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Jimmy Carter and United States officials meet with the Shah of Iran and Iranian officials. Taken on December 31, 1977, brightened for visual clarity. (Photo courtesy of National Archives and Records Administration, colors adjusted by MIPB staff)

Reclaiming Strategic Imagination: Enhancing U.S. Military Planning and Execution

by Captain Nader Z. Badran

Introduction

In recent years, the U.S. military has faced considerable challenges in maintaining effective and insightful strategic analysis at the operational and tactical levels. This stagnation is often attributed to H.R. McMaster's "strategic narcissism" concept, which describes the tendency to view all potential adversary actions or end states primarily from the perspective of their effects on the United States or Western goals.[1] The problem is exacerbated by a lack of deep strategic understanding of the adversary's capabilities and goals at operational and tactical levels, leading to overly simplistic analyses focused narrowly on when and where the enemy "will attack" without a broader contextual analysis of the adversary's overall strategic goals, history, and priorities.

The focus on immediate capabilities and probabilities, to the exclusion of detailed evaluation of historical context and actual end states, leads to the repetition of assessments like "the enemy will attack in the next 12 to 48 hours," which assume a considerable number of strategic goals in the ultimately tactical and capabilities-based conclusion of why, or even if, the enemy will attack. These bottom-line assessments are often wrong, and even when accurate, they do little to inform higher-level strategy beyond the immediate tactical area of operations. This leads to a top-down "Simon says" analytical framework in the way intelligence assessments are briefed.

Left: A protester giving flowers to an army officer during the Iranian revolution. Right: Iranian armed rebels during the Iranian revolution. (Public domain photos from Wikipedia)

This article proposes that revitalizing strategic imagination requires rededication to a nuanced understanding of adversaries' end states, historical contexts, adaptive planning, and the capacity to anticipate and adapt to unpredictability in warfare. Conducting capabilities-based assessments without a deep understanding of context, end states, and imagination is not analysis but merely reporting.

The Role of Historical Context in Strategic Analysis

Historical context plays a critical role in strategic analysis but frequently gets short treatment compared to capabilities-based bottom-line upfront assessments in a tactical setting. Wars and conflicts often arise from deep-seated geopolitical, cultural, and ideological tensions; ignoring these historical dynamics can obscure essential insights into adversarial behavior.

To illustrate this point, Iran's ambitions are shaped by a unique historical trajectory, including its traditional rivalries, colonial experiences, and the Islamic Revolution of 1979. The 1953 Central Intelligence Agency-led coup that overthrew Prime Minister Mohammad Mossadegh left a legacy of distrust of Western powers and further solidified Iran's anti-Western stance, as well as its desire to project power in the Middle East—not by modeling foreign relations on international norms, but by possession of the means and methods to exclude foreign influence. These events point to a deep, long-standing mistrust of what are often pitched by Western powers as neutral or status quo solutions based on international conventions and diplomacy. While a fair interpretation may be that Iran distrusts Western powers, an equally fair reading might be that Iran has a cultural mistrust of any security arrangement based on agreements since, historically, such arrangements have failed miserably to protect its interests. Understanding this historical context allows analysts to better grasp the motivations behind Iran's actions and craft more nuanced and compelling responses rather than assuming that Iran is simply hostile to every United States force in the area as its de jure enemy.

Unmasking the Adversary's Desired End State

A fundamental aspect of effective strategic planning is accurately identifying an adversary's end state. U.S. military analysts at the operational and tactical levels often view adversarial goals through a Western-centric lens, leading to a simplistic and flawed understanding of their motivations. Additionally, Western military strategy focuses on capabilities and effects, leading analysts to believe that our bigger guns will always win the fight. This reductive analysis results in low-value assessments, which add little to raw analysis. Where, how many, and what kind of equipment the adversary possesses is certainly important information, but it is simply regurgitated data. Proper analysis requires understanding how all this data plays into the adversary's end state. The current conflict with Iran demonstrates flawed binary reasoning: Iran opposes the United States; therefore, every end state necessarily involves attacks on United States troops. While it is true that Iran often directs its network of militias to attack American troops, it is equally valid that Iran's goals are more complex than merely opposing America—and some of their most important goals are achieved without attacks at all.

Analysts have consistently underestimated Iran's ambitions to establish itself as a dominant regional power, driven by a complex interplay of religious ideology, historical grievances,

and nationalistic pride. Iran's end state involves more than mere survival or military dominance; it seeks to fundamentally reshape the Middle East according to its vision of an Islamic Republic that challenges Western influence. Iran's support for proxy groups across the region is part of a broader strategy to influence regional politics and shift the balance of power in its favor, irrespective of that end state's ultimate effect upon the United States. Analysts who fail to grasp this underlying motivation may misinterpret Iran's actions as reactionary or opportunistic rather than as part of a long-term strategy for regional dominance. For example, Iran's support for groups like Hezbollah and the Houthis is not only about immediate military objectives but also about building a network of influence that extends Iran's reach and destabilizes rival powers, regardless of individual tactical engagements by the proxies and equally unrelated to whom those proxies target.

If we view the proxies as Iran's public projection of force, in the same way that a United States carrier group is a representation of American power, their mere existence and presence are as helpful as their actual utilization because the goal is to demonstrate regional influence more than to achieve specific tactical objectives. Understanding this intent is crucial for accurate assessments and effective counterstrategies. This is especially true when Iran's interests align with those of other regional actors—for example, Hamas—with little or no interest in United States troops.

While Iran and Hamas may align against common adversaries, conflating their ultimate strategic goals can lead to significant miscalculations because one involves direct conflict with United States troops, and one does not. Iran's goals focus on establishing itself as a dominant regional power with substantial influence over the Middle East. In contrast, Hamas is a militant Palestinian organization focused on issues related to Palestinian self-determination and resistance against Israeli occupation. Hamas's goals revolve around achieving Palestinian statehood and resisting Israeli control over Palestinian territories. While Hamas and Iran occasionally cooperate, their objectives are fundamentally different. Hamas's focus is on the Israeli-Palestinian conflict and Palestinian sovereignty, while Iran's ambitions are broader, aiming to reshape the balance of power in the Middle East.

Understanding this distinction is crucial for U.S. military analysts. Misinterpreting the alignment between Iran and Hamas as indicative of a unified strategy can lead to flawed analysis. For instance, Israeli actions targeting Hamas might not necessarily affect Iran's broader regional ambitions and could even strengthen Iran's position if it appears as a defender of Palestinian causes. Accurate differentiation between countering Iran's regional hegemony and addressing the Israeli-Palestinian conflict requires that analysts have a deeper understanding of the regional actors' goals, which, in turn, requires a renewed and deeper focus on history and context instead of capabilities and reassessing the assumption that every adversary of the United States is working in concert. Arming our tactical and operational analysts with a deeper understanding of the adversary's objectives and strategic aspirations allows them to craft more astute analyses.

Backward Planning: A Useful Tool for Analysts

As determined through historical context, the end state provides the raw material for one of a planner's most important tools: backward planning. Backward planning is a strategic process that begins with an adversary's end state and works backward to identify potential actions and interventions. For Iran, this involves first understanding its goal of regional dominance and influence, which includes supporting proxy groups, leveraging economic sanctions as propaganda, and manipulating regional conflicts. Without this historical context, backward planning is starved of the antecedent facts necessary to make the assumptions required to use the process effectively. In other words, backward planning enables military planners to anticipate Iran's moves by considering how the country might use its resources and influence to achieve its strategic objectives based on its end-state goals, which are, in turn, based on historical context. For example, if Iran aims to project power through proxy groups, planners can anticipate where these proxies might be active and develop countermeasures accordingly. By adopting this approach, planners can improve their strategic foresight and prepare more effectively for potential scenarios beyond merely reacting to specific tactical objectives by any single proxy.

Understanding Flukes

Finally, the analyst or planner must acknowledge the predictably unpredictable nature of the strategic environment. In his 2024 book *Fluke: Chance, Chaos, and Why Everything We Do Matters*,[2] Brian Klaas includes one striking example of how small, seemingly random events can shape history. During World War II, United States Secretary of War Henry Stimson was deeply involved in discussions surrounding the use of atomic bombs in Japan. Stimson had a personal connection to Japan: he and his wife had visited Kyoto during a pre-war trip and developed a fondness for the city's cultural and historical significance. This personal experience led Stimson to advocate strongly for sparing Kyoto from the bombing list, citing his affection for the city and the memories of his visit with his wife. As a result, Kyoto was removed from the list of potential targets for the bomb, and Hiroshima became one of the final cities selected.

Klaas uses this anecdote to illustrate how chance and personal experience can dramatically shape decisions that have profound global consequences. In this case, one man's attachment to a place helped determine the course of history, demonstrating how individual human choices, shaped by

unpredictable life events, can have monumental impacts in war's chaotic and complex context. This example underscores the need for flexibility in planning at all levels, as fluke events can dramatically alter the strategic landscape. Planners must be prepared to adapt to sudden changes and reassess strategies in light of new developments. To do this, planners must concern themselves with history, culture, and societal influences as much as capabilities and probabilities. Knowledge of the personalities and histories of the leaders and significant actors is also a critical element in effective analysis, but one which is often simply not included in typical tactical briefings.

Summary

Reclaiming strategic imagination among tactical and operational analysts requires a nuanced understanding of adversaries' historical contexts, end-state goals, and the ability to anticipate and adapt to unpredictable events. By integrating these elements into military operations and incorporating backward planning from the adversary's perspective, U.S. military leaders can make more informed, flexible, and creative decisions. This approach not only enhances the effectiveness of military strategy but also ensures that the United States remains adaptable in the face of evolving threats and dynamic geopolitical environments. For the intelligence community, this means fostering a culture of strategic imagination that embraces complexity and unpredictability, ultimately leading to more robust and resilient defense strategies.

Endnotes

1. H.R. McMaster, *Battlegrounds: The Fight to Defend the Free World* (New York: Harper Collins Publishers, 2020).

2. Brian Klaas, *Fluke: Chance, Chaos, and Why Everything We Do Matters* (New York: Scribner, 2024).

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THE MARKET KNOWS BEST: USING DATA FROM PREDICTION MARKETS TO ASSESS NATIONAL SECURITY THREATS

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Introduction

Prediction markets, also known as information markets or event futures, are being used to forecast events as diverse as sporting outcomes, election results, macroeconomic forecasts, and geopolitical events.[1] By aggregating diverse opinions and incentivizing prediction accuracy with financial gain through successful trading, these markets demonstrate remarkable usefulness and accuracy. The data generated by contract trading in prediction markets can serve as a new source of information for intelligence analysts to identify and assess national security threats. Platforms like Polymarket and Kalshi,[2] which allow trading on a wide range of event-based contracts, provide an opportunity for intelligence professionals to collect a novel type of data to identify new threats and assess the changing nature of existing national security risks.

In this article, we begin by explaining the nature of a prediction market and how it operates. We then discuss the information that intelligence analysts can extract from contract trading in these markets, as well as the types of contracts that analysts will find most useful. We'll review the techniques intelligence analysts can apply to this data to enhance the quality of their analyses, then move on to a discussion of how prediction market data can be integrated with traditional sources of military intelligence, with a specific focus on all-source analysis. Finally, we'll conclude with commentary on how prediction markets might evolve in the future and their increasing relevance to intelligence professionals.

Understanding Prediction Markets

Prediction markets operate on the principle that collective intelligence, when combined with financial incentives, can yield highly accurate forecasts.[3] Participants buy and sell contracts based on their expectations of future events. The mechanics of these markets are designed to ensure efficiency and accuracy. Each contract represents a binary outcome—the event either occurs or it doesn't. When the event occurs, the contract pays $1; if it doesn't occur, the contract pays nothing. This simple pay-off scheme creates a direct relationship between contract prices and probability estimates. For example, a contract trading at $0.45 suggests the market estimates a 45 percent chance of the event occurring.

Polymarket, the world's largest prediction market platform, offers investors a wide array of contracts to trade covering issues such as elections, economic indicators, and geopolitical developments. The data generated through trading provides valuable insights into the collective expectations of informed individuals. This effect is comparable to the "wisdom of crowds" as described by James Surowiecki in his 2004 book of the same title.[4]

What makes prediction markets especially informative is their self-correcting nature. If participants believe a contract is mispriced relative to the true probability of an event, they have a financial incentive to trade and move the price toward what they believe is the correct probability. This process, known as price discovery, helps ensure that contract prices reflect the most current information available about an event.[5]

The liquidity and trading volume of contracts in a prediction market also provide important signals.[6] Higher trading volumes typically indicate greater certainty or interest in an outcome, while lower volumes might suggest uncertainty or a lack of investor concern about the event. Market participants provide initial liquidity for each contract and help to establish baseline probabilities of the event's occurrence. These probabilities change over time as new information is revealed; traders react to these changes by buying and selling the specific event's contract.

Usefulness of Contract Trading Data

Prediction markets function on data that intelligence professionals do not commonly collect or analyze. Unlike traditional intelligence sources, which often rely on classified information, technical surveillance, or field reports, prediction

markets aggregate insights from both the public and private sectors, drawing on multiple participants. These participants include subject matter experts, analysts, and informed individuals who may possess unique perspectives or early indicators of emerging threats.

What makes prediction market data especially distinctive is its dynamic, real-time nature. As new information becomes available or sentiments shift, contract prices adjust. Because this information directly affects potential profit, these price changes occur almost instantaneously. This immediate response contrasts with the slower, often bureaucratic processes of traditional intelligence collection.

For example, Figure 1 illustrates the time series of an event contract offered by Polymarket. The contract concerns the likelihood of a ceasefire between Russia and Ukraine in 2025. Probability varies as new information becomes available, causing the contract price to respond accordingly. For instance, we observe a high likelihood of a ceasefire in December 2024, followed by a decline in early January 2025. From mid-January through early February, the possibility of a ceasefire gradually increases, approaching its previous high. This behavior is consistent with the *efficient market hypothesis* developed by economist Eugene Fama in 1970 to explain how prices in financial markets change in response to the arrival of new information.[7] The changing likelihood of an event, as reflected in market trends, can be beneficial to intelligence analysts in assessing the risk associated with a specific threat.

The price of a contract in a prediction market reflects the synthesized expectations of market participants. It provides a probabilistic assessment based on a consensus of the contract investors' beliefs. This data can offer intelligence analysts new perspectives, enabling them to detect early warning signals, confirm other intelligence sources, or uncover trends that might otherwise be overlooked. By integrating this new data, intelligence analysts can exploit the collective foresight and knowledge embedded in event contract prices to more fully anticipate national security threats.

Contracts Most Useful for Intelligence Assessment

Within the broad spectrum of prediction market contracts, certain types of contracts are particularly valuable for military intelligence.[8] These contracts provide targeted insights into specific national security concerns, offering actionable intelligence that can improve threat identification and inform strategic response.

Contracts predicting the likelihood of military conflicts between nations or within regions are of critical importance. For example, contracts focused on potential escalations in regions such as the Korean Peninsula, the South China Sea, or Eastern Europe can provide early indicators of rising tensions. Monitoring these contracts can help intelligence analysts anticipate conflicts that may require U.S. military intervention or impact global stability.

Contracts that predict changes in political leadership, such as elections, coups, or resignations, are crucial for understanding potential shifts in national policies or alliances. A contract forecasting the likelihood of a regime change in a Middle Eastern country, for instance, can signal impending shifts in diplomatic relations, security agreements, or regional power dynamics.

Prediction markets often feature contracts related to the imposition or lifting of economic sanctions and trade restrictions. These contracts can assess the likelihood of economic sanctions on an adversarial country or how such activities might influence their foreign policy or military actions. For example, contracts predicting sanctions on Iran's oil exports can provide insights into potential retaliatory actions taken by the Iranian government.

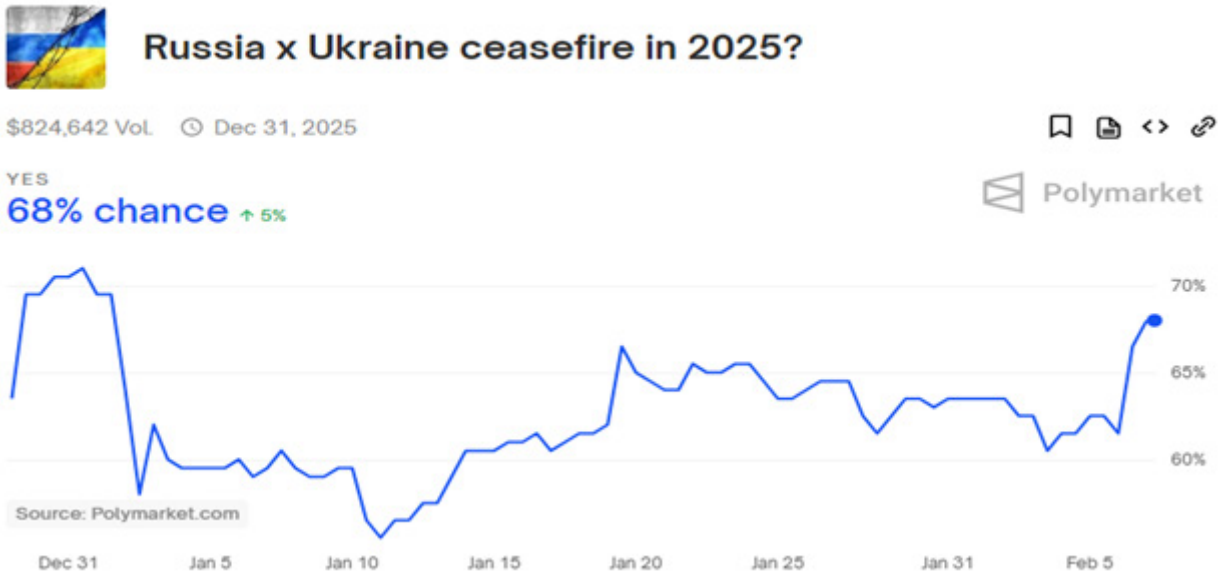

Figure 1. Contract price trend as a predictor of a Russia x Ukraine ceasefire by Polymarket, February 2025

While specific terrorist attacks are difficult to predict, contracts that gauge the overall activity levels of terrorist organizations or insurgent groups can be informative. Contracts predicting the frequency of attacks in specific regions or the operational capacity of groups like ISIS or Al-Qaeda can help intelligence analysts allocate resources and anticipate threats. Contracts predicting major cyberspace attacks on government institutions, critical infrastructure, or multinational corporations offer valuable insights into emerging cybersecurity threats. For example, a contract forecasting a significant breach of a U.S. government agency can alert intelligence analysts to potential vulnerabilities or adversary capabilities in the cyberspace domain.

Although natural disasters are not typically considered security threats, their aftermath can create conditions that are ripe for instability. Contracts predicting the likelihood of natural disasters or humanitarian crises in politically sensitive regions can help intelligence analysts prepare for secondary security challenges, such as mass migrations, resource conflicts, or opportunistic actions by hostile states or organizations.

The COVID-19 pandemic (March 2020–May 2023) demonstrated the impact that public health crises can have on national security. Contracts that predict the outbreak or spread of infectious diseases, particularly in regions with weak healthcare infrastructures, can help identify potential security challenges related to civil unrest, economic disruption, or strained international relations.

In Figure 2, we provide a small sample of contracts focused on geopolitical risk that were trading on Polymarket in early February 2025. We immediately noted the variety of contracts available for trade. The events varied across the globe and were of a military, political, or diplomatic nature. For some events, such as the Russian recapture of Sudzha, there were multiple contracts based not on whether the event would occur, but on the *date* by which the event would occur. Furthermore, some markets, for instance Kalshi, invite proposals for new contracts on events that have not been previously introduced.[9]

Using Data from Contract Trading

Intelligence professionals can utilize information from prediction markets to refine their threat assessments by applying various analytical techniques to the data. Trend analysis can track changes in the probability of an event over time. For instance, if contracts predicting a military conflict in the South China Sea show a steady increase in likelihood, this trend may indicate escalating tensions that are not yet apparent in traditional intelligence. By monitoring these shifts, analysts can identify emerging threats earlier and redistribute surveillance resources more effectively.

Contract Event	Dollar Trading Volume	Probability of Event Occuring Based on Market Trading
Will China invade Taiwan in 2025?	$1,102,655	13%
Nuclear weapon detonation in 2025.	$223,013	19%
Khamenei out as Supreme Leader of Iran by June 30.	$237,929	22%
NATO/EU troops fighting in Ukraine in 2025.	$8,571	12%
Will Russia recapture Sudzha by February 2?	$42,629	2%
Will Russia recapture Sudzha by April 30?	$20,400	25%
Will Russia recapture Sudzha by June 30?	$1,909	59%

Figure 2. Select contracts trading on Polymarket, February 2025 (figure adapted from authors' original)

Cross-market comparisons are particularly useful when analyzing interconnected events. For example, if prediction market contracts indicate a rising likelihood of economic sanctions against a country but a stable or declining probability of that country responding with military action, intelligence analysts might conclude that economic retaliation is more probable than military action. This comparative analysis of related contracts provides a broader strategic context for any single event.

Anomaly detection involves identifying sudden or unexpected changes in market behavior. A sharp increase in the probability of a terrorist attack in a specific region, for example, might suggest that market participants have gained new information about the likelihood of this event. This price data may then prompt a request for further verification through more traditional intelligence channels, such as signals intelligence (SIGINT) or human intelligence (HUMINT).[10]

Sentiment analysis evaluates the confidence and consensus among market participants. A high volume of trading with consistent probability levels might indicate a strong consensus regarding an event's likelihood. Volatile trading patterns, however, might imply uncertainty or conflicting information. These probabilistic assessments complement traditional intelligence analysis by identifying risks where consensus is strong or additional collection is necessary.[11]

Integrating Prediction Market Data with Traditional Military Intelligence

Prediction market data, while valuable on its own, becomes significantly more useful when integrated with traditional intelligence sources.[12] By combining this data with that obtained from other channels, analysts can develop a more comprehensive threat assessment.

HUMINT, which involves gathering information from human sources such as informants, defectors, and local populations, can be enriched by prediction market data. For instance, if prediction contracts suggest an increasing probability of a coup in a particular country, HUMINT resources can be directed to verify this by interacting with local contacts and generating field reports. Conversely, insights from HUMINT can validate or challenge conclusions drawn from the price behavior of event contracts. This creates a feedback loop that enhances the usefulness of both sources.

SIGINT involves intercepting communications and electronic signals to gather intelligence. Contract prices in prediction market trends can guide SIGINT efforts by highlighting areas of increased risk or emerging threats. For example, if a contract's price implies a high likelihood of a cyberattack on critical infrastructure, SIGINT operations can prioritize scanning for corroborating evidence.

Open-source intelligence (OSINT) involves analyzing publicly available information from media, social networks, and other open sources. Contract price data can help evaluate and contextualize OSINT efforts. If contract data indicates escalating tensions in a region, OSINT analysts can focus on tracking news reports, social media activity, and public statements from key figures to gather continuing intelligence.

Geospatial intelligence (GEOINT) uses satellite imagery, maps, and geospatial data to analyze physical environments. Contract data from prediction markets that signal an increasing likelihood of potential military movements or conflicts can prompt targeted focusing of satellite imagery to detect pending military action. Conversely, unexpected observations in GEOINT data can trigger a review of price movement in related contracts to confirm any initial assessments.

Measurement and signature intelligence (MASINT) focuses on detecting and measuring physical phenomena, such as radiation, chemical signatures, or acoustic signals. Event contracts that forecast specific threats, such as the use of chemical weapons, can guide MASINT efforts to monitor for relevant signatures. In turn, MASINT data can validate or contradict the expectations implied by contract prices, thus enhancing the analyst's overall situational awareness.

Integrating with All-Source Analysis

All-source intelligence analysis integrates data from multiple collection disciplines, including HUMINT, SIGINT, OSINT, GEOINT, and MASINT, to develop a comprehensive threat assessment. By combining these distinct intelligence streams, analysts can overcome the inherent limitations of any single collection method while leveraging the unique strengths of each approach. The addition of contract price data offers several distinct advantages that enhance the quality of these intelligence assessments.

Data from event contracts complements traditional all-source analysis in three primary ways. First, it provides quantitative probability assessments derived from aggregated expert knowledge that often includes perspectives not captured by conventional intelligence collection. For example, when a contract's price rises from $0.15 to $0.68 over three weeks, this represents a measurable change in the collective risk assessment that can be evaluated against other intelligence indicators.

Second, prediction markets demonstrate exceptional speed in information integration, complementing the longer processing cycles typically associated with traditional intelligence collection. While HUMINT verification may require weeks and SIGINT analysis demands extensive processing, prediction markets provide near-instantaneous probability assessments as new information becomes available. This rapid response helps identify emerging threats that might warrant increased collection through traditional channels.

Third, event contract data serves as a correlation measure within the all-source framework. Alignment between market pricing data and traditional intelligence indicators strengthens analytical confidence. Divergence can highlight gaps requiring additional investigation.

The effective integration of contract data from prediction markets enhances all-source analysis through:

- **Independent Validation.** Market-based probability assessments provide verification mechanisms for hypotheses developed through traditional analysis. These assessments are particularly valuable in complex scenarios where conventional intelligence collection is limited.
- **Collection Gap Identification.** Significant movements in contract prices can highlight areas where traditional collection efforts might be insufficient. This suggests specific directions where more focused allocation of intelligence resources is needed.
- **Analytical Timeline Compression.** The rapid price discovery mechanism of prediction markets provides early warning indicators that complement longer-cycle collection methods, allowing earlier threat identification and response planning.

When properly integrated into all-source analysis, prediction market data provides quantifiable probability assessments while capturing diverse perspectives that might be inaccessible through traditional collection methods. This complementary relationship enhances both the scope and depth of a threat assessment while offering valuable cross-validation mechanisms for conventional intelligence sources.

Conclusion and Discussion

Prediction markets represent a useful, yet underutilized, dataset for enhancing national security intelligence collection and analysis. Platforms like Polymarket and Kalshi offer unique advantages through their ability to aggregate diverse perspectives, provide real-time probability assessments, and capture the collective judgment or wisdom of informed participants. The data generated by these markets—including price movements, trading volumes, and temporal patterns—can serve as leading indicators for emerging threats and validate insights from traditional intelligence sources.

Integrating prediction market data with established intelligence approaches (i.e., HUMINT, SIGINT, OSINT, GEOINT, and MASINT) creates a more robust framework for analysis. This synthesis allows intelligence analysts to develop more comprehensive threat assessments by combining quantitative, probability-based insights from prediction markets with qualitative intelligence gathered through traditional channels. The dynamic nature of these markets, which react instantly to new information, complements the often slower-moving traditional intelligence gathering processes.

Future developments could significantly enhance the utility of prediction markets for national security. Advances in artificial intelligence and machine learning could enable more sophisticated analysis of prediction market data, identifying complex patterns and correlations that human analysts overlook. Artificial intelligence systems could monitor hundreds of related contracts simultaneously, flagging anomalous trading patterns that might indicate emerging threats before they become apparent through other channels.[13]

As prediction markets mature, specialized contracts focused on national security concerns could provide more granular and relevant data. These markets could be designed to capture insights into specific regions, types of threats, or categories of security concerns, while implementing appropriate safeguards against manipulation and adversarial exploitation. The integration of blockchain technology could also enhance the transparency and reliability of prediction market data while maintaining necessary security protocols. Smart contracts could automate the verification of events and outcomes. This would reduce the potential for manipulation while increasing data reliability.

The future might also see the emergence of hybrid systems that combine prediction markets with other crowdsourced data, creating more comprehensive early warning systems for national security threats. These systems could potentially leverage both public markets and specialized, secure platforms accessible only to intelligence professionals.

The potential benefits of incorporating prediction market data into national security analysis are compelling. As these markets continue to evolve, they are likely to become increasingly valuable to the intelligence community, allowing it to more fully anticipate emerging national threats. The future of national security intelligence might well depend on our ability to effectively harness these new sources of collective intelligence, combining them with traditional methods to create more accurate, timely, and actionable threat assessments.

Endnotes

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8. The range of subjects available in event contracts is extensive. Polymarket, for instance, offers contracts in sports, politics, business, economics, geopolitics, pop culture, crypto, etc. Although not all contracts are immediately relevant as intelligence sources, their price behavior can provide context or further confirmation of an analyst's assessment.

9. This raises the intriguing possibility of analysts fostering the creation of a new contract for a specific geo-political event to collect data anonymously from interested or informed individuals.

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