

The Costs of Excessive US Commitments Abroad: What Makes a Superpower?  
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***Introduction***

A superpower is defined as a state that has a disproportionate influence on the international system relative to its size. Such influence includes military power, economic power, and diplomatic power, among other forms of influence. Military power can be measured in the absolute number of troops, the number of military bases abroad, and/or military spending, both absolute and as a share of global spending. A country's economic power is measured by its gross national product, gross national product per capita, its current account balance (trade balance plus net return of foreign investment), government account balance, and national debt, among other measures. It is commonly accepted that the United States is the dominant superpower in the world. However, its financial situation tells a completely different story. The United States is currently involved in commitments that it cannot afford, having done so for several decades. We are projecting an image of dominance without the financial means to back it up. Intervening abroad in the defense of American ideals of democracy and human rights are noble ideas, but such intervention carries a price. In addition, we are engaging in military interventions in which we have neither a clear game plan nor exit strategy. Such interventions are termed no-win wars, boondoggles, and so forth. That price is increasingly high and the course we are currently on is unsustainable.

The United States has the largest defense budget in the world, with US defense spending representing slightly over 40 percent of global defense spending between 2005 and 2010 at \$550 billion per year, and this is excluding the costs of the wars in Afghanistan and Iraq at \$150

billion per year. This proportion is 7 times higher than that of its second-largest spender, China (Council on Foreign Relations 2012). Furthermore, that sum is higher than the combined defense expenditures of China, Japan, Russia, India, and the remaining NATO countries (Altman and Haass 2010).

Although the United States federal government has incurred a budget deficit of \$1.47 trillion for the year 2010, it is spending \$4 billion per day in borrowed money (Ibid). As a proportion of the overall budget, 40 percent is borrowed, with a substantial share borrowed from countries that do not exactly approve of our interventions abroad. As of 2010, around 50 percent of United States Treasury debt is held abroad, with 22 percent of total debt being held by China (Ibid). If a country strongly disapproves of our interventions abroad, it can choose to withhold funding. For instance, in the event of a crisis over Taiwan, the central bank of China can threaten to cut back its US Treasury holdings or even divest them without prior warning, and this can place significant pressure on the US dollar. In fact, this has happened before, during the Suez Canal Crisis of 1956 when the United States threatened to withdraw loans to the United Kingdom unless the UK pulled its armed forces out of the Suez Canal Zone. Keep in mind that at that time, the United States was the world's largest net foreign creditor. Furthermore, the precariousness of the financial situation is underscored by the fact that over the past 30 years, the United States has shifted from the world's largest net foreign creditor to the world's largest net foreign debtor (Ibid).

What allows the federal government to issue debt in practically unlimited quantities is the fact that the US Dollar is the dominant reserve currency of the global financial system, enabling the government to exercise exorbitant privilege. This enables the federal government to keep

issuing debt with abandon. However, our unrestrained borrowing is not sustainable. If we do not dramatically slash borrowing, then global capital markets will intervene to make US Treasury bonds less desirable, forcing us to dramatically reduce borrowing. In fact, that has happened in the United States during the 1979 energy crisis, and is currently taking place in much of southern Europe. According to a recent staff paper by the International Monetary Fund (IMF) cited by Roger Altman and Richard Haass in their *Foreign Affairs* article “American Profligacy and American Power,” federal debt is projected to equal total Gross Domestic Product as soon as 2015. That level of relative indebtedness is approximately that of Greece and Italy, countries that are in significant financial distress due to high levels of public debt relative to Gross Domestic Product and, in the case of Greece, currently subject to severe austerity measures (Ibid). Such austerity measures entail budget cuts, tax increases, or both, and lead to the curtailment of bonuses, Social Security (or national insurance) payments, pensions, retirement age increases, and increased sales and luxury taxes.

### ***Background of US Intervention Abroad***

Proponents of interventionist foreign policy point out to the success in reconstructing and democratizing Germany and Japan after World War II. However, both countries were defeated in a war and subsequently occupied at substantial cost. As pointed out by Amatai Etzioni, the occupations of both countries lasted much longer than expected and cost substantially more than expected, at the expense of the U. S. taxpayer. In the case of Germany, the occupation lasted four years and the country did not regain full sovereignty until 1955, and Japan was occupied for nearly seven years.

Furthermore, compared to other countries that were subject of attempts at nation-building by the United States, both countries were in much better condition, with very favorable “facilitating factors” present (Etzioni 2004). Etzioni categorizes facilitating factors as conditions that ease or hinder the formation of democracy, also known as “democratic infrastructure” (Ibid). There is also a second category known as constitutive factors, which comprise the necessary building blocks for the formation of a democracy. Furthermore, both countries were heavily bombed by Allied attacks. Such favorable facilitating factors include a strong sense of national unity, a strong middle class with substantial education, relatively high per-capita and overall national income, the rule of law, and the presence of civil society organizations, voluntary organizations, and committees. The favorable constitutive factors include the assurance of free and fair elections, a high level of transparency (lack of corruption), freedoms of association and expression, and the provision of rights people have with respect to the government, among other factors. Furthermore, in both countries, the national leaders no longer had any power. Another factor leading to reconstruction and democratization in both countries was the need to build up both countries as bulwarks against the advance of Communism spread by the Soviet Union. Thus, there was a security interest in stabilizing both countries (Ibid, 7).

However, these two countries are an exception to the rule regarding the success of nation-building exercises. The rebuilding and transformation of both Germany and Japan “took place under circumstances unlikely to be repeated elsewhere,” as it had more favorable facilitating factors than many other countries in which the United States intervened, with higher levels of economic, political, and social development than, for example, Iraq and Afghanistan (Ottaway 2002). This paper will cover the effects of American intervention in both countries and. It turns

out that the United States does not have a successful track record in democratizing other nations, despite considerable outlays of time, energy, expense, and personnel. For example, the United States attempted to remake Panama, Haiti, Nicaragua, and Cuba in its own image, by effectively superimposing democratic and stable governance on such nations. However, such attempts proved to be failures. Each of these attempts at nation-building took more than ten years, even spending more than three decades being engaged with Panama (Pei and Kasper 2003). None of these countries can be considered democratic and stable as defined by criteria drawn up by Etzioni despite long-term intervention, a crucial component in nation-building.

### ***Results of Recent Interventions***

A more recent example is the US war in Iraq, the Second Gulf War. Although the US and its coalition allies toppled Saddam Hussein from power in April 2003, it still has a military presence there, engaging in nation-building exercises. In September 2003, President George W. Bush made an emergency spending request of \$87 billion to cover operations in Iraq, the largest sum since the start of the Second World War (Peterson 2004). The cost of maintaining two divisions in Iraq for the purpose of conducting stability operations was \$1 billion per week as of September 2004. These and other figures were estimates per the Bush administration and were exclusive of any cost overruns, which were predicted by the Congressional Budget Office. Such predictions were based on diminishing returns in Iraq and Afghanistan and the historical occurrences of cost overruns for new procurement. For the decade starting in 2004, the Congressional Budget Office estimated a cost overrun of 18 percent over Bush administration estimates. The excess costs are in the neighborhood of \$1.1 trillion including interest (Ibid).

Currently, the United States is involved in Afghanistan, having established a military presence in that country since 2001 with the primary goal being the eradication of the Al-Qaeda terrorist group, which has been using Afghanistan as a base for its terrorist activities. The mission eventually included overturning the Taliban and instituting a democratic government. However, that presence has led to significant outlays in money and lives, costing the United States \$330 billion and 1,400 lives lost (Rashid 2011). Furthermore, the scale of the insurgency against the US in Afghanistan has grown significantly, from a range between 1,700 and 3,200 insurgents in 2004 to approximately 30,000 insurgents in 2010. Another way the insurgency has grown is that attacks by insurgents increased 66 percent between 2009 and 2010 and every province save one has a Taliban-appointed shadow governor in addition to the official governor (Ibid, 76). Thus, although the US and its coalition allies removed the Taliban from power in Afghanistan, the Taliban still operates parallel governments throughout almost all of the country. What precludes the success of nation-building in Afghanistan is the lack of facilitating and constitutive factors that are necessary for the formation of democracy and the building blocks required for stability (Etzioni 2004, 9).

Another such exercise in futility is our current intervention in Libya. Secretary of State Hillary Clinton strongly supported intervention against a dictator on humanitarian grounds, citing the “responsibility to protect” civilians from Muammar Kaddafi’s abuses. There were many arguments in favor of intervening in Libya, the most prominent being the need to support democracy and human rights and to bolster American credibility in the region specifically. These arguments, especially the former, are idealist in nature as they espouse the spread of American and Western ideals. Needless to say, similar arguments were made in favor of American

intervention in Iraq to overthrow Saddam Hussein (Douthat 2011). However, Secretary of Defense Robert Gates initially opposed military intervention, on the grounds that there is no vital interest in the country (York 2011). The lack of vital interest that the United States has in Libya is illustrated by the fact that Libya exports only 5 percent of its oil to the United States, which imports 79,000 barrels per day. A far greater share of Libya's petroleum exports go to Europe, with 32 percent being exported to nearby Italy (Andrews and Marks 2011). In addition, Libya produces only 2 percent of the world's petroleum, a relatively insignificant number when compared to countries such as Saudi Arabia, Canada, and Mexico. In the meantime, such intervention, which started on March 19, 2011, has cost the US taxpayer \$550 million through March 29 (Favole 2011). If extrapolated to an entire year, this is around \$20 billion per year.

Although intervention in Libya has been transferred to NATO control, there is no clear and significant future course of this operation. In other words, there is no clear plan, no exit strategy, and no future roadmap (Ibid). Although intervention started with the imposition of a no-fly zone over Libyan airspace, previous experiences with no-fly zones as pointed out in Douthat's article show that intervention did not stop there, but further escalated into eventual occupation and attempts at nation-building (Douthat 2011). These attempts at nation-building tend to be open-ended and expensive.

The current path of borrowing large sums of money to finance military intervention abroad is not sustainable. It can go on only as long as there are other countries willing to finance the United States budget deficit by purchasing Treasury securities. However, that may change in the near future if other countries become more reluctant to purchase US Treasury debt as illustrated by Altman and Haass.

### ***Conclusion and Proposed Course of Action***

Currently, the United States projects its image as a superpower with military bases and military presence throughout the world. However, it does not have the fiscal solvency that is expected of the most dominant world power. This country is highly overcommitted abroad, and significant cuts to international commitments are in order. However, this does not mean that the United States should pursue a policy of isolationism, as that would be counterproductive against potential threats to security. For instance, we should pull out of Libya as the situation is effectively a civil war in which the United States does not have a critical national interest as mentioned before. We should seriously rethink our commitments in Iraq and Afghanistan, especially in light of the costs incurred and dubious results as well as the recent death of Osama bin Laden.

On the other hand, we should focus our priorities only on regions that are of significant national interest. Furthermore, when intervening abroad, it is vital that the United States has a course of action and a clear exit strategy. As for large-scale humanitarian interventions such as the ones conducted in Somalia and the Balkans in the 1990s, they will definitely not be common but rather extremely rare due to a lack of clear strategy. Committing the United States to a more interventionist role while disregarding the total and ultimate cost is completely unreasonable due to the damage such intervention will have on the US's fiscal position.

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