

IWI's Economic and Legal Warfare Team Published by Joint Special Operations University Press on Contingent Capital and Economic Statecraft

Description

IWI's General Counsel and Co-Director of the [Economic and Legal Warfare \(ELW\) Project](#), [Matt Flug](#), together with fellow Co-Director [Thomas Johansmeyer](#), published a piece in the [Joint Special Operations University Press](#) introducing the concept of *insurfare*. The article highlights the use of contingent capital—such as time-based or performance-triggered funding commitments—as a strategic tool in economic statecraft. By proactively structuring financial instruments to deploy or withhold capital under specified conditions, governments and organizations can exert strategic pressure, incentivize behavior, and respond rapidly to geopolitical threats. The authors examine practical mechanisms such as capital buffers and trigger clauses, showing how contingent capital can function as both a deterrent and a reinforcement in economic conflict.

Key Takeaways:

- Contingent capital shifts leverage from purely reactive to pre-positioned instruments, increasing speed and credibility.
- By linking financing conditions to policy outcomes or behaviors, contingent capital can serve as both carrot and stick.
- This model extends traditional economic tools (e.g., sanctions, aid) with financial engineering that enhances strategic flexibility.

Why It Matters:

This approach adds a nuanced, under-leveraged dimension to economic statecraft—bridging legal design, financial structuring, and geopolitical strategy in a single framework. It's valuable for policymakers, financial institutions, and strategic planners aiming to increase agility and impact in international engagements.

Read the full article: [Leveraging Contingent Capital as a Non-Traditional Discipline of Economic Warfare](#)

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