

## **Collaborative Security Policy Research Consortium : SPWG : Collaborative Work**

### **Iraq, Katrina and Osama: A Discussion on Costs, Consequences and Choices**

*During the week of October 10th, Security Policy Working Group policy experts came together for a roundtable discussion and interview on the costs and trade-offs of security policy since 9-11 – to look at what has been spent, lost or given up as a result of the wars we have fought, the tax dollars we have spent, and the myriad policies we have pursued. Use the anchor links below to go directly to a particular section. Scroll down to read the entire discussion, or link here to download a PDF.*

Bill Hartung – Are We Safer Since 9-11?

Anita Dancs – Katrina and Federal Spending Priorities

James Galbraith – Opportunity Costs Since 9-11

David Gold – Economics of Terrorism

Steve Kosiak – War Costs and Military Spending

Winslow Wheeler – Congressional Oversight/Budgeting

Cindy Williams – Military Pay, Retention, Recruitment

Charles Knight – Military Readiness/Purpose

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**F**our years have passed since the September 11, 2001 terrorist attacks. Nearly 2,000 U.S. soldiers have died and hundreds of billion of dollars have been spent on a war that increasingly fewer Americans understand or support. Military spending has increased significantly. The global arms trade is thriving, as is the divide between global “haves” and have-nots. Osama Bin Laden remains at large. Iran and North Korea continue to pursue the bomb. And then comes Hurricane Katrina: more lost and destroyed lives and billions more to rebuild.

During the week of October 10th, Security Policy Working Group policy experts came together for a roundtable discussion and interview on the costs and trade-offs of security policy since 9-11 – to look at what has been spent, lost or given up as a result of the wars we have fought, the tax dollars we have spent, and the myriad policies we have pursued.

Do the benefits outweigh the costs? Are we truly more secure? Is our nation prepared for the threats we face? Have the Bush Administration and Congress ignored or misunderstood the costs and consequences of our national security strategies and policies in these last four years?

### **Bill Hartung, Project Director, Arms Trade Resource Center, World Policy Institute**

**Question(s)** -- *Katrina clearly re-opened that sense of vulnerability that Americans felt after 9-11. Are we less secure than we were four years ago? Have the Iraq war and other U.S. policies since 9-11 “cost” us our security and our ability to manage global threats and domestic needs/concerns?*

Just as the war in Iraq has highlighted the flaws in the Bush Doctrine of "preventive war,"

the federal government's handling of Hurricane Katrina is an object lesson in the failure of the Bush administration to set appropriate priorities for protecting America.

The Iraq war has not only been a huge drain in blood and treasure, it has also served as a major impetus for recruiting new members of the Al Qaeda network and other terrorist groups. America is clearly less safe than it was four years ago for a variety of reasons. First, as noted, it has served as a boon to terrorist recruiting. Second, it has overstretched and undermined the U.S. military as an institution, while simultaneously damaging its reputation as a result of the Abu Ghraib torture scandal. Third, and perhaps most important for the longer-term, it has distorted U.S. budget priorities and damaged the U.S. reputation in the world in ways that may take years, if not decades, to repair.

In the mean time, Hurricane Katrina has reinforced the need for a broader view of security that includes not only traditional security threats but anything that represents a major threat to American citizens and our allies, from terrorism to natural disasters to epidemics of deadly diseases. In each case, it is crucial that we have competent people with adequate resources to address the unique aspects of the threat in question. Using the military (and military contractors like Halliburton) as the primary tool for addressing natural disasters is not only ineffective, it also raises serious questions about the role of the military in a democracy.

Already, Boeing and the Army have put forward the Future Combat System, the Army's most expensive project currently in development, as a possible aid in dealing with future natural disasters. Broadening our concept of security should not mean militarizing every problem, but rather building up alternative skills and institutions to deal with non-military problems.

### **Anita Dancs, Research Director, National Priorities Project**

**Question(s)** – *You've written that Hurricane Katrina and the Iraq War demonstrate our misguided federal budget priorities. What did Katrina expose about our national security strategy, and more generally, federal spending priorities?*

Hurricane Katrina exposed the enormous costs and consequences of divesting and under-funding critical infrastructure. The results of a high-level hurricane hitting the Gulf Coast were predicted. Nevertheless, the federal government ignored the call for more investment in flood control and disaster mitigation. Moreover, the absence of adequate funding can be traced back to misguided priorities around national security.

For example, a request by elected federal representatives from Louisiana for \$60 million for the Southeast Louisiana Flood Control project to appear in the President's budget request was denied. In a letter to the representatives, the Deputy Director of the Office of Management and Budget said that the budget would reflect 'the President's commitment to providing the critical resources needed for our Nation's highest priorities: fighting the War on Terror...' The request for \$60 million pales in comparison with the \$6 billion a month being spent on the Iraq War.

Beyond the choices made by the Administration and Congress over where tax dollars

should be spent, the role of the Department of Homeland Security can also be called into question. In 2002, the Department was the result of the largest re-organization of the federal government in 50 years. "Homeland security" became another budgetary focus and its budget increased significantly. The first of its six point agenda is to 'increase overall preparedness, particularly for catastrophic events.' In spite of the re-organization, money and purported strategy, when Katrina, as predicted, hit the Gulf Coast, the federal government was either reluctant or unable to adequately and promptly respond.

Katrina also exposed the deep pockets of poverty in the nation. Though Congress is considering cutting \$35 billion in programs aimed at low-income families over the next five years, it may be time to more broadly redefine national security to more broadly address national needs. It is definitely time to re-assess U.S. involvement in Iraq.

### **James K. Galbraith, Chair, Economists for Peace & Security**

**Question(s)** -- *Economists often talk about opportunity costs, most simply defined as "the costs that you pay when you choose one thing rather than another." What in your view are the opportunity costs of U.S. security policy since 9-11? More specifically, what are the opportunity costs of the Iraq war?*

Others in this roundtable have focused on the constraints the Iraq invasion has placed on other priorities, including security priorities. The whole country is aware of the costs in blood and treasure. Katrina demonstrated vividly that we are not maintaining infrastructure or preparing to manage emergencies, even entirely predictable and predicted emergencies like hurricanes. The whole country is awakening to the unpleasant truth that the Bush administration cannot manage an occupation, a reconstruction, a natural disaster, a barbecue. A further catastrophic terrorist event is also likely to catch them flat-footed, and the American people know it.

Every time we choose war over another approach to conflict, we pay a heavy price. Compared to war, diplomacy is always a bargain. Compared to unilateral war, collective security action is always a bargain. Compared to invasion or preventive air attack, deterrence and containment are always bargains. Hans Blix and his inspectors had Saddam Hussein contained -- without nuclear, chemical or biological weapons to threaten his neighbors let alone the US or the UK -- for \$80 million per year. This is opposed to the billions we now spend every month on a war that we are not winning, and do not know how to end.

More broadly, framing the campaign against al Qaeda and its allies as the "global war on terror" has had high opportunity costs. The effect has been to inflate expenditures on every form of military power, while defining a goal that cannot be achieved, so that the mission becomes open-ended and never-ending. This is a fundamental error, and one that can only prove debilitating to ourselves as time goes by.

Terrorism as such can't be beaten by overwhelming military power; it's a response to overwhelming military power. Guerrilla organizations--such as the Iraqi insurgency--choose terrorism because it's cheap. And it's extremely effective. It's important to remember that before the invasion the people who now direct the insurgency were

(mostly) not international terrorists; they were the national security and military forces of Iraq. They turned to terrorism, after the invasion, because it was the tactic open to them that promised the greatest effect. And now, while the US military spending is nearly twice that of the rest of the world put together, our enemies can command the attention of the world for a tiny fraction of what even a small country spends on a formal military.

In general, it is not possible to win a war defined as a war on a tactic. But there is also no need to define the war that way. Wars are not fought against tactics; they are fought against organizations. The strategic question is how to defeat such organizations? And here one has to weigh military options against the alternatives. You do this not because you necessarily prefer one option over another on moral grounds -- though there is nothing wrong with having such preferences. You do it, primarily, because some ways are more effective than others. (Thus, torture is morally wrong. But the more compelling argument against torture is the established fact that torture is demonstrably ineffective and unreliable as a way to obtain information. Thus, even if torture were \*not\* morally wrong, or even if one defined certain types of harsh treatment as being just shy of "actual torture," this fact alone remains an entirely compelling reason to forego torture or anything that ever resembles it.)

In the contest against guerrilla and paramilitary organizations, there are intrinsic limits to what military power can do. Bombing, for instance, can't defeat organizations that use terrorism. It won't stop the funding of terrorists. It won't make the insurgents in Iraq, or the population that surrounds them, perceive the US as a benevolent force. What can defeat those organizations is excellent intelligence, communications, policing capacity, the administration of justice -- and smart choices of where and when to fight. The invasion of Afghanistan was necessary, it was carried out legally and effectively, and it did disrupt Al Qaeda's command and control and training operations. The invasion of Iraq was not necessary and not legitimate, and it has demonstrated just how effectively terrorist tactics can foil the mission of a large and powerful military.

Finally, the war is a distraction from creating sensible foreign and domestic policies that translate into the kind of security most citizens can feel and appreciate. Four years after September 11th, Americans do not feel safer from terrorism. They are not safer from unemployment, underemployment, or poorly paid jobs. They are not safe from illness -- whether a bird flu epidemic or an uninsured visit to the pediatrician. They are not safe from fuel shortages or price-gouging, natural disaster, an impoverished retirement. The list of priorities is long. Yet there are only so many column inches in a newspaper, only 22 minutes on the network evening news, only so much attention and energy the public has to spend in its own political interest. The war siphons our attention from demanding a democratic, ethical, responsive government, and we are all paying that price.

**David Gold, Professor of Economics, Graduate Program in International Affairs,  
New School University**

**Question(s)** *You have written extensively about the "economics of terrorism." Is there a cost associated with ignoring the economic conditions that breed Islamic fundamentalism? What has been the cost of pursuing a military solution to the problem of terrorism versus non-military solutions?*

While few would suggest that poor economic conditions are the sole cause of terrorism, recent research does imply that weak, or weakening, economies reinforce the predispositions of individuals and groups to employ violence as a political tactic. Since terrorism is an organizational and not individual activity, to the extent that improvements in current economic conditions and future prospects can reduce people's incentives to join in such organized violence, and can reduce the support for groups that use terrorism as a political tactic, then it can contribute to an overall strategy to combat terrorism.

U. S. policy has focused most heavily on the military and crime-fighting aspects of counter-terrorism policies. With respect to the war in Iraq, there is increasing evidence that the military operations have strengthened many terrorist organizations and most likely increased, not reduced, the global threat. Thus, in addition to extensive budgetary costs and lost lives, placing the balance of U. S. policies overwhelmingly towards force and downplaying policies that influence incentives appears to have raised the potential costs to the U. S. from an enhanced global threat.

The expansion of foreign aid and debt reduction strategies, and policies to improve the access of developing countries to investment, trade and technology, needs to be carried out and focused more than previously on expanding the direct benefits and enhancing opportunities and participation for a much greater population. While no panacea, such policies can contribute to reducing the potential for threats from terrorism and likely lead to a reduction in the need for costly and destructive military options.

### **Steve Kosiak, Director of Budget Studies, Center for Strategic & Budgetary Assessments**

**Question(s)** -- *Since 9-11, is it fair to say that President Bush has been given a blank check by Congress when it comes to military spending and funding for the Iraq War?*

Congress has pretty much given the administration what it wants in terms of funding to cover war costs. To date, what controversy there has been concerning the cost of US efforts in Iraq and Afghanistan has focused on reconstruction and related aid, not the Department of Defense's (DoD's) costs. Congress has, however, raised some concerns about the administration's continued use of supplemental appropriations to cover the cost of military operations. Supplementals are meant to be used to cover unanticipated costs. At this point, it cannot be reasonably argued that the deployment of US forces in Iraq and Afghanistan is unanticipated. As a result, Congress has begun to provide funding in DoD's regular, annual appropriations to cover at least a portion of the future costs likely to be incurred in these military operations. With concerns about the federal deficit increasing, especially in the aftermath of Hurricane Katrina, and continuing concerns about the success of US efforts in Iraq and Afghanistan, it remains to be seen whether Congress will take a more skeptical look at the administration's funding requests for military operations in coming years.

*What's the price tag so far (since 9-11) and what is it projected to be in the coming years?*

Since the terrorist attacks of September 11, 2001, Congress has approved about \$320

billion for military operations and related costs. In addition, some \$30 billion in non-DoD funding has been provided for reconstruction, military and related assistance to Iraq, Afghanistan and some other countries in the region. The \$320 billion provided for DoD includes about \$275 billion to cover costs through the end of fiscal year (FY) 2005 (which ended on September 30<sup>th</sup>), and \$45 billion as a down payment on costs for this year (FY 2006). Of the \$275 billion in DoD funding provided through the end of FY 2005, some \$185 billion has been for Iraq, \$65 billion for Afghanistan and \$25 billion for homeland security and other activities.

It is impossible to know how much will be required to cover the cost of military operations in future years. We don't yet have a good sense for how long or how many US forces will be deployed in Iraq and Afghanistan in coming years—and without knowing the answers to those critical questions, you don't have a meaningful basis upon which to derive an estimate of future costs. That said, it seems likely that substantial additional funding will be required, even if things go relatively well in those operations. Under one plausible, illustrative scenario generated by the Congressional Budget Office (CBO), military operations in Iraq and Afghanistan could consume another \$393 billion between FY 2006 and FY 2015. That would bring total costs for DoD to close to \$670 billion over the FY 2001-15 period. And this scenario may even be optimistic, since it assumes that the US military will be able to reduce its presence in the Middle East from some 200,000 troops today (including about 150,000 in Iraq) to 50,000 by 2010.

*Are we looking at a budget train wreck - what are the fiscal constraints that Congress will have to cope with?*

Realistically, we are looking at federal budget deficits probably in the \$300-400 billion a year range through 2015. After that the situation is likely to become much worse, as the result of increased costs associated with the retirement of the baby boomers (especially in terms of Social Security and Medicare spending), and the continued effects of the recent tax cuts on federal revenue. At some point the country will have to come to terms with these serious demographic and fiscal trends and tensions, by making some hard decisions. But it is unclear when that will happen. At present there does not appear to be anything like a consensus in Congress, or the country, as to how these problems should be addressed. Unfortunately, the longer we wait to address these problems the more difficult they will be to solve.

### **Winslow Wheeler, Straus Military Reform Project, Center for Defense Information**

**Question(s)** – *The sub-title of your recent book, Wastrels of Defense, is “How Congress Sabotages U.S. Security.” How is the Congress failing to meet its constitutional role in national security matters, in terms of budgeting, oversight and declaring war? What is the “cost” in terms of governance and our democracy?*

What is the cost of abdicating your most important constitutional authority – the responsibility to decide on war – while also exploiting your clout in government – the power of the purse - to selfish ends? While un-measurable, that is the price Congress is now paying as a consequence of its behavior after the 9/11 terror attacks and its approval of President Bush's demand for approval of his war against Iraq.

Congress started immediately after the 2001 terror attacks by backing up its patriotic rhetoric with over \$4 billion in spending added to the 2002 Department of Defense Appropriations Act - not for strengthening our armed forces but for pork added for members' home states and districts. The objects of Congress' largess included gold mines, recreation parks, bridges, fisheries, and the Kennedy Center for the Performing Arts in Washington, all deemed appropriate objects of defense dollars.

Worse, Congress raided the Pentagon's most essential war fighting accounts, the Operation and Maintenance budget (which pays for training, spare parts, food and supplies, and much else needed most in wartime) to pay for the junk. In subsequent years, the behavior became not better but worse: 2003 pork spending grew to over \$8 billion, then to over \$10 billion; today, they're still trying to measure it; there is no sign of a relent.

Beyond this, in October 2002 Congress wilted before President Bush's demand not for direct authority to go to war against Iraq, but instead authority to decide later, as he did in March 2003, to go to war under any pretext he deemed sufficient. This blank check for war was handed over by both the House and Senate on October 10, 2002 by large majorities of most, but not all Republicans, and many Democrats. Today, many of the same Democrats who supported the president now carp about the disastrous aftermath to the "Mission Accomplished" strut the President performed in April 2003 on the aircraft carrier USS Lincoln. And yet, those same self styled critics, many of whom advertise themselves as presidential timber, have no meaningful alternatives to propose to the catastrophe otherwise known as the War in Iraq.

These are high but un-measurable costs indeed; they occur mostly in the coin of moral authority. The consequence for the American political system, which currently seems so eager to bury itself in the faction and foreign entanglements George Washington warned us to avoid, will very probably only be identifiable after it has thoroughly played out.

### **Cindy Williams, Principal Research Scientist, MIT Security Studies Program**

**Question(s)** – *A great deal of your work has focused on the human dimensions of security policy: military pay and benefits, health care costs, recruitment, retention and morale, the viability of the all-volunteer force. As an institution whose success depends on skilled, committed people, is our military in crisis? Today, what are the key challenges in this area? Are there looming crises that demand immediate attention? How has the Iraq war exacerbated these problems?*

The U.S. Army faces a serious staffing challenge. As of August 31, 2005, the active-duty Army fell 10 percent short of its year-to-date recruiting goals. The Army National Guard was short by an overwhelming 22 percent.

The Army is doing what it can to improve its chances with the nation's young people: changing its advertising strategy, spending more money on advertising and recruiters, combing previously untapped schools and neighborhoods for recruits, raising the cash bonuses it offers to those who sign up, and relaxing its expectations about their aptitudes and schooling. Nevertheless, it is unlikely that the recruitment picture will

improve enough to avert a staffing crisis in the coming year.

The recruiting problems are fueled by growing public concern that the Iraq war is not worth the price the nation is paying in lives or treasure. Army leaders and recruiters say parental support is key to recruitment. Unfortunately for the Army, the share of parents who would recommend military service to their children has plummeted since the war started. The drop in parental support tracked very closely the decline in public support for the war itself.

Opposition to the war is taking a particular toll on the willingness of black Americans to enlist. Until recently, blacks were far more likely than whites to join up; today that is no longer the case. The reason is the war in Iraq: In surveys sponsored by the Army, black youth especially identify having to fight for a cause they don't support as a barrier to military service.

Given the depth of emerging public opposition to the war, it is a credit to the Army that recruiting and retention are holding up as well as they are. But today's recruiting problems will spell crisis for the Army if things do not improve quickly. The best solution is an honorable disengagement from Iraq.

#### **Charles Knight, Co-Director, Project on Defense Alternatives**

**Question(s)** – *Last October, SPWG hosted a panel session that explored whether our military was "stretched too thin." Is our military broken? What has been the cost to our military as a result of the Iraq war, in terms of readiness, training, equipment and sense of purpose/mission? Do we need to increase end-strength? How should our force structure change?*

As a seemingly logical follow-up to the question of whether the U.S. military is "stretched thin" (perhaps "too thin") by the long war and occupation of Iraq, it is often suggested that the military may soon be "broken." This is misleading. The U.S. military is too big, too varied, and has too many redundancies to get broken, in the sense of not being able to fight wars. In fact, no matter how long the Iraq occupation goes on and how much damage accumulates to the military from that occupation, it is highly likely that U.S. military could quite quickly muster the capabilities to prevail in a new war, for instance, one on the Korean peninsula. (However, it should be noted that another war on top of the Iraq occupation would force a responsible administration in Washington to either mobilize significant numbers of new troop units -- through a draft? -- or immediately cut the size of the occupation force in Iraq.)

There are a number of reasons for this robustness. First, neither the Navy nor the Air Force are taxed by the occupation of Iraq. Since the invasion in 2003 there has been plenty of time for the Navy and Air Force to regenerate the forces they contributed to that effort. They are currently contributing some specialty personnel and units to support the Army in Iraq and Afghanistan, but overall they are in good and ready shape for any other conflict that might arise. The Marines have been called on to do repeated tours in Iraq, but the Marines are structured as an expeditionary force and for a relatively high operational tempo. No doubt Marine Corps equipment is getting extraordinary wear, but the Marines will continue to have forces ready for other contingencies.

The Army, in both its active and reserve components, is suffering from the occupation. Repeated and long tours of duty in the dangerous conditions of Iraq wears on morale and makes recruitment and retention increasingly difficult. Perhaps even more importantly, the long tours of duty in Iraq mean that some soldiers are missing out on important training routines. Of special importance in this regard are missed opportunities to train in battalion or brigade size unit maneuvers: a key skills advantage of the U.S. military. All of these personnel effects tend to accumulate over time and will continue to do so until the size of the occupation force is significantly reduced -- in the last year it has actually grown somewhat!

The large scale occupation also wears on certain classes of equipment, and although maintenance capacity is being increased to deal with this, there is an accumulating effect which could be thought of as premature aging of the equipment sets. On the other hand, there is nothing about the equipment effect that a large amount of money spent wisely can't fix.

To sum up, if the United States intends to stay in the business of invading and then occupying medium size countries then it will need to restructure its armed forces in a way better suited for maintaining occupation forces. However, if Iraq is a one time thing, it will (and is) definitely stretching the Army, but it won't break it. There is more than enough redundancy to draw on. That said, there is no escaping the reality that occupation of a foreign country is very costly.