Social Return on Investment for US Army Africa Security Force Assistance Operations

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Abstract: Strategic investments produce both an economic and non-economic return on investment (ROI). Unfortunately, ROI is typically expressed solely in terms of economics returns. In developing countries, non-economic ROI is an important topic for developmental considerations, to include building partner capacity, cultivating military to military relationships, aid, etc. The Army and other government agencies must justify how its investments benefit the national security interests of the United States in order to receive funding for future activities. In support of US Army Africa (USARAF) a non-economic ROI methodology, Social Return on Investment, was developed. This methodology accounts for values not normally considered in financial terms. This research will attempt to identify possible areas USARAF can measure in order to determine the value it gains from its activities in Africa. By quantifying the non-economic value using measurable benefits, USARAF can better prioritize investments and conduct trade space analysis.

Keywords: Return on Investment, Social Return on Investment, Africa Investments, Strategic Investments

1. Overview

United States Army Africa/Southern European Task Force (USARAF/SETAF) is the U.S. Army’s service component supporting United States Africa Command (AFRICOM), and is responsible for projecting U.S. presence and protecting U.S. interests on the African continent through use of the U.S. Army. One component of USARAF’s mission is to conduct security force assistance operations which it accomplishes by providing monetary assistance, personnel, and time (the opportunity cost of operations in Africa versus training exercises elsewhere) to the 54 sovereign nations within USARAF’s area of responsibility (USARAF, 2016). Personnel and time are intangible investments whose costs and effects are not effectively calculated, thus they are not included in current return on investment (ROI) analyses. Currently, USARAF does not have a codified means to measure the impact of its engagements on the African continent. The purpose of this research is to provide USARAF a framework by which it can measure its return on investment of money, personnel, and time.

1.1 Summary of Previous Work

In the summer of 2016, three West Point cadets conducted research in support of USARAF’s Operations Research/Systems Analysis (ORSA) Branch where they conducted a broad ROI study on USARAF activities. This research produced three courses of action for USARAF to analyze its return on investment: Discrete Event Analysis (assessing the payoff of a single activity), Year-in-Review Analysis (assessing the combined effects of USARAF’s annual activities in a region), and Annual Monetary Analysis (monetizing all effects of annual activities in a region). The research utilized notional activities and data to apply the three courses of action to review hypothetical investments in Kenya.

Shortcomings identified during the conduct of this research included: not identifying areas in which USARAF should invest time, money, and personnel in the future and how to measure the consequences of such actions; failing to develop a means to equate the monetary value of time, personnel, and any effects of USARAF’s activities; and, analyzing USARAF’s ROI on too broad a scale. The research presented in this paper focuses solely on those activities associated with security force assistance (SFA) in order to align more closely with USARAF’s mission. Security force assistance activities are “the Department of Defense [DoD] activities that contribute to unified action by the United States Government to support the development of the capacity and capability of foreign security forces and their supporting institutions” (FM 3-22, 2013, p. 1-10). In identifying, quantifying, and applying SFA operations and their effects while utilizing the social return on investment approach, this research focused on expanding the methodology developed by the cadets in 2016.