

## Predictors of Economic Outlook in Stability Operations

By

Juan Carlos Garcia, University of South Florida

Through FY 2016, the US Department of State (DoS) and US Agency for International Development (USAID) had received over \$123.2 billion for foreign operations and development in support of efforts on the Global War on Terrorism (GWOT) (Williams & Epstein, 2017). It is recognized economic development efforts are part of a larger and broader strategy involving security and political components. Because of this, to be of maximum effect, economic development should be fully integrated and synchronized with political and security processes (Donley, 2016). Understanding the attitudes and perceptions toward economic opportunity is critical to developing programs

**The U.S. government conducts security, economic stabilization, and governance programs as part of stability operations intended to reduce conflict and violence in partner nations. This paper addresses how perceptions of security and governance affect the local populations' economic outlook during stability operations.**

that effectively integrate stabilization functions and produce intended results.

This study examines how perceptions of security and governance affect individuals' perceptions of economic outlook. As will be shown, there is a gap in the literature on whether support for the government or the security status affects economic sentiment. Past studies have utilized observational or quasi-experimental research designs to identify the presumed link between aid, attitudes, and violence. Still, they do not examine whether economic aid improved support for the government at the level where aid is delivered (Lyall, Zhou, & Imai, 2020).

Keywords: Stabilization, Economic Development, Counterinsurgency, Economic Perceptions

The research question was inspired from personal experiences during a deployment to Afghanistan in support of U.S. Army operations in 2011 and 2012. I participated in efforts to improve local security, governance and economic development in the eastern region of Afghanistan while simultaneously reducing the Taliban insurgency’s credibility among the population. As I watched different programs for economic development being conducted in the country I often wondered how the population perceived our efforts.

The research evaluates attitudinal data gathered through the United States Agency for International Development’s (USAID) Measuring Impact of Stabilization Initiatives (MISTI) Project. The MISTI project sought to measure stabilization trends and impacts of USAID programs conducted in Afghanistan (Agency for International Development, 2017). MISTI contains the response data from five semi-annual iterations of surveys conducted from September 2012 through November 2014. A thorough review of the questionnaire resulted in eleven questions used as variables for perceptions of economic outlook, security, and governance (Table 1).

Two multiple regression models were developed to determine how perceptions of the variables of governance and security best explain the variance of two attitudinal measures of economic outlook, (1) the ability to get to markets, and (2) the perceived availability of jobs. In addition, step-wise regression was used on each measure to develop best fit models explaining the relationships between Security and Governance, and Economic Outlook.

## Findings

The research provided exciting insights into how perceptions of security and governance affect economic outlook. First, we find that overall security and government services availability were the most significant predictors of the ability to get to market and job availability. Second, confidence in government officials and government responsiveness were not significant predictors for attitudes towards the ability to get to market and availability of jobs, respectively. Finally, while security forces’ presence was very weakly correlated to security and governance perceptions, it remains a significant albeit

small predictor of the ability to get to market but contributes more to predicting availability of jobs.

Confidence in security forces and perceptions of their ability to provide security were not supported as having a significant positive relationship with Availability of Jobs. In fact, both had negative effects on the dependent variable. This runs contrary to accepted general theory within counterinsurgency, where substantial effort is made to develop and promote the legitimacy and ability of the security forces among the population. According to theory, these should have positive effects. Though not within the scope of this study to determine if these are confounding variables or if they are displaying suppression effects, it should be looked into further to identify why there is a negative impact to perceptions in availability of jobs under these circumstances.

The weak correlation between security presence and both the availability to get to market and availability of jobs was of note. As noted in counterinsurgency doctrine and theory, security presence is believed to be critical to securing the populace and separating them from the insurgents (U.S. Army & U.S. Marine Corps, 2014). The interactions between the security forces and the population reinforce the perception of safety and enable a better understanding between the counterinsurgent and the population (Joint Chiefs of Staff, 2018). But, the literature also shows security forces could serve to both reduce or incite violence as their presence can invite insurgent attacks (Iyengar, Shapiro, & Hegarty, 2017). Though not included in this study, data on actual events of violence should be analyzed with the survey data to determine any confounding effects.

Further study should be taken to determine how the research is generalizable to other conflict areas such as those in Southeast Asia, other areas in the Middle East, and Africa. What is important is the process developed and analyzing the relationships between governance and security in these areas to gain a better understanding of the population’s perceptions and outlooks.

Given the large volume of data available in this data set, decisions were made to limit the scope of the study to the relevant questions directly related to security, security forces, confidence in government and their services, and the two measures of econom-

**Table 1: Variables studied**

Economic Outlook (DVs)	Security	Governance
Ability to get to markets	Overall security	Confidence in government officials
Availability of Jobs	Security presence	Government responsiveness
	Security confidence	Government ability
	Security ability	Fair treatment
		Availability of government services

ic outlook. I acknowledge the dataset is much richer and there is an opportunity for further research by analyzing other modules such as crime, community cohesion, etc. In addition, there is opportunity to delve deeper into the data; for example, it would be interesting to determine whether one type of security force (Afghan National Army, Afghan National Police, or Local Police) better explains and predicts our dependent variables.

## Conclusions

A better understanding of how complementary efforts in security and governance affect economic outlook can help donor nations and planners develop more effective stabilization programs to reduce conflict and prevent violence. While the literature has not proven a direct link between economic development and violence reduction, this study reveals the importance of understanding the effects between these on the population's perception. Considering the massive investments by donor countries into stability efforts, this research can inform decisions regarding investments in security, governance, and economic aid to maximize the effect on recipient populations' economic outlook.

The opportunity to apply this approach should not be confined strictly to overseas conflicts or the military, but rather many of the same concerns and grievances are prevalent among domestic populations as they look to their economic outlook. Currently in the U.S., with various social concerns and the effects of the COVID-19 pandemic, this approach could be useful in determining relationships between concerns of community policing, local government effectiveness, and health concerns, on local consumer confidence (as proxy to economic outlook) in order to understand how to best re-open our societies.

## Where to Find Out More

Information on the MISTI survey data were compiled from data provided by the US Institute of Peace for the USAID Development Data Library (DDL) website. The data can be found at:

<https://data.usaid.gov/Conflict-Mitigation-and-Stabilization/Measuring-Impact-of-Stabilization-Initiatives-Surv/2qkz-24gp>

For questions and requests for the source research,

contact the author, Dr. Juan Carlos Garcia at email: [jcgarcia2@usf.edu](mailto:jcgarcia2@usf.edu) or cell: (301) 787-5599.

## References

- Agency for International Development. (2017). MISTI OPEN DATA RELEASE 2 [Press release]. Retrieved from [https://data.usaid.gov/api/views/2qkz-24gp/files/a8c8fc39-470a-4a4f-9778-071eb0526e7a?download=true&filename=MISTI\\_20Factsheet.docx](https://data.usaid.gov/api/views/2qkz-24gp/files/a8c8fc39-470a-4a4f-9778-071eb0526e7a?download=true&filename=MISTI_20Factsheet.docx)
- Donley, P. H. (2016). Economic development in counterinsurgency: building a stable second pillar, 102
- Iyengar, R., Shapiro, J. N., & Hegarty, S. (2017). *Lessons learned from stabilization initiatives in Afghanistan: A systematic review of existing research*. <https://doi.org/10.7249/WR1191>
- Joint Chiefs of Staff. (2018). *Joint Publication 3-24, Counterinsurgency Operations*. (9781480275539). Washington, DC: U.S. Government Printing Office. Retrieved from [https://www.jcs.mil/Portals/36/Documents/Doctrine/pubs/jp3\\_24.pdf?ver=2018-05-11-102418-000](https://www.jcs.mil/Portals/36/Documents/Doctrine/pubs/jp3_24.pdf?ver=2018-05-11-102418-000).
- Lyall, J., Zhou, Y.-Y., & Imai, K. (2020). Can Economic Assistance Shape Combatant Support in War-time? Experimental Evidence from Afghanistan. *American Political Science Review*, 114(1), 126-143. <https://doi.org/10.1017/S0003055419000698>
- U.S. Army, & U.S. Marine Corps. (2014). Insurgencies and countering insurgencies. *Headquarters: Department of the Army: Washington DC*, 10(6), 2016.
- Williams, L. M., & Epstein, S. B. (2017). *Overseas contingency operations funding: Background and status*. WASHINGTON DC United States: LIBRARY OF CONGRESS Retrieved from <https://apps.dtic.mil/dtic/tr/fulltext/u2/1028517.pdf>.

## Review

This article was accepted under the **constructive peer review** option. For further details, see the descriptions at:

<http://mumabusinessreview.org/peer-review-options/>

## **Authors**



**Lt. Col. Juan Carlos Garcia** is the Future Operations Officer for the 7th Psychological Operations Group, U.S. Army Reserve. He served in support of operations throughout the United States Central Command area of responsibility and last served as Commander, 14th Psychological Operations Battalion. He holds a bachelor's degree in industrial engineering from Purdue University, a Master of Business Administration from the University of North Carolina, and a Master of International Relations from Troy University. He received his Doctor of Business Administration from the University of South Florida's Muma College of Business.