

The Cost of US Wars 2001-2014

USD 1.7 trillion war spending

The total cost of the Bush-launched "Global War on Terror" or GWOT from October 2001 to end of December 2014 is a staggering USD 1,609 billion (Fig.1 and Table 1). This is equivalent to USD 3,853 at the ticking of each second. The cost of the Afghan war alone reaches USD 686 billion, or USD 1,643 per second.

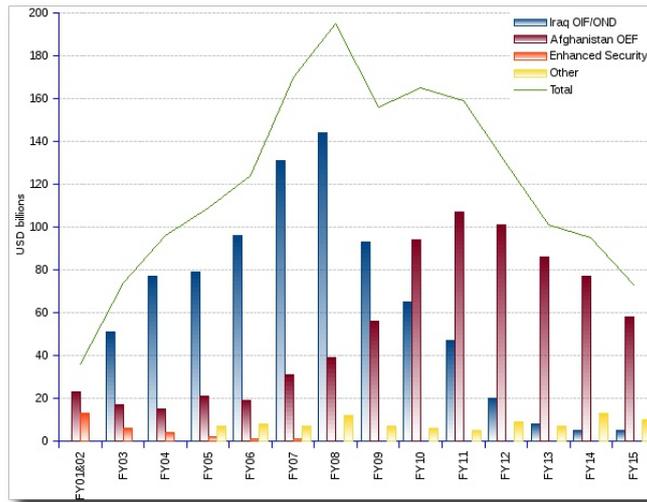


Fig.1: Cost of Iraq, Afghanistan, and Other GWOT (Global War on Terror) operations.

U.S. military expenditure dwarfs the rest of the world

The United States serve the world streams of rhetoric about the threats posed by their finger-pointed arch-rivals China, Russia and Iran. How does, in fact, the cost of the US wars, excluding other military expenses, compare with the full military spending of the other three nations? In 2011, at the peak of the U.S. intervention in Afghanistan, the cost of the Afghan war amounted to USD 107 billion, which, adding Iraq war's and other GWOT costs, built up a total spending of USD 159 billion. This represented 123 percent of the 2011 full military expenditure of China, 248 percent of Russia's, and 2,131 percent of Iran's. The U.S. military expenditure dwarfs the rest of the world, ruling out any serious competition in terms of military stockpile. Aspiring super-powers should be well advised

to decline to play the game according to the U.S. rules, lest they exhaust their resources in a ill-fated race.

War outputs from grisly to nauseous

What did the U.S. get for the spent money? Looking at the currently mushrooming insurgency in Central Asia, Middle East, and Africa, they missed the objective by a long shot — instead of hindering,

they fostered widespread insurgency. Let us consider Afghanistan alone. The most horrid and tangible outcomes of the war are the 2,356 killed, and 20,067 wounded-in-action, often awfully crippled, young US soldiers, against the background of a ravaged, forlorn Afghanistan, with tens of thousands of dead and injured civilian bystanders.

But the war also produced other tangible albeit loathsome byproducts. War money is never lost for everybody. US wars offer reckless profiteers grand opportunities for making big bucks, fast and easy. For example, thousands of weapon systems, vehicles, electronics and communications gear, among which highly sensitive equipment, including encryption devices, worth hundreds of millions of dollars went missing in Afghanistan. According to a recent Pentagon's audit ¹, from 2006 to 2010 the army lost track of 174,247

pieces of equipment. Twenty-three percent have been eventually located, leaving 133,557 lost items valued at USD 238.4 million.

Corruption got out of scale in Iraq and Afghanistan. Waste and fraud ² have amounted to at least USD 31 billion, and possibly as much as USD 60 billion. Subcontracting ³ by the U.S. Department of Defense to the estimated 90,339 mercenary security forces and other support service providers on December 2011 has been repeatedly denounced as a focus of malpractices causing streams of money to flow to vicious entrepreneurs, local power brokers and officials, and even to the insurgent forces.

The Afghan conflict also provides rewarding opportunities for making juicy profits by means other than fraud and deception. Technology has a huge cost of ownership. It is expensive to buy, it is expensive to maintain, it is expensive to dispose of. Procurement costs by the US forces have risen from USD 7.2 billion in FY2004 to USD 61.5 billion in FY2008, accounting for USD 54.3 billion or close to half of the total increase in war costs in that period. By 2010, about USD 151 billion have been provided for reset, defined as the "process of bringing a unit back to full readiness once it has been rotated out of a combat operation," by repairing and replacing equipment and resting and retraining troops. Another USD 21 billion was requested in FY2011. About half of this funding has been for repair and half for purchasing new equipment. Army reset is estimated to be USD 12 billion to USD 13 billion a year, as long as the conflict lasts and for a minimum of two to three years beyond.

The underdog against the favorite

Meanwhile, insurgents engage a crude, low-cost, robust and affordable war. They cannot use helicopters, transportation aircraft and

armored vehicles to move their troops around. They rely on plain walking. They might prefer having modern howitzers, advanced missiles, special high-power ammunition, unmanned drones, the whole paraphernalia of electronic detection, night-viewing, remote targeting or communications jamming systems, and other civilized killing gadgetry. Instead, they make do with rugged Kalashnikovs, portable RPGs and the lethal artisan roadside bombs or IEDs (improvised explosive devices) so disheartening to NATO/ISAF forces.

The U.S. threw rivers of dollars at the IED threat to try and overcome it. By 2008, US forces spent USD 16.8 billion to buy IED-proof MRAPs (Mine Resistant Ambush Protected) vehicles. From 2006 through 2011 an additional USD 20.2 billion have been dedicated to the so-called IED Defeat Fund. Nevertheless, it seems that no amount of money can win against the low-tech Afghan approach: the underdog keeps beating the favorite.

There must be a better way

History is packed with thought-provoking stories. Take the Roman Empire. In 285, the emperor Diocletian partitioned the empire's administration into eastern and western parts. The Empire in the west crumbled after a succession of external wars and internecine conflicts, its end being generally identified with the deposition of the emperor Romulus Augustulus by Odoacer in 476. The Eastern Roman Empire, however, thrived for about one thousand years more, eventually falling to the Ottoman Turks in 1453. The rulers in Constantinople had plenty of political savvy, not hesitating, and often preferring to pay their enemies to pass their way off, instead of engaging war. Supposing that Washington elected to buy the insurgents out by deflecting

the war expenditure for that purpose, the U.S. could easily have offered Iraqis a treasure-trove of more than three GDPs, and Afghans, of more than 39 GDPs (Iraq's GDP was USD 221.8 billion, and Afghanistan's was USD 20.65 billion in 2013). The kickback approach may not cure pride, but it seems befitting to extend the empire's lifetime.

But, alas, things do not work that way. Given the magnitude of funds flowing from taxpayers to the vendors of war material, and providers

of war-related services of all kinds, and considering the multitude of contracts, jobs, wages, salaries, dividends, interest on loans, career advancement and other personal and corporate benefits that conflicts bring about, it is easy to understand why so many otherwise decent people willingly ignore the grim reality of war and its eventual catastrophic consequences for all: wrongdoers, victims, and uninvolved onlookers. ■

Cost per deployed troop

The cost per deployed troop ⁴ — operational and investment ⁵ — rose from USD 665,000 in FY2003 to USD 1,043,000 in FY 2014 (Fig. 2 and Table 2). The Afghan operations proved more costly than Iraq's. The per-troop cost rose from 490,000 in FY2005 to USD 800,000 in FY2008 in Iraq, a 63 percent increase.

During the same period, the per-troop cost in Afghanistan rose from USD 580,000 in FY2005 to USD 820,000 in FY2008, a 41 percent increase.

Afghan per-troop costs higher than Iraq's

Total operational costs in Iraq rose steadily while troop strength remained fairly stable. At

the same time, operational costs in Afghanistan closely mirrored changes in troop strength. Operational costs in Afghanistan have generally exceeded those in Iraq because of the high costs of transportation and other logistical difficulties, but also for other unknown causes. Investment cost changed roughly in parallel with troop strength since FY2005 in both Iraq and Afghanistan. In both wars, investment spending declined fairly

rapidly with troop strength, though more slowly in Afghanistan

Inflating per-troop costs

Per-troop costs would be expected to decrease with higher troop levels, reflecting economies of scale. This has generally not been the case in Iraq and Afghanistan. U.S. Congress researchers blame the increases in

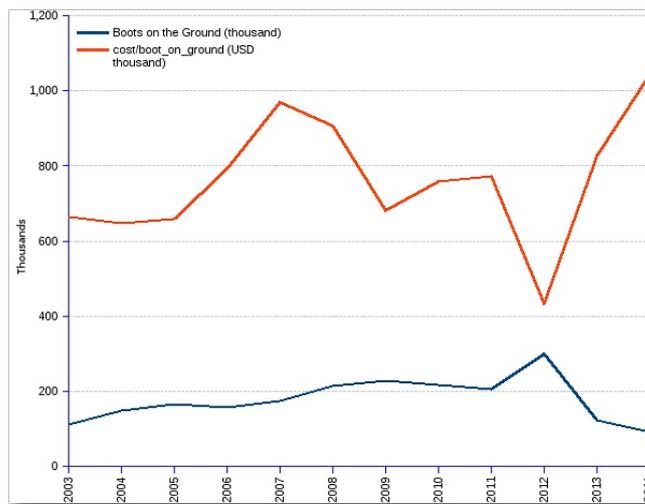


Fig.2: US Boots on the Ground - Number and Cost.

per-troop costs on a variety of factors:

- rising intensity of operations;
- unanticipated need for more force protection (e.g., armored Humvees);
- growth in base support facilities for soldiers in-country and in the region;
- higher command, communications, control, computers and intelligence support;
- expanded war-related benefits;
- cumulative effects of war usage on equipment;
- DOD changes of the definition of war costs;
- deficient wartime contracting practices and corruption in DOD's purchase of war-time goods and services.

Withdrawal commands higher costs

Per-troop costs increased more steeply during U.S. withdrawal from Iraq and Afghanistan than during other phases of the operations. In

Iraq, per-troop costs doubled from USD 800,000 in FY2008 to USD 1.6 million in FY2012 when the last U.S. troops left the country. In Afghanistan, per-troop costs fluctuated between USD 820,000 and USD 910,000 between FY2008 and FY2011. Based on the FY2015 request, per-troop costs in Afghanistan are to increase by 345 percent or over three-fold from USD 870,000 in FY2011 to USD 3.9 million in FY2015.

the war of the rich against the poor

It would be of interest, for the sake of comparison, to find equivalent estimates of the cost per insurgent. Surely, the wicked inanity of such wars as the Iraq and the Afghanistan ones would be clearly demonstrated. It is outrageous that, in a world where billions of people are still deprived of food and basic care, some affluent nations dilapidate ruinous amounts to wreak havoc and increase misery abroad. It is also most absurd, considering that in the war of the rich against the poor, it is not the former that eventually wins. ◻

Cost of Iraq, Afghanistan, and Other GWOT (Global War on Terror) operations															
(USD billion)															
Operation	FY01 & 02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	Cumulative enacted ¹
Afghanistan OEF	23	17	15	21	19	31	39	56	94	107	101	86	77	58	686
Iraq OIF/OND	0	51	77	79	96	131	144	93	65	47	20	8	5	5	815
Enhanced Security ²	13	6	4	2	1	1	-	-	-	-	-	-	-	-	27
Other	0	0	0	7	8	7	12	7	6	5	9	7	13	10	81
Total	36	74	96	109	124	170	195	156	165	159	130	101	95	73	1609
Annual change		106%	30%	14%	14%	37%	15%	-20%	6%	-4%	-18%	-22%	-6%	-23%	
Average annual change since FY01/02		206%	163%	145%	136%	136%	133%	123%	121%	118%	114%	110%	108%	106%	

¹ Cumulative enacted FY01-FY14
² Enhancement of the US Anti-Terrorism System
 - Amounts less than USD 200 million.

Table 1: Cost of Iraq, Afghanistan, and Other GWOT (Global War on Terror) operations.

US Boots on the Ground - Number and Cost (year average)												
Operation	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Afghanistan/Operation Enduring Freedom	10,954	16,364	18,428	20,734	24,361	40,986	67,108	108,158	128,500	149,817	122,133	91,089
Iraq/Operation Iraqi Freedom and Operation New Dawn	100,383	132,153	146,930	135,495	150,868	173,898	161,304	109,270	77,498	149,817	0	0
Total	111,338	148,517	165,358	156,229	175,228	214,884	228,413	217,429	205,998	299,633	122,133	91,089
Cost/boot-on-ground (USD thousand)	665	646	659	794	970	907	683	759	772	434	827	1,043
Average annual growth		-2.7%	1.0%	6.4%	5.1%	-1.3%	-4.6%	1.5%	0.2%	-6.2%	6.7%	2.1%

Table 2: US Boots on the Ground - Number and Cost.

Footnotes:

¹ Bloomberg, Army slow to track down missing US war gear, 2014-11-04.

² Congressional Research Service, Wartime Contracting in Afghanistan: Analysis and Issues for Congress, CRS R42084, 2011.

³ Congressional Research Service, Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis, CRS R40764, 2011.

⁴ Per-troop costs include operational costs to conduct combat operations and support deployed troops; investment for war-related procurement, RDT&E (Research, Development, Test & Evaluation), and military construction; and excluding special purpose, flexible accounts such as training Afghan and Iraq security forces.

⁵ Operational costs include war-designated military personnel and operation and maintenance obligations excluding funds to train Afghan and Iraq security forces, coalition support and other flexible funds set up to meet special war needs; investment costs include war-designated procurement, RDT&E and military construction.

References:

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