

War and famine. Peace and milk.

— Somali proverb

The Obama First Year Issue

Since 1989, the pool of DoD military and civilian employees has shrunk by more than 30%. Nonetheless, *the total DoD workforce - which includes private contractors - is today as large as or larger than it was during the Cold War.*

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Obama's Foreign Policy Scorecard

John Feffer

In his first year in office, Barack Obama gave several exceptional speeches on foreign policy. In Prague, he endorsed nuclear disarmament. In Cairo, he called for a new engagement with the Islamic world. In Oslo, he repudiated torture. At these moments, the new president firmly broke with the policies of his predecessor and provided a glimpse of what a new, cooperative, just US foreign policy could be.

But Obama the exceptional speaker also remained anchored in an exceptionalist tradition. In other words, he is the president of a country that has historically considered itself an exception to the rules and realities governing other countries.

This exceptionalist tradition was no more apparent than in his administration's policy in Afghanistan. After considerable internal discussion, which in itself was a marked departure from the rush to judgment of past administrations, the president in December committed to an increase in troops in Afghanistan in addition to the initial surge announced in February. This second escalation came at a time when five indicators should have pushed Obama in the other direction.

First, by the end of the summer, public opinion in the United States had turned decisively against the war, with only 24 percent supporting US troop increases. Second, in Afghanistan, positive assessment of US activity in the country dropped from 68 percent in 2005 to 32 percent in 2009, and only 18 percent supported troop increases. Third, among NATO allies, public opinion turned even more sharply against the war, prompting NATO governments to set timetables for withdrawal. And fourth, elite opinion shifted, as even conservative pundits like George Will and

Joe Scarborough called on the president to start withdrawing troops.

The fifth indicator, the historical record, should have been the clincher. Afghans successfully resisted the Greeks, the British, and the Soviets. The failure under the Bush administration to capture Osama bin Laden and eradicate the Taliban suggested that the United States wasn't an exception to the rule. Like the Vietnam War for Lyndon Johnson, the Afghanistan War is shaping up to be the defining foreign policy of the Obama administration. Because of its cost and unpopularity, the war threatens the viability of the president's domestic agenda.

Indeed, the administration's myriad domestic programs — health care, stimulus package, jobs bill — all require hundreds of billions of dollars. But the one spot the president has avoided is the Pentagon lockbox. The Afghanistan and Iraq wars have pushed Pentagon spending to \$630 billion for 2010, which doesn't include the nuclear budget and several other pots of military spending. The Obama administration, despite its need to find money for domestic priorities, has increased military spending. True, it successfully took aim at some Cold War weapons systems, like the F-22 fighter aircraft. It canceled the missile defense bases in Poland and the Czech Republic (thus improving relations with Russia and making a treaty on nuclear weapons reductions more likely). But here too the Obama administration apparently believes it's an exception to the rule that buying lots of guns and lots of butter ultimately breaks the bank.

On international law, the Obama administration signaled that the United States would again respect certain universally accepted norms when it

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President Obama Offers the Best Foreign Policy of My Lifetime

Lucy Law Webster

When I was 8 or 9 and wrote my first anti-war poem, even I thought World War II was necessary. But 5 or 10 years later I believed I knew the main mistakes that had made it necessary; in other words it need not have been allowed to become inevitable or so important,

- If the Versailles Treaty had looked forward instead of backward
- If the United States had joined the League of Nations
- If nations had blocked Hitler when he started to remilitarize the Rhineland
- If there had been other action to delegitimize the Nazi party

Thus the value of the war was based on a set of earlier serious foreign policy errors.

After the war I was convinced the UN Charter was not adequate in:

- Granting asymmetry due to exceptional power given the 5 wartime victors
- Setting up the norm of collective security where the Security Council could make war against nations without focusing on the criminality of warlike leaders and the structural violence of self-serving power elites.

Now we have been through a massive Cold War hyped up by nuclear weapons that can still destroy us all. It spilled into Africa, Latin America, the Middle East and South East Asia. It destroyed much of the trust I had met when I traveled in Asia staying with local families in 8 countries throughout 1954 when almost everyone trusted and respected my country.

In 2001 the United States was given a massive vote of support and a green light by the UN Security Council to take action in Afghanistan following the terrorist attacks of 9/11. However momentum was lost to apprehend the perpetrators of 9/11 when the United States invaded Iraq and also lost some of its moral authority to prevail.

Currently, President Obama has harnessed the greatest wisdom of our generals, foreign policy leaders and economic development experts to work our way out of two wars he did not cause and might have avoided had he been in charge earlier. He is doing this in a man-

ner that is carefully designed to leave Afghanistan and Iraq as whole as possible. One cannot know whether the respectful and assertive approach to the leaders of these two countries will be enough to overcome the stigma of having invaded and the damage of having stirred up internal rivalries. Nor can we know whether the animosity amongst rival groups and against the United States can be reduced enough to allow the people of Afghanistan and Iraq to flourish, but now at least self government and locally created security and prosperity are the clearly presented goals.

The President was wise to address the situation in Israel and Palestine early, but the United States and Israel cannot ignore the relevant international law for occupied territories. Calling for “freezing” the Israeli settlements implies that the status quo is not going to be reversed – a totally untenable stance, especially with most of the water in the area going to the settlements. This is not a workable basis for negotiation. At the same time the President has not been tempted to permit military action against Iran where almost everyone recognizes there cannot be a military solution.

In fact, President Obama is the most powerful person in the world to have ever fully recognized that the only way to effectively prevent the proliferation of nuclear weapons is to implement article VI of the Nuclear Non-Proliferation Treaty where the United States and Russia (as well as China, France and Britain) are called upon to take the lead working toward a world free of nuclear weapons. He made this goal clear in Prague last April.

In general, the US stance at the United Nations is new. In several committees of the General Assembly the United States is no longer part of a tiny group of states voting against the rest; much more than before we are seen as part of the team working for global solutions.

The need to address climate change as a global problem is a clear position taken by the United States. However, the

bottlenecks in Congress make it difficult to achieve many well conceived goals, especially goals that involve making investments that are adequate to produce future savings while putting people into jobs and putting renewable technology into play.

The fact that each nation and every town and village can now learn to produce the energy it needs without depending on fossil fuel imports can undo the destructive aspects of globalization and increase the control that people will have on the future. Fortunately, President Obama understands how to generate employment at home while allowing people worldwide to find markets to trade and sell what they produce best. When such investment in world productivity serves to reduce climate change and to mitigate the unavoidable effects of what cannot be prevented, there will be enough to do to provide jobs for all. At the same time there will be less temptation for violent acquisition of territory and resources. It is not wasteful to spend money for investments that produce energy and reduce conflict. Such spending is not ideologically driven. It is not a question of left or right; it is a question of foresight—action to serve future generations throughout the world.



Lucy Law Webster is a retired UN Political Affairs Officer who is Executive Director of the Center for War/Peace Studies, a Board member of Economists for Peace and Security and an officer of the international World Federalist Movement.

Letter from the Director

In February of 2003, just before the beginning of the war in Iraq, EPS circulated its "Statement on Iraq." It predicted that this unnecessary war would distract policy-makers from more important issues at home, and likely spawn dire economic consequences. We foresaw crises in jobs and housing, state and local government budgets, and the value of the dollar.

For the last six years we have devoted each March issue of the EPS Quarterly to two overlapping themes: the Iraq war, and the federal security budget. This year, on the seventh anniversary of the start of combat operations in Iraq, it seems as if there is not much new to say. Iraq is largely not in the news. The war grinds on. A recent article in the Brattleboro Reformer stated, "Sunday's parliamentary elections were the first signpost on the road out of Iraq. If all goes well and current plans hold, there will be only 50,000 soldiers remaining in an advisory role by September 1 and all combat units will be gone by the end of 2011." That sounds like a big IF to me; we have been hearing this same rhetoric for seven years now (albeit without the deadlines).

So I thought rather than beat a dead horse, this issue should focus on a slightly different point - what's changed this year? Has US foreign policy in the Middle East, or in general, improved under the new administration?

When Barack Obama was elected many of my friends were ecstatic. They asked whether I was excited too. I always replied yes, it was amazing that an African-American could be elected in this country. And he seemed to have values closest to my own of any president (in my lifetime, at least). But I know how large, unwieldy, and slow-moving is the ship of state, and how hard it was going to be to turn it. I was also concerned about President Obama's commitment to the war in Afghanistan. I was fully aware during the campaign that he planned to escalate operations there, unlike many of my friends. I considered not voting for him on those grounds.

As Lucy Law Webster mentions in her piece in this issue, there have been many positive steps taken. When the announcement came early last year that the prison at Guantanamo Bay would be closed, I thought, "Maybe we will see real change." Then Obama announced the timeline for

withdrawal from Iraq (always with the caveat: if things go well), and in his speech at Prague promised the US would take concrete steps to reduce its nuclear arsenal. I again thought, "This *is* a change from the last 20 years of Bush I and II and the Clintonistas."

On the other hand, in addition to the troop surge in Afghanistan, the Obama administration has continued the surge of defense budgets begun during the Clinton years. There has been some movement toward canceling some outdated weapons programs, but the overall bill keeps going up. Carl Conetta points out in his article that the annual defense budget is now about twice the size it was in 1998. The president's recent decision to freeze all discretionary spending in FY2011 except for the defense budget does not indicate a real change in attitude.

In another article, Cyrus Bina examines the US policy in Iran as a microcosm of Middle East policy in general. He suggests that, instead of staying mired in old ways of thinking, the US needs to take a step back and look at what is actually going on in the region in order to formulate new policy accordingly. Obama the change agent needs to have the courage of his convictions and break from previous US postures.

So, what is my opinion on Obama's foreign policy one year into the administration? About the same as it was a year ago - let's wait and see. Unfortunately, I think domestic issues have taken up too much of his attention and left little room for real progress on foreign policy. John Feffer, in his article, refers to American exceptionalism. He states that "the Obama administration apparently believes that it's an exception to the rule that buying lots of guns and lots of butter ultimately breaks the bank."

During a recent NPR broadcast about a proposed update of the No Child Left Behind Act, a teacher said that while there was a lot of good rhetoric in the bill, it might not work so well in the execution. I feel the same way about Obama's foreign policy. Lots of good talk, but not enough action - yet.



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Contact us:
EPS at the Levy Institute
Box 5000
Annandale-on-Hudson, NY
12504
USA

Tel: +1 845.758.0917
Fax: +1 845.758.1149
Email: info@epsusa.org

Thea Harvey
 Executive Director

Catherine Cohen
 Newsletter Editor

Ellie Warren
 Communications Director

Lucy Law Webster
Myles Ren
 UN Representatives

Contact the editor:
catcohen@epsusa.org

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Trillions to Burn? A Quick Guide to the Surge in Pentagon Spending

Carl Conetta

With his decision to further boost defense spending, President Obama is continuing the process begun in late 1998 of re-inflating the Pentagon – fully three years before the 9/11 attacks on America. The FY 2011 budget marks a milestone, however: the inflation-adjusted rise in spending since 1998 will probably exceed 100% in real terms by the end of the fiscal year.

Taking the 2011 budget into account, the Defense Department has been given about \$7.2 trillion since 1998, when the post-Cold War decline in defense spending ended. Approximately \$2.5 trillion of this total is due to spending above the annual level set in 1998. This added amount constitutes the post-1998 spending surge.

Military operations overseas are responsible for less than 17% of all the money spent since 1998, and for less than 50% of the funds added above 1998 levels. Whether one looks at total DoD spending or just that portion unrelated to overseas operations, recent and current budgets surpass the Reagan and Vietnam-era flood tides.

What becomes clear is that (1) defense spending has moved in waves historically and that (2) the most recent surge reaches uniquely high. Indeed, total spending (actual and planned) after 2001 appears much above the average for the preceding five decades. The Obama administration is contributing substantially to this trend. It plans to spend more on defense in real (inflation-

adjusted) terms than did any administration since 1948 – a period encompassing the entire Cold War, including two large-scale, protracted regional wars: Korea and Vietnam.

Comparing several eight-year administrations we find that:

- Ronald Reagan spent \$4.1 trillion on the Defense Department (in 2010 dollars);
- G. W. Bush spent \$4.65 trillion; and
- Barack Obama plans to spend more than \$5 trillion.

How does the 1998 – 2011 spending surge compare to previous surges? The most ready comparisons are to the 1958 – 1968 (Kennedy-Johnson) surge of 43% and the 1975 – 1985 (Reagan) surge of 57%. Notably, the 1998-2011 surge is as large as these two predecessors combined.

The “Kennedy-Johnson” surge (which actually began in the last years of the Eisenhower administration) involved efforts to recapitalize the military and, later, to conduct the Vietnam War. The “Reagan” surge (which actually began in the mid-1970s) involved a shift from a conscript to a volunteer (or “professional”) military, increased funding for force support, and a major program of recapitalization.

Another curious feature of the trend in defense spending is that the end of the Cold War looks like just another cyclical dip in the flow of funds to the Pentagon. One would hardly guess that the period 1989-1992 marked the demise of a peer

global military competitor – one unlike any adversary existing today. Nor would one guess that the West had put behind itself a military contest involving dozens of well-armed nations and 30 significant insurgencies and civil conflicts.

Why Worry About Defense Spending?

Substantial concern about increased defense spending (as well as other federal spending) focuses on the recent, remarkable increase in the national debt. Much of the recent increase in debt is due to the financial crisis that commenced in 2008. However, debt accumulation is poised to continue through to the end of the period in 2019 – and beyond.

The most ready comparison to America’s current circumstance is the time of the Second World War. Back then, the level of debt rose higher than it has today, but the period during which the burden exceeded 100% of GDP lasted only four years. Today, by contrast, it looks as though the period during which debt will equal or exceed 100% of GDP will last for more than twice as long. If we think of the mid-1940s as representing “the Mount Everest” of US debt accumulation, then the period after 2008 should represent “the Tibetan plateau” (which is not as high as Everest, but far wider).

What feeds debt accumulation is deficit spending. **Chart 1** below shows deficit spending as a percentage of GDP for the years 1946 – 2019. Even after

CHART 1 – US Federal Budget Surplus/Deficit as % GDP, 1946 – 2019



Sources: see this article's Data Sources appendix online at www.epsusa.org

Trillions to Burn? A Quick Guide to the Surge in Pentagon Spending

the deep deficits associated with the current crisis pass, the Obama administration is set on a path of deficit spending comparable (on average) to those of the period 1982-1993. This reflects the administration's decision to combine higher levels of domestic spending with high levels of defense expenditure.

Deficits and Debt – So What?

Are the planned deficits and rising debt reason for grave concern? One worry is that the mounting national debt will lead to a surge in inflation, a weakening of the dollar, and higher interest rates. But such outcomes would depend on other factors as well, for instance: is the economy in recession and, if so, how deep? After recovery, how close is the economy to full employment? What is the overall debt burden of the nation, public and private, and is it growing, declining, or holding steady? How does the change in debt compare with the change in GDP? Is the debt ratio getting worse or better? And are there alternatives to investing in the dollar and in the United States that are both sizable and more “attractive” (that is: reliably profitable and secure)?

There are several things of which we can be sure:

- First, we are entering new territory with regard to the combined scale and duration of national debt;
- Second, the world is generally displeased with recent US economic leadership and some nations are actively seeking to diversify their holdings of foreign currency (although, at present, the options for “fleeing the dollar” are not inviting);
- Third, the growth in debt and an eventual rebound in interest rates will mean that a greater portion of the federal budget will be consumed by servicing the debt. Between 2006 and 2017, the portion of federal outlays devoted to interest payments will grow from 8% to 14%. Moreover, the surplus income from social security is dwindling and will soon disappear as a source for paying other bills.

These developments imply greater

contention in the future over how the federal government allocates its resources. Concerns about the size of the national debt will further feed this contention. In this light, a modestly cautious approach might be to:

1. Avoid steps in the near-term that imperil economic recovery;
2. “Economize” by ensuring that deficit dollars are used in ways most conducive to recovery and sustainable growth; and
3. Adjust spending priorities to ensure that federal expenditures closely correspond to the nation's most critical needs and shortfalls, current and emerging.

While privileging the goal of recovery, this approach requires that we revisit and toughen our calculation of national needs and priorities.

Measured in 2010 dollars, the Korean conflict cost \$393,000 per person/year; the Vietnam conflict cost \$256,000; and the Iraq and Afghanistan commitments have cost \$792,000 (through 2010).

Does DoD Need More? Can Less Do?

A first, essential step in answering this question is understanding why DoD's stated “requirements” have ballooned by 100% in real (after inflation) terms since 1998. The most facile answer is that “America is at war and wars are expensive.” But this explanation is not sufficient. Including the funding in the FY 2011 budget, the wars account for only half of the increase in DoD funding since 1998.

Moreover, the wars themselves have been exceptionally expensive in com-

parative terms – but why? Measured in 2010 dollars:

- The Korean conflict cost \$393,000 per person/year invested;
- The Vietnam conflict cost \$256,000; and
- The Iraq and Afghanistan commitments have cost \$792,000 (through 2010).

Rather than adequately explaining the post-1998 spending surge, the high cost of recent military operations adds to the mystery.

What is driving DoD costs upward?

In our recent study, *An Undisciplined Defense*, we discerned several reasons for the unprecedented increase in DoD's stated “requirements.” The cost drivers that we identified also pertain to swollen war expenses. All of these “drivers” point to policy options – choices – that might significantly reduce DoD expenditures.

First, there has been weak prioritization among the many military modernization programs undertaken since the end of the Cold War. Too much of the \$2.5 trillion that was invested in military research, development, and procurement between 1989 and 2002 was “backward looking,” rooted in Cold War programs and concerns. As a result, the post-2001 wars required a new wave of modernization investment.

Also, many of the new technology programs pursued since 1989 – like Predator drones – were simply appended to existing modernization plans, rather than supplanting them. We call this phenomenon of poorly-integrated, overlapping acquisition programs “discordant modernization.”

Second, America's reliance on high-cost “volunteer” (professional) military labor, which began after (and as a reaction to) the Vietnam War experience, is ill-suited to the conduct of protracted, large-scale wars of occupation and counter-insurgency. Labor-intensive slogs like those in Afghanistan and Iraq drive personnel costs sharply higher as DoD must pay more to recruit and

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retain personnel. Between 2001 and 2010, spending on military personnel rose by 50% in real terms, although the number of full-time military personnel grew by only slightly more than 2%. America's post-Vietnam, post-Cold War military was not designed or built to sustain so many of its personnel in large-scale occupation and counter-insurgency duties for years on end. The authors of the wars didn't expect them to evolve into protracted slogs; still, the 2010 US Quadrennial Defense Review seems to see more undertakings of this type in America's future.

Finally and most important: following the collapse of Soviet power, successive US administrations have set more ambitious goals for the US armed forces. Essentially, as the magnitude of threats dwindled, national leadership pushed the security goal posts forward.

US leaders, Republican and Democratic alike, entered the post-Cold War period seeking both a "peace dividend" and a "power dividend."

Power Dividend versus Peace Dividend

The first involved reducing the size of the US military and its budget. The "power dividend" that US leaders also sought involved requiring the US military to sustain and expand its continuous

global presence, increase peacetime engagement activities, and prepare to conduct more types of missions, faster, across a greater portion of the earth. US post-Cold War strategies have looked beyond the traditional goals of defense and deterrence, aiming to use military power to actually *prevent the emergence* of threats and to "shape" the strategic environment. US defense planners also elevated the importance of lesser and hypothetical threats, thus requiring the military to prepare for many lower-probability contingencies.

The ambitions of post-Cold War US strategy and its vagueness were at odds with the goal of reducing the military's size and budget, but the two thrusts were to be reconciled by a series of reforms and innovations that would allow the armed forces "to do more with less." Reform efforts were to focus principally on trimming DoD infrastructure, streamlining support, renovating business practices, and privatizing various activities. Some leaders also saw in new information technologies the promise of a "revolution in military affairs" that would enable the armed forces to achieve greater integration and efficiency.

As it turns out, the reform agendas fell short of their promise. Institutional resistance and bureaucratic inertia

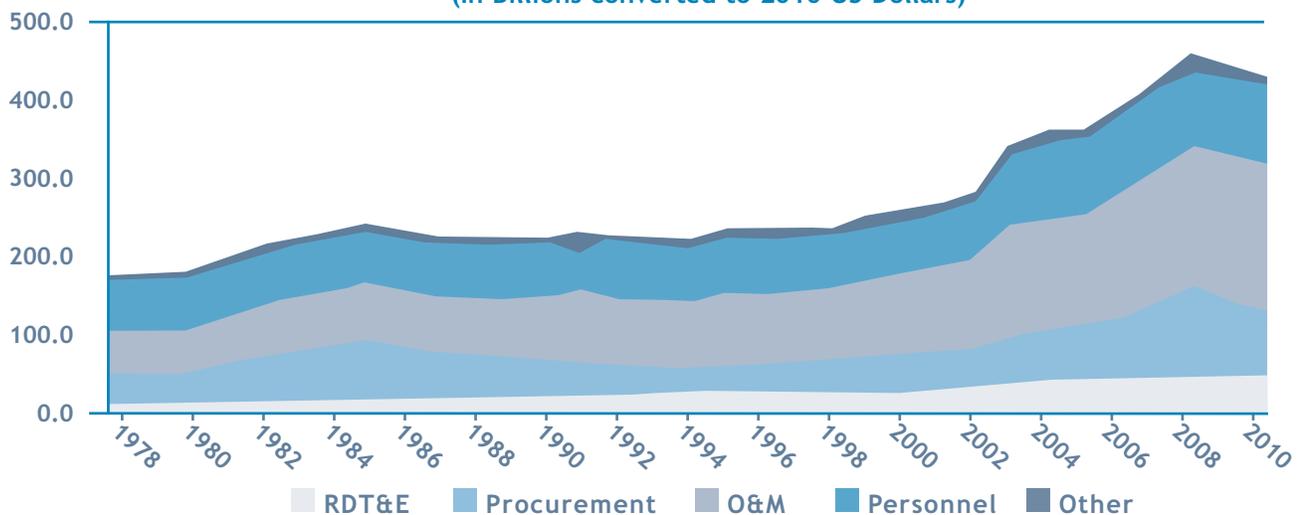
proved stronger than the impetus for change. While reform advocates had hoped that their efforts might liberate between 10% and 15% of the Pentagon budget – or even more – actual savings have amounted to less than 5%.

Squeezed between the failure of reform efforts and the ambitions of post-Cold War military strategy, the peace dividend soon vanished and DoD's budget began its upward climb. This, combined with a "discordant" approach to acquisition and the conduct of labor-intensive wars in Iraq and Afghanistan, produced the exceptionally high DoD budgets we see today.

Where Did the Money Go?

After 1998, the number of full-time military personnel did not rise by much, despite the wars. But the amount of money given to the Pentagon calculated in terms of dollars per full-time person in uniform soared. **Chart 2** below illustrates the change in DoD budget authority per full-time per person in uniform, along with the allocation of the DoD budget among appropriation categories, including Personnel, Operations and Maintenance (O&M), Procurement, Research, Development, Testing, and Evaluation (RDT&E), and other smaller accounts. All budget numbers have been converted to 2010 dollars.

CHART 2 - DoD Per Person Budget Authority by Appropriation Title, 1978 – 2010
(In Billions converted to 2010 US Dollars)



Sources: see this article's Data Sources appendix online at www.epusa.org

Trillions to Burn? A Quick Guide to the Surge in Pentagon Spending

CHART 3 – Trends in US Military Construction 1951 – 2010
(Aggregate budget authority for five-year periods in billions 2010 USD)



Sources: see this article's *Data Sources* appendix online at www.epsusa.org

The upward trend in the DoD budget partly reflects decreased efficiency and failure to make disciplined choices in procurement. It also reflects the decision to put the military to work in wars of a type for which it was not designed. Finally, it reflects increased readiness, activity, and capability. In some important respects, today's US military is more powerful than its Cold War predecessor, even though the number of full-time military personnel is 30% less. Among the enhancements are a vast increase in its capacity to attack targets with aircraft and missiles. Also, its capacity to rapidly deploy troops and equipment has improved. In these and other ways, the power of the Pentagon has been re-inflated. It is important to recognize that DoD has taken steps to compensate for the post-Cold War reduction in the number of military personnel.

The Surge in Private Contractors

Since 1989, the pool of DoD military and civilian employees has shrunk by more than 30%. Nonetheless, the total DoD workforce – which includes private contractors – is today as large as or larger than it was during the Cold War. The re-inflation of the Pentagon labor pool involves a dramatic expansion in the role of private contractors whose employees have assumed many of the support functions previously performed by DoD personnel. The number of workers on contract to the Pentagon has

probably grown by 40% since 1989. This growth partly shows up in the budget numbers as a steep increase in the O&M account. Calculated in per person terms, O&M expenditures are 2.5 times higher today than in 1989. In absolute terms (and corrected for inflation), O&M spending has risen 76%.

The Surge in Military Construction

Military construction is one of the lesser DoD appropriation categories, having seldom accounted for more than 2% of the DoD budget during the past 60 years. The past five years are an exception, however. During 2006-2010, nearly \$100 billion was set aside for construction. As shown in **Chart 3**, this makes for a yearly average during the recent period that is 2.5 times as great as the annual average for the preceding 15 years. There are a variety of reasons for the building surge, among them: construction in Iraq and Afghanistan; the realignment of US bases worldwide, including new construction in Eastern Europe, Central Asia, and Africa; and new facilities to accommodate an expanded Marine Corps and Army.

US Military Spending Primacy

The policy choices and failures outlined above have converged to give the United States a historically unique edge in military spending. The amount America currently spends seems entirely detached from others' efforts to build military power, whether allied or adver-

sarial.

The changes in relative shares of military spending worldwide over the period 1989-2006 are as follows:

- The United States has gone from accounting for only 28% of world spending during the Cold War to 41% in 2006, and
- The Western group as a whole has gone from a 49% share to a 70% share, while
- The group of potential adversary and competitor states has gone from claiming a 42% share to just 16% in 2006.

America's predominance in defense spending is not solely a product of post-9/11 initiatives, either. Throughout most of the 1990s, the United States claimed 31% – 33% of world military expenditures, while 18 – 20% was claimed by potential adversary states in aggregate.

Had Ronald Reagan – who is generally regarded a hawkish president – wanted in the 1980s to achieve the ratio between US and adversary spending that would exist in 2006, he would have had to quadruple his defense budgets. Of course, since 2006 the US defense budget has not receded, but grown by another 20% in real terms. By 2011, the United States will probably account for more than half of all global military spending calculated in terms of “purchasing power parity” (which corrects for differences between national economies).

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Obama's Foreign Policy Scorecard (continued from page 1)

outlawed torture and recommitted to the Geneva Conventions. But the administration refused to back away from the policy of extraordinary rendition whereby suspects are seized outside the United States, then flown to another country for interrogation. It also has failed to close the Guantánamo detention facility. On multilateralism, the administration agreed to pay US arrears to the United Nations and signed the UN Convention on Disabilities. But Washington continues to be an outlier on the Law of the Sea, the conventions on landmines and child soldiers, the Comprehensive Test Ban Treaty, and the International Criminal Court.

As a candidate, Obama promised to reach out to US adversaries that unclenched their fists. It is perhaps too early to judge the success of what amounts to slow and deliberate diplomacy. The United States at least is talking with North Korea and has begun to explore options with Burma. Negotiations with Iran proved unsuccessful, but the Pentagon so far hasn't conducted bombing raids on suspected nuclear facilities. The move to include development as a consideration in the human rights realm and the lifting of the global gag rule that restricted US funding for family planning were both welcome shifts in policy.

In other respects, however, actions undertaken by the Obama administration

have undercut the impressive rhetoric of the president's speeches. In his Cairo speech, Obama showed great sensitivity in reaching out to the Islamic world, but US military actions have killed thousands of Muslim civilians in "collateral damage." There has been no real pressure on Israel to compromise to achieve genuine Palestinian self-determination. Support of an overall missile defense plan (even without bases in Central Europe) and the Pentagon's upgrade of conventional strike capabilities lower the odds of significant nuclear arms reductions with Russia. The US policy of using drones and paramilitary teams to assassinate adversaries — which violates not only international law but also a US executive order that originated in the Ford administration — undermines the lofty statements of principle articulated by Obama in his Nobel Prize acceptance speech. And the promise at the Summit of the Americas, of "engagement based on mutual respect and common interests and shared values," was belied by the administration's reversal of its opposition to the coup leaders in the lead-up to the November elections in Honduras.

There is, of course, still time for the Obama administration to fashion a different kind of exceptionalism. As the world's biggest emitter of greenhouse gasses after China, the United States could set an example in climate negotiations by promising to reduce emissions

by 80 percent of 1990 levels by 2050. As the country most responsible for the financial deregulation that threw the global economy into recession, the United States could take the lead by supporting the Tobin tax on financial transactions. As the world's top military spender, the United States could freeze and then cut the Pentagon budget, challenging other big spenders to do the same.

The Obama administration is certainly an improvement over that of the Bush years. Its several achievements — banning torture, lifting the global gag rule, canceling missile defense bases in Europe — are worthy of praise. But the decision to escalate in Afghanistan, while escalating in Pakistan and intervening militarily in Yemen, lowers the score. On his report card after the first year the president passes, but barely? and with a note in the margin: needs improvement.

John Feffer is co-director of Foreign Policy in Focus at the Institute for Policy Studies. He is the author of several books and numerous articles, and is a former associate editor of World Policy Journal. He has served as a consultant for the Friends Committee on National Legislation and many other organizations. He is a recipient of the Herbert W. Scoville fellowship and has been a writer in residence at Blue Mountain Center and the Wurlitzer Foundation.

EPS Bernard Schwartz Symposium Security and the Economic Crisis

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Post-Election Iran and US Foreign Policy

Cyrus Bina

The 2009 presidential elections in Iran and their aftermath present an unprecedented opportunity for the United States to pause and re-evaluate its policy toward Iran. In the wake of the disputed election, the popular uprising and the subsequent upheaval within the ruling party have led to hope for a new, robust democratic movement within Iran. This movement could easily be discouraged by the wrong US policy at this time. Existing US policy toward Iran (and the entire region) is built on the fiat of US hegemony. To continue in this vein could be catastrophic for US interests. The United States cannot afford to make such self-defeating strategic blunders; however, patience at this stage could yield great rewards. A coherent, even-handed, and epoch-driven US foreign policy would do much for global political stability.

Internal ideological confrontation in the Islamic Republic of Iran is now irretrievably in the open. The cumulative effects of thirty years of political repression and internal dissent have come to roost at the doorstep of the Iranian regime. Neither the difference between the Ahmadinejad-Khamenei government and the people nor the cleavage between “moderate” reformers and hard-line fundamentalists is deemed reconcilable at this point. And, although the leadership of the regime has recently been forced to make some reconciling statements, the fact remains that post-election Iran and the preemptive coup d'état that followed are inseparable; this must lead to a metamorphosis within the regime itself. The paramilitary government of Ahmadinejad-Khamenei is attempting cannibalization of its contemporaries while gearing up to impose a metamorphosed and “rationalized” version of the Islamic Republic. A varied, vibrant, and vigorous opposition has adopted the rallying cry of the daring 1999 youth and intellectuals' uprising, “Down with the Dictator.” Now a universal expression in the streets of Tehran and other major cities, this and other militant slogans have been taken up by a massive segment of the population,

crossing boundaries of age, gender, education, and social class.

The Role of Sanctions

Economic sanctions have wreaked havoc with the Iranian financial system from top to bottom and created discomfort for the regime. These sanctions have produced disproportional hardships for the bulk of the population, particularly the poorest of the poor in Iran. Our foreign policy as a civilized nation must not prioritize tactic over strategy, because imposing sanctions as a tactical maneuver may generate unintended consequences upon strategy. The

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Obama administration inherited sanctions as the primary tactic in an ill-conceived strategy for dealing with Iran; indeed, the US has had no suitable foreign policy strategy on Iran since the fall of the Shah in 1979.

For instance, US sanctions against Cuba have been ineffective, achieving no larger, worthwhile strategic objectives; these absurd sanctions simply made us look like a de facto bully in the neighborhood. In Iran's case, US sanctions began in the 1980s and continued into the mid-1990s, only to be renewed and beefed up in the Clinton and Bush-Cheney eras before the Obama administration considered “toughening them up” again today. On the surface, it looks like the US is running out of options, as is often the case. But something more profound and sinister was in the works while Iran was on the road to recovery

from the eight-year war of attrition with Iraq through Rafsanjani's eight-year reconstruction and Khatami's eight-year purported reform.

John Maynard Keynes, in the aftermath of the armistice agreement at Versailles (1919), wrote with incredible precision:

“The policy of reducing Germany to servitude for a generation, of degrading the lives of millions of human beings, and of depriving a whole nation of happiness should be abhorrent and detestable — abhorrent and detestable, even if it were possible, even if it enriched ourselves, even if it did not sow the decay of the whole civilized life of Europe. Some preach it in the name of Justice. In the great events of man's history, in the unwinding of the complex fates of nations Justice is not so simple. And if it were, nations are not authorized, by religion or by natural morals, to visit on the children of their enemies the misdoings of parents or of rulers.”

(*The Economic Consequences of the Peace*, New York: Harcourt Brace, 1920: 225).

Substitute the word “sanction” for “reparation” and “Iran” for “Germany,” and the reader shouldn't be surprised to glimpse remarkable parallels. This passage is astonishingly analogous to what US foreign policy has accomplished in Iran; it is precisely how the paramilitarization of the bruised, battered, and war-torn Iran was launched. In 1999, an organized force, namely the Revolutionary Guard (RG), exploited beleaguering US sanctions to snatch all opportunity from its dispersed, disadvantaged, and disorganized private rivals across the commercial and industrial landscape in Iran, with the blessings of the bulky, petrified, and besieged state. The asymmetric impact of US sanctions, combined with the state's political calculations, eliminated a competitive economic environment and created a state of emergency.

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Post-Election Iran and US Foreign Policy (continued)

The Revolutionary Guard, while encroaching on economic domain, also gained a political foothold. At about the same time, multiple political assassinations of the opposition, independent writers, and intellectuals by off-the-shelf death squads within the Information Ministry were followed by student unrest, making a mockery of the Khatami administration.

The RG's 1999 threat of coup d'état and President Khatami's ineptitude and submissiveness at the time should be considered the turning point in political domination of the Guard. It could be said that while the Iran-Iraq War had created the necessary condition for this paramilitarization to emerge, US sanctions provided the very sufficient condition for it to take hold within the state. As a result, Ahmadinejad's recent preemptive paramilitary coup constitutes in some measure a corollary of the long-standing US sanctions against Iran. The resurrection and rejuvenation of this Frankenstein is, essentially, a joint product of three decades of US-Iran relations, including our objectionable and obtuse policy of taking sides with Saddam Hussein during the course of the Iran-Iraq war (1980-1988). Only Iranians themselves possess the right and the responsibility to change their regime. There have been enough US attempts to influence change in Iran, so let us — for heaven's sake — refrain from inhibiting this vibrant, democratic movement that is currently underway.

The Likely US Iran Policy

The question of what to do with Iran must be treated in its own right, without twisting it as an extension of US policy vis-à-vis other nations in Middle East. Neither putting words in Saudi Arabia's mouth nor rehearsing tactically (and opportunistically) with other Arab nations on Iran will prove advantageous in the long run. Indeed, like our Iran policy, US foreign policy toward the Arabs may be seen as an appendage of our Israel policy. When the time comes for the Arabs to be rewarded on this feeble quid-pro-quo, say, on the Palestinian issue, we know darn well that we will have to kick sand in their faces. Secretary of State

Hillary Clinton recently stated that the United States wants a nuclear-free Middle East. This is not only a panoramic subterfuge but an insult on top of an old injury (i.e., a habitually narrow and double-standard US policy) for the Arabs, the Turks, and the Iranians.

Foreign policy should be neither a charity nor an interest-group proposition; it must be a long-term plan of action and/or inaction. Foreign policy is not about the projection of power, but about power without projection; the United

The entire question hence boils down to the perceived threat of Iran's potential knowledge of bomb-making and the possibility of that knowledge being passed to real or imagined terrorists.

States, particularly in the last decade, has relied almost exclusively on the projection of power. For instance, our policy should not imply "unless you are a nuclear power we're going to bully you;" this creates unnecessary suspicion and thus preempts future options and potential opportunities. Threatening "all options are on the table" should entail disqualification from any serious foreign policy discussion, let alone foreign policy decision; all options are not an option at all. The US has recently made many feel-good decisions with respect to war, based on fabricated intelligence and colonial ideology; yet many of these decisions were diametrically opposed to our national interests. The two wars in Iraq and Afghanistan are undeniably in this category.

What to do with Iran is often reduced to what to do with enriching uranium in Iran. However, enriching uranium is not only anticipated but also endorsed by the Nuclear Nonproliferation Treaty (with certain restrictions, such as on-site

inspections). The main points to be considered are: (1) enrichment of uranium is the right of all nations, particularly the ones that signed the Nuclear Nonproliferation Treaty (NPT); (2) periodic inspections are necessary and available by the IAEA; (3) there is no limit on any nation's gaining knowledge of nuclear technology (including the knowledge of making bombs); (4) the NPT is not only about nuclear weapons' nonproliferation, but also their absolute reduction; (5) India, Pakistan, and Israel all have nuclear bombs with more than enough warheads to below up the entire region many times over; and (6) none of these countries are pressured by the United States to sign the NPT.

The entire question hence boils down to the perceived threat of Iran's potential knowledge of bomb-making and the possibility of that knowledge being passed to real or imagined terrorists. This alone constitutes the hallmark of de facto US foreign policy on Iran, which should embarrass every serious (and informed) citizen of this country. In other words, since the fall of the Shah, there has been a sense of denial and delusion about Iran among Democrats as well as Republicans in the United States. This of course is not specific to Iran. As the late 1970s put an end to the post-Second World War inter-state system of the Pax Americana and the epochal train departed from this station, the United States was caught between the maintenance of status quo and the uncertain global future. The US opted for the former and has given lip-service to the cause of the latter. But the maintenance of status quo has meant going against anything and everything that undermined the now defunct system of Pax Americana. The balance of power has already shifted, but the United States continues to run frantically through the rear cars of this proverbial train (as it rushes down the track of globalization) attempting to return to long-passed stations. This — not the potential nuclear Iran — is the quandary for the United States and, by implication, Israel. The latter is the symptom and the former is the cause. Hence, crude statements, for instance, by the Defense Minister of Israel that

Post-Election Iran and US Foreign Policy

“Sanctions on Iran should be for a very short time and then...,” are not only dangerous and counterproductive but also show the antiquated demands of Israel and epoch-driven weakness of the United States. Such weakness might be a virtue if the United States were to quit running backward and devise a foreign policy compatible with the present.

Given the opinion of most respected experts, Ahmadinejad’s February claim of approaching 20 percent enrichment capability, from 3.5 percent earlier, is a technical impossibility. Ahmadinejad is a Sarah Palin without lipstick, known for his rabble-rousing, empty rhetoric, and boasting (he is nicknamed at home as a *kh?li band* – literally, someone whose gun has no bullets). His reputation worsens by the hour because of his weak and uncertain position. Time is not on Ahmadinejad’s (or Khamenei’s) side, so there is no urgency to negotiate with Iran

on this issue by any stretch of imagination, except at the urging of neoconservative warmongers inside and outside Obama’s administration. Instead, the United States should address any such perceived threats in a brand new, stand-alone, thoughtful, and thorough foreign policy on Iran, with or without the Islamic Republic.

Therefore, I urge delay of any serious talks with Iran as long as Ahmadinejad is holding power. This may not sit well with the ultra-right or the pseudo-leftists supporters of the regime. However, there is a double benefit: (1) it would create a space to for us to revisit the fault-lines between the two countries, and to set our Iran policy on a carefully considered, comprehensive course that departs from this ad hoc, embarrassing, and double-standard posture, and (2) it would lend moral support to the manifold and flowing movement in Iran. A re-viewed and

re-visioned Iran foreign policy could depart from the failed sanctions and/or attacking Iran (directly or by proxy), and would avoid turning the clock back for another 20 or 30 years on this magnificent, self-activating democratic movement that shows such hope and promise, despite all human costs.

A version of this article appeared online at CounterPunch.org on March 12, 2010 as “An Open Letter to President Obama.”

Cyrus Bina, Distinguished Research Professor of Economics at the University of Minnesota (Morris Campus), USA, is the author of The Economics of the Oil Crisis, New York: St. Martin’s Press, 1985, and co-editor (with H. Zangeneh) of Modern Capitalism and Islamic Ideology in Iran, London: Macmillan, 1991. He is an Iran specialist and a member of Economists for Peace and Security.

Trillions to Burn? A Quick Guide to the Surge in Pentagon Spending (continued from page 7)

Trillions to Burn?

The US edge in spending has not purchased clear and sure progress toward a more secure and stable world. Nor has it produced an especially efficient military – one closely adapted to the current security environment. The road not taken during the past decade, at a cost of some trillions of dollars, would have involved some combination of:

1. A more forceful and thorough-going approach to Pentagon reform;
2. An integrated or “joint” service approach to force modernization that also closely tailored the acquisition of equipment to new era conditions, and
3. Greater restraint and greater specificity in setting post-Cold War military goals and missions.

That this has not occurred suggests a lapse in attention to the strategic costs and benefits associated with our chosen defense posture. It is as though the nation has trillions of dollars to burn.

Can defense spending be rolled back? A key enabling condition for the types of problems identified above is the “permiss-

sive spending environment” that insulates the Pentagon budget. At present, both Democratic and Republican leaders seem disinclined – each for their own reasons – to rethink the ways America uses its military or to press for the type of budget constraints that might prompt reform. Put simply, there seems to be little political gain (and much political risk) in stumping for DoD budget restraint. But emerging fiscal realities may soon compel increased attention to how the nation allocates its resources among competing goals – foreign and domestic, military and non-military. And this might put the nation on the road to a more disciplined defense.

This article is based on two recent publications of the Project on Defense Alternatives: “An Undisciplined Defense – Understanding the \$2 Trillion Surge in US Defense Spending” and “The President’s Dilemma: Deficits, Debt, and Defense Spending,” both dated January 18, 2010. Extensive data source listings for the tables in this publication, as well as all other references, will be posted at epsusa.org/publications.



Since January 1991, Carl Conetta has been co-director of the Project on Defense Alternatives (PDA). Prior to joining PDA, Mr. Conetta was a Research Fellow of the Institute for Defense and Disarmament Studies (IDDS) and also served for three years as editor of the IDDS journal Defense and Disarmament Alternatives, and the Arms Control Reporter. Mr. Conetta has also made presentations at numerous governmental and nongovernmental institutions in the United States and abroad. He is a frequent expert radio and TV commentator.

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Upcoming Events

April 20, 2010. Please join us for the next EPS Bernard Schwartz Symposium - *Measures of National Security*, Tuesday, April 20 at the Ronald Reagan Building in Washington DC, 8:30am - 2:00pm. The symposium is free and open to the public, but pre-registration is requested. For more information, visit our website. Please contact Thea Harvey to register. Website and contact information are listed at the bottom of this page.

June 17 – 18, 2010. *14th Annual International Conference on Economics and Security* sponsored by EPS-UK, Izmir University of Economics, Middle East Technical University (METU), and University of the West of England, Bristol. The conference will take place at Izmir University of Economics, Izmir, Turkey. Call for papers and conference information is at <http://ekolider.ieu.edu.tr/eab/DEFENCE2010/>.

June 24 – 26, 2010. *The Society for the Advancement of Socio-Economics (SASE) 22nd Annual Meeting* will take place at Temple University, Philadelphia, PA. The theme is Governance Across Borders: Coordination, Regulation, and Contestation in the Global Economy. Submissions for papers or organized sessions are now open at <http://convention3.allacademic.com/one/sase/sase10/>.

June 28 – 30, 2010. *10th Jan Tinbergen European Peace Science Conference* organized by the Network of European Peace Scientists in Amsterdam at the Tinbergen Institute, Roeterstraat 31, 1018 WB Amsterdam, the Netherlands. More information at <http://www.europeapeacescientists.org/jtinbergen.html>.

June 29 – July 3, 2010. *85th Annual Conference of the Western Economic Association International* in Portland, Oregon. EPS is organizing a session on: Climate Change, Security and Prosperity. More information at <http://www.weainternational.org/conferences.htm>.

November 19 - 20, 2010. *Second International Meeting on Conflict Management, Peace Economics and Peace Science* at the Central University of Finance and Economics, Beijing, China. This year's theme is Co-operation for a Peaceful and Sustainable World. For more information, contact Manas Chatterji: mchatter@binghamton.edu or Chen Bo: ICCPIDEM@126.co.

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EPS c/o the Levy Institute, Box 5000
 Annandale-on-Hudson, NY 12504 USA
 Tel: +1 845.758.0917
 Fax: +1 845.758.1149
 Email: info@epsusa.org
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