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Less Is More

Sensible Defense Cuts to Boost Sustainable Security

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Introduction and summary

“If we are to meet the myriad challenges around the world in the coming decades,” argues Secretary of Defense Robert Gates, then our “country must strengthen other important elements of national power both institutionally and financially, and create the capability to integrate and apply all of the elements of national power to problems and challenges abroad.” Gates’s experience leading our armed forces under two presidents underscores the importance of not relying solely on our unquestioned military might to protect our shores and national security interests around the globe. Instead, Gates maintains, we need to adopt the concept of sustainable security—a strategy that embraces the need to slim defense spending, bringing our own fiscal house in order while investing in nonmilitary economic and social development programs abroad to combat the conditions that breed poverty and political instability.

Our current international posture is increasingly unsustainable. The reasons? First, the United States is simply spending too much continuing to fight wars in Afghanistan and Iraq while total defense spending over the past decade grew in an exponential and undisciplined fashion. Second, the relationship between our key foreign policy institutions (in defense, diplomacy, and economic and social development programs abroad) became wildly skewed in favor of defense at the expense of nonmilitary functions.

This muscle-bound yet clumsy combination of assets leaves America poorly positioned to deal with the threats and opportunities we face as a nation around the globe today and in the future. Restoring a sense of balance and sustainability to our international posture is absolutely essential. The upshot: We need to spend less money overall on defense weaponry while investing a portion of those savings in sustainable security initiatives that simultaneously protect our national security and promote human and collective security.

Shaping this more balanced approach will require sensible cuts in defense spending and concurrent but smaller strategic investments in sustainable security. This

will be challenging amid a rising chorus of concern in Congress and from the general public about deficits and the national debt. This year's deficit is expected to exceed \$1.5 trillion, over 10 percent of our nation's gross domestic product—the highest deficit level since World War II. Yet we pay surprisingly little attention to the staggering cost of our current defense posture. U.S. defense spending has more than doubled since 2002, and the nearly three-quarters of a trillion dollars that the United States is now spending annually on defense is the highest in real terms since General Dwight D. Eisenhower left occupied Germany in the wake of World War II.

Military costs continue to constitute more than 50 percent of all federal discretionary spending.¹ Greater and greater sacrifices will have to be made in domestic and international priorities if more isn't done to strategically reduce defense spending. No one questions the need to fight terrorism and protect our country. That's precisely why it is so important for us to develop an international posture that is sensible, sustainable, and effective in achieving its core goals.

Bringing defense spending under control will clearly enhance the overall health of our economy and thus our overarching influence around the globe. But doing so without investing some of those savings in social and economic development and diplomacy abroad would be unwise. Indeed, Secretary Gates consistently notes that we need to strengthen U.S. civilian foreign policy and development institutions if we want to more effectively promote lasting stability and defend our interests around the globe. And he continually points out in public speeches, interviews, and congressional testimony that these institutions currently lack the capabilities and funding to be effective policy partners in promoting our interests internationally.

The mismatch is clear in Iraq and Afghanistan today. There is a massive capabilities gap between the Department of Defense and its civilian counterparts, the State Department and the United States Agency for International Development, or USAID, requiring the military to assume multiple civilian functions. What's more, that civilian expertise will be needed even more as the U.S. military completes its withdrawal from Iraq over the next year and a half and begins its expected draw-down of forces in Afghanistan in July 2011. The U.S. government's civilian-led development and stabilization efforts in both countries will need to be strengthened and empowered.

There are multiple problems in having the U.S. military carry out the roles traditionally and better conducted by the State Department and USAID. First, our men

and women in uniform lack the specific expertise in diplomacy and development needed to carry out these jobs effectively. USAID learned the business of development the hard way—through years of experimentation and periodic failure, and by building the skills of its personnel. In contrast, the U.S. military sees diplomacy and development aid primarily as useful tools for helping to reach their dominant goals of pacification and stabilization. Sometimes that works amid active fighting, but sustainable security over the long term needs to be fundamentally owned by local communities if it is to be successful—something development experts are trained to accomplish.

Second, the work of diplomacy and development is ultimately a distraction from the U.S. military's core missions. Our troops must be free to pursue their primary functions. This is exactly why Secretary Gates and others are so eager to invest in greater capacity for civilian institutions carrying out development and diplomacy. Third, using the U.S. military to carry out development and diplomacy is often exorbitantly expensive, in many instances costing twice as much as using USAID and regular development partners. Finally, the heavy involvement of our military forces in development and diplomacy has often blurred the line between military and nonmilitary actors, causing civilians to increasingly be seen as targets for military foes.

Initiating this more balanced approach to our national security needs can and should begin this year. With the support of Secretary Gates, the National Security Council, the State Department, and key voices in Congress, the Obama administration is in a unique position to strengthen its civilian foreign policy institutions to restore a greater sense of balance among the agencies that play such a key role in advancing our interests around the globe.

The effort will come down to money. A look into the budgets of the Department of Defense and the civilian International Affairs agencies is telling. The DoD's fiscal year 2011 budget request totals \$708.2 billion. The international affairs budget request for the same period, reflecting the sum of activities of the State Department, USAID, and a number of other smaller entities, was \$58.5 billion—8 percent of the total request from the Department of Defense.

This vast gap is emblematic of the imbalances in this arena in the proposed FY 2011 federal budget, yet there are some positive developments in the latest international affairs request to help reverse what Secretary Gates calls the "creeping militarization of some aspects of American foreign policy." The 2010 Supplemental Appropriations Act recommends \$650 million be used to transition

Iraqi police training from the Department of Defense to the State Department.² Further, DoD’s so-called 1207 funds, which support stabilization and reconstruction, will be replaced by the State Department’s Complex Crises Fund.³ This fund will “target countries or regions that demonstrate a high or escalating risk of conflict or instability, or an unanticipated opportunity for progress in a newly-emerging or fragile democracy.”⁴

Finally, the Pakistani Counterinsurgency Capabilities Fund, designed to help the Pakistan government build its capacity to conduct counterinsurgency operations, will move from the Department of Defense to the State Department. The FY 2011 request of \$1.2 billion for this fund exceeds the FY 2009 funding level by \$500 million.⁵

These are positive steps, but in many ways they remain at the margins. Together, funding for the State Department and USAID represents just 1.4 percent of the national budget and less than 7 percent of what the United States spends on issues that can broadly be considered “national security” (see table).⁶

This paper identifies approximately \$40 billion that could be cut from the Department of Defense budget without undercutting our national security. We propose that \$30 billion be used toward deficit reduction. In December last year, the Center for American Progress proposed 10 cuts to current defense spending totaling \$39.3 billion—the basis of our proposed \$40 billion reduction in defense spending.⁷

The remaining \$10 billion could be best transferred to USAID, an agency that is essential to preventing and managing conflicts in the 21st century. Together, these two steps would help reduce overall military spending while bolstering civilian development work in vital ways. This \$10 billion would be transferred over a period of three years, representing an average annual boost of roughly 18 percent to the USAID budget.⁸

In addition, we argue for ongoing budget reforms currently underway within the U.S. government to develop a unified national security budget encompassing defense, diplomacy, and development. In previewing the Obama administration’s national security strategy, Secretary of State Hillary Clinton said, “We cannot look at a defense budget, a State Department budget, and a USAID budget without defense overwhelming the combined efforts of the other two, and without us falling back into the old stovepipes that I think are no longer relevant for the challenges of today.”

The Top 20

Top 20 countries benefitting from USAID assistance (obligated program funds) for FY 2009

	Country	FY 2009
1	Afghanistan	1,459,560,810
2	Pakistan	1,084,746,818
3	West Bank/Gaza	798,497,531
4	Egypt	551,255,600
5	Haiti	224,209,944
6	Kenya	515,238,368
7	Jordan	515,749,676
8	Sudan	467,960,516
9	Georgia	331,343,446
10	Iraq	443,519,655
11	Ethiopia	427,743,004
12	South Africa	324,356,642
13	Nigeria	290,736,554
14	Uganda	273,186,427
15	Tanzania	204,370,738
16	Colombia	225,890,663
17	Indonesia	177,123,304
18	Zambia	182,166,338
19	Mozambique	178,096,420
20	Liberia	138,861,346

Note: This does not include funds from military assistance, which would substantially increase numbers for countries such as Israel, Egypt, Colombia, and Iraq.

Source: U.S. Agency for International Development, available at <http://www.usaid.gov/policy/budget/money/>.

In the pages that follow, we detail how this sustainable security approach would improve our national security and our federal budget process. We will first examine the current state of USAID and its programs. We will then recommend three ways to improve the agency's capabilities so that a sustainable security strategy will:

- Create greater economic prosperity and trading opportunities in the developing world
- Help prevent conflicts and instability in troubled developing nations
- Improve the health and well-being of people around the globe

Make no mistake—these goals are as important to our national security as our armed forces. As we will demonstrate, reforms to our defense spending and development aid agencies and programs should be undertaken now so that sustainable security becomes the operating strategy in our international relations with the developing world.

The time is ripe for the United States to take a fundamentally different approach to the world, and it is a rare moment when the United States can spend less money on improving our national security and advance the safety and well-being of millions of individuals while promoting shared interests around the globe.

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