (2010) capture this point when they note that “In the battle of the Ds, enervated development loses to pumped-up defense...”

In order to illustrate the magnitude of this disparity, consider the following from the FY 2012 budget request from President Obama. The base budget request for the Department of Defense is \$513 billion, while the base budget request for “international programs,” which includes funding for the Department of State, USAID, and other international programs, is \$47 billion. In addition to these base budget requests, the Department of Defense is allocated \$118 billion and the

Department of State \$8.7 billion for “contingency operations”—e.g., the efforts in Iraq, Afghanistan, Pakistan, etc. (Office of Management and Budget 2011). Taken together, this indicates that for every \$1 allocated to diplomacy and development, over \$11 is allocated to defense.

In theory, the 3D approach is supposed to overcome poor coordination between government agencies, and between these agencies and non-government civilian organizations. However, the logic of political economy predicts the opposite outcome for at least three reasons which find support in past experience. First, the political economy of government bureaucracies predicts continued competition over resources and power. As noted, this competition has spilled outside of government agencies, as NGOs and other organizations have become increasingly dependent on government funds. Second, the existing disparities in budgets and power mean that the DoD has a position of strength relative to the State Department and USAID. As such, the DoD has not only the budgetary resources, but also the connections within government, to drive foreign policy. Finally, because reconstructions are increasingly taking place amidst ongoing conflict (see Coyne and Pellillo forthcoming), it should be assumed that the military will be the main driver of the intervention, with diplomacy and development playing subsidiary roles. To the extent this is true, one should expect a clash of missions, strategies, and agendas among the various government agencies (civilian and non-civilian) and non-government civilian organizations involved in foreign policy.

*Prediction 2: The 3D approach will result in a conflict of fundamental operating principles between the U.S. military and civilian organizations.*

The operating principles of many civilian organizations are fundamentally at odds with the operating principles of the U.S. military. The 3D approach will tend to exacerbate this conflict of principles. Consider that among the core principles of humanitarian action are neutrality and independence (see Young 2010). Neutrality implies that humanitarian organizations do not pick sides in conflict and instead deliver assistance based on need. The principle of independence means that humanitarian action is separate from other political and military objectives. For humanitarians, these principles are not subject to compromise.

The merging of humanitarian action with military action, as per the 3D approach, violates the independence principle, since humanitarianism is linked with military objectives. Betts (1994) has pointed out the “delusion of impartiality” which refers to the fact that foreign military forces cannot remain neutral in foreign interventions. This implies that linking military objectives with humanitarian actions means that the partiality of the military will spill over to



humanitarians violating their core operating principles. One example of this, discussed earlier (Section 2), is the emerging view of aid as a “weapons system” to be used to “win hearts and minds.” This approach shifts the use of aid for purely humanitarian purposes—helping those in need—to achieving other political and military objectives.

The militarization of humanitarianism has at least three important consequences. First, it threatens the lives of humanitarian workers, as they are seen by combatants as part of the ‘other side.’ Second, it threatens the ability of humanitarian organizations to access those in need—e.g., prisoners of war, etc.—a privilege typically granted to these organizations precisely because of the humanitarian principles they follow. From this standpoint, not only does the 3D approach lead to tension between operating principles, but it threatens to erode the core principles of humanitarianism, and in doing so, threatens the ability of humanitarian organizations to help the victims of conflict and other crises. Third, the attempt to deliver assistance by armed and uniformed military forces themselves—or by aid workers surrounded by military forces—makes the aid less acceptable and therefore less effective. The military is typically focused on the short-term results instead of longer-term goals. If this is known by citizens in the occupied country, they will be less likely to believe that the military is working to further their interests.

To provide an example of how these dynamics can manifest themselves in practice, consider the case of the U.S.-led military operation in the Marja district of Afghanistan in early 2010. The American commander at the time, General Stanley McChrystal, had developed a strategy centered around the idea of a “government in a box.” The underlying idea was that the military operation would be quickly followed by the delivery of critical services such as health care, education, and jobs in order to win the hearts and minds of citizens while preventing a power vacuum. This meant that the delivery of humanitarian aid was intertwined with the broader military strategy of establishing a sustainable government. Days after the military operation began, senior UN officials criticized the effort as a “militarization of humanitarian aid” and refused to participate in the effort in Marja which caused a problem for the holistic plan (Nordland 2010).

As another example, consider the reaction of Lex Kassenberg, country director for CARE International, who noted that “If we are forced to be involved in counterinsurgency activities and work with [NATO-led] Provincial Reconstruction Teams and military entities, our acceptance in the communities will be demolished...” As a result, Kassenberg noted that CARE had turned “...down funding opportunities which require working with the military and involvement in counterinsurgency...” (IRIN 2009). In another instance, several humanitarian organizations—the International Rescue Committee, CARE, and

WorldVision—refused to participate in a USAID project to build schools and hospitals because of concerns that it would undermine their operating principles of independence and neutrality (see Epstein 2003).

These examples illustrate the more general issue that it is difficult to develop and execute a holistic approach when there are fundamental differences in the operating principles of the agencies and organizations involved. Further, when agencies and organizations are unwilling to trade off on those principles, reaching compromise on a holistic strategy is that much more difficult. These tensions have been evident in Afghanistan and were exacerbated by the call by policymakers for a “civilian surge” to assist with development (see Metz 2009). With no resolution to this issue discussed in the Manual, one can only expect these tensions to continue, if not get worse, under the 3D approach.

*Prediction 3: Foreign interventions based on guidelines established in The U.S. Army Stability Field Manual will be characterized by significant waste and fraud.*

As discussed earlier (Section 3.4), the Manual suggests the creation of numerous “coordination centers” to oversee the implementation of the desired activities and plans. These centers create numerous layers of bureaucracy which suffer from the well-known principal-agent problem. This problem is the result of imperfect, or asymmetric, information between two parties—a ‘principal’ who hires an ‘agent’ to act on their behalf. Under such a scenario, agents can carry out delegated responsibilities in ways that furthers their own interests as compared to furthering the interests of the principal. Solving this problem requires finding mechanisms to overcome asymmetries of information such that the incentives of the principal and agent are aligned.

In the case of U.S. foreign policy, the principal-agent problem plays a central role, precisely because it occurs on multiple levels, as illustrated by the following chain. Taxpayers—i.e., principals—in the U.S. ‘hire’ representatives as their agents to ensure that their tax dollars are being spent wisely. These representatives then become principals and ‘hire’ agents in the form of a variety of government agencies (civilian and non-civilian) to carry out humanitarian activities in other countries by allocating them a certain budget. These agencies often subcontract part of their budget to private civilian organization (e.g., NGOs, private security, etc.) meaning that the government agency becomes a principal and hires the private civilian organization as its agents by granting them a certain budget. Finally, to the extent that non-government civilian agencies then channel funds to different sources within the country where they are working, they assume the principal role and must monitor the agent. As this chain illustrates, the typical activity in foreign countries is characterized by numerous principals and

numerous agents, with the same party typically assuming both roles in the broader chain of activities.

Given the sheer complexity of the situation, developing mechanisms to align incentives at each of these stages is a daunting task with no apparent solution. In the absence of effective monitoring mechanisms, the predicted outcome is waste and fraud. With no clear lines of ownership, monitoring, or accountability, there is little incentive for the various agents to care for the significant amounts of money allocated to foreign interventions. This outcome is precisely what is observed in practice.

To provide an example of the type of waste that can occur, consider a series of audits by the Special Inspector General for the Afghanistan Reconstruction. One report (2010a: 1) found that “ANP [Afghanistan National Police] District Headquarters facilities in Helmand and Kandahar Provinces Have Significant Construction Deficiencies Due to Lack of Oversight and Poor Contractor Performance.” Another report (2010b) found that the Departments of Defense and State, and the U.S. Agency for International Development were unable to account for nearly \$18 billion spent on various contracting projects. A third report (2010c: ii) noted that “Neither the Afghan government nor donors can account for the total number of Afghan government employees and technical advisors that receive salary support [from external donors] or identify how much they are paid, due in large part to a lack of transparency over that support.”

Similar problems can be observed in Iraq. For example, a report by the Special Inspector General for the Iraq Reconstruction (2010: 4) concluded that “Weaknesses in DoD’s financial and management controls left it unable to properly account for \$8.7 billion of the \$9.1 billion in DFI [Development Fund for Iraq] funds it received for reconstruction activities in Iraq.” The report went on to note that, “DoD did not designate an executive agent responsible for developing policy or overseeing the use of DFI funds and key information on using DFI funds was not transmitted to the organizations that received funds” (4).

As these examples illustrate, the principal-agent problem is a significant issue in any type of foreign intervention. Given the sheer array of activities listed in the Manual, with no clear solution to this problem, it can only be expected to continue, if not increase under the 3D approach. When waste and fraud occurs, the standard solution is to attempt to improve coordination and accountability through additional, and more centralized, layers of bureaucracy. This, however, just exacerbates the problem by adding more principals and agents to the mix. For example, Natsios (2010) highlights the tension between the compliance side and programmatic side of USAID. In doing so, he emphasizes how the compliance side has become so burdensome that it significantly hampers the program side, limiting the effectiveness of agencies to assist those in need.

*Prediction 4: Foreign interventions tasked with achieving the ends stated in The U.S. Army Stability Field Manual will result in more failures than successes.*

There is no evidence that the military can effectively achieve the outcomes stated in the Manual. While it is difficult to operationalize ‘failure’ and ‘success,’ various benchmarks and end goals of previous experiences allow some form of measurement of expected outcomes of future efforts based on the 3D approach.

Consider first the goal of establishing democratic political institutions which constrain the predatory proclivities of government while protecting citizens from government abuse. In summing up their research on the use of the U.S. military to export democracy, Downs and Bueno de Mesquita (2004) write, “Between World War II and the present, the United States intervened more than 35 times in developing countries around the world...in only one case -- Colombia after the American decision in 1989 to engage in the war on drugs -- did a full-fledged, stable democracy...emerge within 10 years. That's a success rate of less than 3%” (see also Downs and Bueno de Mesquita 2006). Pickering and Peceny (2006: 554) conclude that “...when supportive and hostile U.S. interventions are added together in our sample, 83.3% resulted in no political liberalization and 91.6% failed to democratize the target society.” Coyne (2008) looks at U.S. interventions starting with Cuba in 1898 and, using a generous benchmark of success of present-day Iran, concludes that, at best, the U.S. success rate is 36%. Historical evidence supports skepticism of the U.S. military’s ability to export democratic institutions.

In order to explain the historical tendency of failure, rather than success, Coyne (2008) and Coyne and Pellillo (2011) highlight the knowledge and political economy problems at work in reconstruction. These problems range from knowing how to construct the foundations of liberal democratic and economic institutions, to actually carrying out those plans in practice. Implementation efforts suffer from credible commitment problems, problems of expectations management, pressures from voters and special interests, as well as the issues of bureaucracy discussed above. Coyne and Pellillo (2011) argue that these problems are likely to be greater in cases of reconstruction amidst ongoing conflict, which is likely to be the norm in the foreseeable future. The Manual does not address these fundamental issues, let alone provide any type of solution under the 3D approach, providing further support for a default position of skepticism regarding the ability to achieve the desired end goals.

Similar problems plague the economic tasks that the Manual assigns to the military. There is no evidence that the U.S. military has the knowledge or ability to foster economic growth through “wise development policies” (*The U.S. Army Stability Field Manual* 2009: 1-18). For one, the Manual does not attempt

elaborate on what constitutes a wise policy. However, in attempting to foster development military personnel suffer from the classic planner's dilemma which plagued historical efforts to centrally plan economic activity aimed at achieving growth. Mises (1935) and Hayek (1948) provided theoretical arguments against the ability to centrally plan economic activity by arguing that planners would be unable to engage in economic calculation to allocate resources to their highest valued use. Hayek (1945) argued that markets, which the Manual tasks military personnel with planning, are desirable precisely because they allow people to act on dispersed information which is beyond the grasp of any single mind or groups of minds.

In addition to theoretical arguments against central planning, the empirical evidence does not provide strong support that the economic objectives stated in the Manual can be achieved in practice. The empirical record of foreign aid intended to foster long-term development shows numerous failures (see Easterly 2002, 2006), and there is sharp debate over the role of aid in economic growth (see Radelet 2006 for a survey). Williamson (2010) highlights the knowledge and incentive issues that plague these efforts.

The core problem is as follows: we know *what* is required for economic prosperity—what Rodrik (2007) calls the “first-order economic principles” of private property, sound policy, markets, etc.—but we don't know *how* to get these conditions where they do not already exist. Along these lines, Easterly (2002, 2006, 2008) and MacMillan (2008) conclude that there is no known solution to global poverty. To further support this point, consider that empirical studies of the factors behind economic growth have identified at least 145 different variables that are statistically significant (Durlauf et al. 2005).

The Manual provides no guidance on filling the gap between the *know what* and *know how*. This makes sense because no known solution exists. Given that scholars and experts do not know how to go about getting liberal democratic-capitalist institutions where they don't exist, and given their lack of a solution to economic underdevelopment, why should we expect members of the military to be able to accomplish these outcomes as demanded of them by the Manual?

## 5. Conclusion

My analysis has several implications. First, the creeping militarization of U.S. foreign policy has put an unrealistic burden on the U.S. military that forces them to go beyond their comparative advantage. The risk is that in becoming jacks of all trades, military personnel will become masters of none. Asking members of the military to not only engage in effective combat, but to also rebuild entire societies is simply unrealistic and likely to fail. The real risk is that these failures

will result in harms to ordinary people ranging from citizens in foreign countries to those staffing civilian agencies and private civilian organizations. Development efforts, if militarized, may lead to insurgents and terrorists targeting aid workers and those they seek to help. One response is that the range of tasks covered in the Manual is what current-day warfare (e.g. insurgencies, terrorism, etc.) requires. If so, this is an argument for restraint in engaging in such warfare in the first place.

Second, all considerations of foreign intervention must be grounded in the realities of political economy. Interventions designed in the abstract are bound to fail precisely because they neglect the array of incentives and constraints which exist in reality. This may appear to be common sense, but as the various quotes throughout this paper indicate, this implication has not been internalized. The outcome of neglecting the realities of political economy is captured in the *The U.S. Army Stability Field Manual* which provides a blueprint for reconstructing entire societies with no acknowledgement or discussion of the relevant constraints and incentives involved.

Instead of starting with the first-best desired outcome—e.g., the outcomes listed in the Manual—discussions of foreign interventions should start with a discussion of the limits of human reason to understand what can actually be accomplished. As Buchanan (2001: 317) points out, appreciating the limits imposed by constraints so that this harm can be avoided “...is as important as recognizing the potential that may be achieved within those limits.” Adopting this mentality is crucial to overcoming one of the persistent fallacies regarding foreign interventions—if policymakers can imagine a better state of affairs, this therefore implies that interventions to bring about that state of affairs are likewise desirable (see Coyne and Mathers 2010). An appreciation of political economy forces one to recognize that this is not the case.

Finally, my analysis turns one of the standard critiques of foreign intervention on its head. This critique holds that “the better we [the U.S.] become at nation-building...the more likely we are to try to do more of it” (*The U.S. Army Stability Field Manual* 2009: xv). In contrast, the logic of political economy indicates that as the U.S. fails at nation building, policymakers are likely to continue to seek even more ambitious reforms to address the perceived reasons for past failures. The result is increasingly grandiose plans which are more likely to fail for the reasons discussed above. Indeed, the past failures that led to the need for the Manual in the first place imply that the very problem may be one of failing to appreciate the limits of what can be rationally designed through reason. To the extent that this is true, it cannot be solved through efforts at even more comprehensive planning. While the logic of a whole of government approach to foreign intervention seems appealing in theory, in practice a focus on what is actually feasible makes more sense. While the specifics of each case will be

different, determining what is feasible must always begin with an appreciation and recognition of the relevant incentives and constraints.

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