

# ➤ Hard Power in Hard Times: Relative Military Power in an era of Budgetary Constraint

Adam Quinn

## FROM IMPERIAL POWER TO IMPECUNIOUS CIRCUMSTANCE

**S**uch was the extent of the United States' dominance in the arena of military capability over the last two decades that discussion of others' capacity to rival it largely disappeared from mainstream discussion. Though the US was probably the world's foremost military power even during the Cold War, there was still scope for anxious public debate in the 1950s and 1970s of imagined 'missile gaps', i.e. a Soviet advantage in advanced delivery technology for nuclear weapons. In 1990-91, however, two events occurred in quick succession which inaugurated an era of total American pre-eminence. First, the United States trounced Iraq, previously considered a military force of at least credible middle-ranking standing, in the Gulf War, displaying in the process the fruits of many years of investment in advanced battlefield technology. Then Communism stumbled and the Soviet Union fell apart, ushering in a wave of economic dysfunction and military wastage from which the Russian state has never fully recovered.

Such was the United States' superiority in the military sphere during the mid- and late-1990s that the most frequently cited benchmark for its military capabilities was whether or not it could successfully fight not one major war but two at once. As the 21<sup>st</sup> century dawned, with no plausible peer competitor state in sight, and triggered by the spectacular terrorist attacks of 11 September 2001, the United States began to indulge in conceptions of absolute security and risk-neutralisation beyond the imagining even of hegemonic powers past. This was encapsulated in most extreme form by Vice President Cheney's famous exposition (to the author Ron Suskind) of the 'One Percent Doctrine': that if even a one-percent risk should exist of nuclear proliferation to terrorists then the United States must respond as though it were a certainty.

Whether this period of 'full-spectrum dominance' on the part of the US military ultimately served the nation well in terms of its broader grand strategy is a matter for debate. Many would argue that the lack of a meaningful counterweight in the international state system contributed to the United States overreaching itself, launching under-considered military operations of great financial cost and questionable strategic benefit, such as the occupation of Iraq and the *de facto* occupation of Afghanistan. What is increasingly less debatable, however, is that over the coming years this period of exceptional American preponderance in hard power across the full spectrum of capabilities will be drawing to a close. In the absence of some unanticipated event, the United States will remain the single most capable military power for the foreseeable future, and in those places and areas of capability to which it chooses to devote most resources and particular determination, it may remain so by a wide margin. Its across-the-board dominance, however, will steadily shrink. This is for two key reasons: because its own difficult fiscal position will force it towards overall spending reductions, forcing tough choices as to which capacities to sustain; and because other powers, most especially China,

look set to continue increasing investment in military capabilities during the same period, allowing them to narrow the gap in some areas through imitation of US strengths (aircraft carriers, stealth fighter jets, etc.) and perhaps also master technology with the potential to neutralise US advantages ('carrier killer' missiles, anti-satellite weapons, cyber-warfare, etc.).

As has been outlined at more length by Iwan Morgan elsewhere in this report, the outlook for the US government's fiscal position, and thus for the size of the resource base from which defence and security expenditures are derived, is bleak. For the last two financial years, the US federal government has been running a deficit of well over \$1 trillion, and without increased revenues or major spending cuts (or both) it will continue to add hundreds of billions to the national debt every year for the foreseeable future. According to the Congressional Budget Office, existing spending plans would see total national debt rise to 90% percent of GDP by 2020, which, combined with the likely rising cost of borrowing rates as overall debt climbs, could take the combined cost of new borrowing and refinancing old debt by that time to \$5 trillion per year. These figures are bad enough, but in fact tell only half the story. From 2020 onwards, government commitments to social security and healthcare spending are projected to explode as the consequences of increased longevity and an aging population begin to be felt, plunging the government finances into new, irrecoverable trouble. Thus the United States faces a short- and medium-term fiscal crisis attributable to the collapse in revenues and economic growth caused by the Great Recession commencing in 2008, which serves to compound the long-projected long-term crisis arising from essentially unfunded promises of ever-greater government outlay on domestic programmes.

Hence, one way or another – whether sooner, as part of a deliberate programme of fiscal retrenchment to ensure long-term solvency, or later, as a result of the government eventually running out of road in sustaining spending through new borrowing – the US government faces the need for permanent reductions in its annual outgoings in the order of hundreds of billions of dollars per year. On the level of pure theory, it is conceivable that these savings might be found

entirely within domestic spending, in areas such as healthcare and public pensions, while leaving national security spending untouched. Political reality, however, suggests that, in the absence of a galvanising national security crisis of Pearl Harbour proportions, this will not be possible: security and defence spending will be obliged to bear some significant share of the cost.

## **THE SCALPEL AND THE BROADSWORD**

President Obama has set a target of \$400-450 billion in savings from the defence budget over 12 years. Robert Gates, who left his post as Secretary of Defence in 2011, managed before his retirement to outline a plan to save \$78 billion over four years, as well as cancelling some expensive and symbolic procurement items like the F-22 jet. The unenviable task of finding the remainder of the cuts falls to his successor, Leon Panetta, moving over after a competent tenure as CIA Director. With Gates having warned that the 'low-hanging fruit' of defence cuts has already been dispensed with, those planned future cuts must fall in areas that carry significant implication for American capacities, thus forcing the Department of Defence to confront tough, resource-driven choices of a sort it has been almost entirely spared for the last decade.

The task faced is daunting, though it probably ought to be appended by three caveats. The first is that defence spending starts from a notable high. 2012 budget requests put Pentagon spending at just over \$700 billion dollars for the year, up more than 80% since 2001. If one adds in defence-related spending under other budget headings, the figure rises to over a trillion dollars. This figure represents the end result of a period of vigorous expansion in the national security apparatus during the years of the George W. Bush administration, when expenditure was driven ever upwards through the combination of military activism abroad in the wake of 9/11, ideological enthusiasm for the expansion of defence capability, and a widespread lack of concern regarding mounting government deficits. All this means that the United States could potentially make significant cuts now while leaving the defence budget better off in cash terms than it was a decade ago.

The second caveat is that the US has been spending very large sums of money financing two wars – in Iraq and Afghanistan – which according to present plans are to be drawn down rapidly in scale in the near future. In the absence of a late new agreement with the Iraqi government, all US troops are set to depart from that country by the end of 2011. Meanwhile in Afghanistan, a major drawdown in troop numbers is expected over the coming year. Given that at their peak each war cost well in excess of \$100 billion per year, and that one effectively escalated in cost as the other was receding, the end of these deployments – if it does occur – will represent a significant saving. There will still be substantial legacy costs left to pay after the winding down of those conflicts, from replacing equipment and materiel used or lost to the continuing cost of medical and social care for veterans, but likely the worst of the war's costs are in the past. This means that some budgetary relief may be expected simply from the pursuit of current strategy.

Thirdly, Gates, Panetta, and others involved in the process of contemplating how to make the proposed spending cuts real have been adamant that the result will not be a simple salami-slicing, i.e. an across-the-board spending reduction in all areas. This, it has been noted, would spread harm across the entirety of US capabilities, raising spectres of the 'hollow military', unfit for practical purpose, which Gates and others believe was the result of the previous era of post-Vietnam cuts in the 1970s. Rather, the intention is to try and marry the process of budget-cutting with strategic thinking about the United States' objectives over coming decades and the means needed to achieve them. Thus some areas may see investment preserved, or even increased, while others deemed less essential to future strategic priorities will bear the brunt of the cuts, perhaps being cut altogether. If the primary strategic challenge of the future is seen, for example, to be a rising state power in Asia, or cyber-warfare, then those priorities might even see increased funding; it has already been stated that there will not be a reduction in troop numbers in the Pacific.

None of these qualifications, however, should distract from the fact that it will be a profound challenge to trim spending in such a way as to retain the capacity to project power in all the ways the United States

desires. There will be serious divisions within the armed forces themselves regarding future strategic direction: the running disagreement from the last decade, between those officers favouring heavy investment in expensive counterinsurgency capacity-building and those who prefer to focus on the prospect of future conflict with rising states, can only grow more intense in a budgetary environment where only one can be properly resourced. If decisions are taken to scale back procurement programmes and close or merge military bases, there will be clashes between the Pentagon leadership and the triangle of elected politicians, soldiers, and corporations comprising Eisenhower's 'military-industrial complex'. And with rampant inflation in the cost of troops' and veterans' healthcare benefits 'eating the Department of Defence alive', in Robert Gates' phrase, the department has already undertaken certain expensive commitments to its employees which it will be hard to claw back without a degree of rancour entering the court of public opinion.

Meanwhile, for all the pain foretold under present plans, there is the outside prospect of far worse cuts if the US Congress doesn't succeed in reaching a solution to the partisan impasse over long-term budget plans. At present, if the special bipartisan debt reduction committee tasked to reach a consensus on the way forward should fail, it will trigger another \$500 billion in automatic cuts falling upon the Pentagon. Few believe that this 'doomsday mechanism', intended to incentivise compromise during negotiations, would really be allowed to go into effect unamended, but Secretary Panetta took it seriously enough to deliver the message direct to Congress that it risked a catastrophic degrading of core American capabilities if anything resembling it should unfold.

## **RIISING NEW POWER, FORGING NEW WEAPONS**

These are not the sorts of challenges facing a rising nation such as China, presently accelerating without undue fanfare towards status as the United States' primary rival in the military sphere within the foreseeable future. Rather, the chief tasks for Chinese strategists are: to ensure that the ever-increasing resources being devoted to military investment are

spent wisely, and to lay the foundations of that investment without unduly alarming the United States. The immediate prospects for China's defence spending are essentially the opposite of the degenerative pattern facing the United States: starting from a relatively low base of spending as a proportion of GDP, China is increasing its military budget by 12.7 percent in 2011, an acceleration of previous growth after a brief slowdown to 7.5 percent growth in 2010 after previous years of double-digit growth. With Chinese military investment increases thus outpacing even the robust pace of overall Chinese economic growth, it is obvious that if the United States simultaneously begins to cut its budget then the gap between the two countries will be shrinking at a noticeable rate.

The US lead over Chinese spending levels will still be immense at first: even after the 2011 increase, China's military budget will stand only at \$91.5 billion. Nevertheless, the direction of travel is clear. This sense that the American advantage may be beginning to wane can only be reinforced when one factors in analysts' concerns regarding the accuracy of Chinese figures: it is uncertain that true spending levels are openly declared (they may well be higher), and even if they are, Chinese funds invested domestically may go further in producing concrete military improvement than the equivalent dollar amount of American spending on its inflation-racked and war-encumbered defence establishment. The assessment of the Pentagon itself is that China will have developed a 'modern' military apparatus by 2020, with major current programmes such as the construction of new aircraft carriers, a 'blue water' navy, and the home-grown J-20 stealth fighter jet reaching fruition. China has already launched its first carrier, a refitted ex-Soviet vessel.

Because of its retained military capacity from its days as a superpower, especially in the realm of nuclear missiles, Russia presently maintains status as the closest thing to a peer competitor the United States faces in the military sphere, though it is, of course, a very distant second in that league. But given its imminent demographic struggles, natural-resource-centred economy and dysfunctional military institutions (badly exposed and worsened in condition during the conflict in Chechnya), Russia presents more a vestigial threat

from a prior era than a rising challenge. China, on the other hand, with its growing economy and investment, manifestly represents the contender of the future. It is as yet unknowable whether that 'challenge' might ultimately manifest itself in a smooth, delicately managed transition towards greater equality over an extended period, or as a more dangerous relationship defined by mistrust and efforts by each party to undermine the other. However, if the status quo can be accurately characterised as American military pre-eminence across the spectrum, then that order will assuredly be 'challenged', in the broad sense of the word, by the forces of change. The capacity of the United States to exercise a dominant military sway in all regions of the world, in the East Asian oceans as readily as in the Caribbean, will increasingly be drawn into question. If the US wishes to sustain or grow its presence in the East Asian environs, this will mean reduction in resources elsewhere.

The United States faces two distinct types of challenge in the coming years when it comes to maintaining its own military advantage, capacity to defend itself, project its power over distance, and command the 'global commons' such as strategic sea routes and airspace. The first, which has been tacitly assumed as primary in much of what has been said thus far, is that a rising power may begin to match the US in its existing capabilities through investment in its own armed forces. As America's leaders are shoved by budgetary forces to trim numbers, cut back on high-tech weapons procurement and limit investment in all but the essential, others may come increasingly to match it: with more and better advanced ships, aircraft and weaponry, as well as more sophisticated training and planning. The US currently enjoys an advantage in the production and deployment of armed unmanned drones, which it has used to strike in Pakistan, Yemen, and elsewhere, but it cannot be long before other powers catch up with the required technology, potentially presenting new problems for the US as it has its own practices cited as precedent for legitimate use.

The second challenge is that technology, and rivals' mastery of it may move forward in bolder leaps, and without the resources to invest in a new generation of solutions, the United States may, as Andrew

Krepinevich has argued, find its military assets and advantages 'wasting' faster than it imagines. Presently, the United States relies for a large part of its military supremacy on unrivalled air power and the ability to project it to almost any part of the world at speed by means of the support structure of its carrier fleet. If China should succeed in realising its longstanding aspiration to develop a 'carrier-killer' missile, however, this would drastically alter US capacity to project power from its present naval vantage points in East Asia, and would demand American innovation in ships, planes, or their use merely to recover the present advantage. Similarly, a huge part of the United States' advantage in military affairs stems from its mastery of satellite and communications technology and software. China has already demonstrated its capacity to strike down a satellite, should the crudest method of countering that be sought. It has also been singled out alongside Russia by the US as being at the cutting edge in the development and practice of the techniques of cyber-crime and cyber-warfare. If such skills could be deployed well enough to visit major sabotage upon the information infrastructure, military or civilian, of the United States, this technique of warfare could be a great leveller, neutralising some of the greatest advantages Americans currently hold over all enemies. Cyber-warfare is considered a sufficiently worrying threat that it played a major part in NATO's efforts to develop a new 'strategic concept' for its future.

## CONCLUSION

The United States is still, beyond any room for dispute, the pre-eminent military power in the world, and leads by a vast margin in terms of dollars spent on national security. It will remain the single greatest military power for at least the next 15-20 years. However, the fiscal problems faced by the US government, combined with the political calculation that some of the cost of resolving those problems must fall upon the defence budget, mean that over the coming decade significant cuts in US defence spending are inevitable. Although the starting point of the spending to be cut is high, and although some money can be saved simply through the scheduled conclusion of the Iraq and Afghanistan, such cuts will nonetheless force the United States to make hard choices about which capacities and programmes it wishes to preserve at the highest level, and which it must, however reluctantly, de-prioritise. In what kinds of wars will the United States prepare itself to fight? In which geographical theatres? Against what enemies? And what technologies will be required to fight them? Many may – rightly – regard these as unremarkable questions of the sort any strategist is required to manage in the course of conducting their business. The hardest strategic choices, however, require accepting vulnerability in some areas as the price of devoting limited resources to plan for the most plausible contingencies. The United States, buffered by a period of relative plenty in defence budgets, has been able to avoid some of the hardest choices over the last decade due to a relative abundance of resources. The answer to a choice could often be that the United States needed to do 'both' not 'either/or'. American planners will now have to decide more firmly between priorities, requiring both fuller thought about what the real priorities are, and more daring in being willing to prepare for them while sidelining less likely prospects. In the meantime, other powers, most especially China, are well placed to continue to invest heavily in military modernisation during this period of American cutbacks. Thus US primacy will come under increasing strain, as rising powers both replicate some American capabilities, and perhaps leapfrog others through developments in technological skill and weaponry. The era of great American military power will continue for some time; but barring a major reversal of the economic trend-lines, the era of American global military dominance will be drawing to a close much sooner. ■