LETTER FROM THE DIRECTOR

What are we buying with our current, very expensive security strategy? As I listened to our presenters at the ASSA meetings in New Orleans, and discussed with EPS members the current state of the war and the economy, this question emerged as the frame within which it makes the most sense to view current polices. As we approach the fifth anniversary of the invasion of Iraq, have we bought more actual security with the three quarters of a billion that have been budgeted, and the additional 2.5 trillion ancillary costs that we will be obliged to pay? Winslow Wheeler, James Galbraith and Barbara Bergmann all spoke to this in their presentations in New Orleans. Carl Conetta addresses it from another point of view in his article in this issue. Carl goes further than stating that these circumstances may soon force an economic reckoning for which the nation is ill-prepared. He references Chaim Kaufman’s assertion that the Iraq War itself is in fact a market failure:

“[T]he strong civic institutions and robust marketplaces of ideas in mature democracies are thought to substantially protect them from severe threat inflation... that could promote excessively risky foreign policy adventures and wars. The marketplace of ideas helps to weed out unfounded, mendacious, or self-serving foreign policy arguments because their proponents cannot avoid wide-ranging debate in which their reasoning and evidence are subject to public scrutiny. The marketplace of ideas, however, failed to fulfill this function in the 2002-03 US foreign policy debate over going to war with Iraq.”

Lucy Law Webster’s article in this issue demonstrates that analysts have been scrambling to keep up with the ballooning costs of the war in Iraq since before it even began. Even Joseph Stiglitz and Linda Bilmes seem unable to keep up with inflation; as their book “The Three Trillion Dollar War” is released this month, in interviews they are already mentioning costs approaching five trillion. Meanwhile, in a tacit acknowledgement that this current strategy is not really buying better security, some are suggesting an even higher defense budget. Baker Spring, of the Heritage Foundation, notes:

“Current defense expenditures, or even spending equivalent to 4 percent of GDP, will not jeopardize either the health of the economy or the prosperity of the American people. A sustained commitment to defense is necessary to sustain liberty.”

It may be true that our economy can absorb greater defense budgets without a major impact on a macro level. Defense spending as a percentage of GDP is near all-time lows. And I agree that a sustained commitment to defense is necessary to sustain liberty. However, I think that this is one problem that throwing more money at it is not going to solve. We have to be smarter, not more profligate.

In this issue, Polia Petkova presents a comparative analysis of the wars in Kosovo and Iraq,
looking particularly at the effects on trade and foreign direct investment that political instability engenders. We wondered if there were any lessons to be learned from the post-war period in Kosovo that might be applicable in Iraq now. Ms. Petkova concludes in her paper that “both interventions of the United States without UN resolutions have ended with high costs and unfinished outcomes,” and calls for enhancing regional ties as a way to create greater stability and prosperity. I tend to agree that, in this interconnected world, our lives, jobs and security are inextricably linked to trans-border issues, which we must all face together.

Both the American public and the US armed services are asking our government to use tools that complement the military to solve and prevent global problems. An AP-Ipsos poll released February 8 shows that 68 percent of Americans believe that ending the Iraq War now would be their number one choice for getting the US out of recession.

As our organization celebrates its twentieth anniversary, this is really good news. •The people of the United States have begun to see that the costs are not worth the return, and that the war is affecting their lives here at home.

Maybe next time we can help them think about these things BEFORE we go to war.


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