

## US is still living with consequences of the Iraq and Afghanistan wars

The lessons from our wartime folly are stark, but we should learn them.

By Linda J. Bilmes and Joseph E. Stiglitz

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US Army troops cleared rolls of razor wire from the main entrance to Fallujah, Iraq, April 30, 2004. Fallujah saw some of the bloodiest battles in the Iraq War when US Marines fought Al Qaeda extremists in deadly house-to-house combat. ANJA NIEDRINGHAUS/ASSOCIATED PRESS

This week marks the 20th anniversary of “shock and awe” — the military blitz that signaled the start of the United States’ ill-fated invasion of Iraq. It is not a date that is being commemorated fondly by anyone in Congress or the military. But before the nation consigns this misguided and unnecessary war to the history books, it’s worth reminding ourselves that many of its consequences are still with us today.

First, the cost of the war contributed substantially to the rapid rise in national debt — a topic that is again fashionable in Washington. The United States spent at least \$5 trillion on Iraq and the protracted conflict in Afghanistan — the most expensive wars in US history. Unlike previous wars, which were funded by a combination of tax increases and cuts to nonwar spending, these wars were paid for entirely with borrowed money — a first in US military history — and the government still owes \$2 trillion more in future veterans benefits. So war costs were a major contributor to our current national

debt hangover. At today's interest rates of around 5 percent, the war debt absorbs some \$250 billion a year in servicing costs, or around 1 percent of gross domestic product. Absent this burden, it would be significantly easier for Congress to grapple with the chronic imbalance in the federal budget.

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The Iraq and Afghanistan wars were not only very costly but also hugely wasteful. Successive [inspector generals published scathing reports](#) criticizing the Pentagon's inability to track billions in war and reconstruction costs in Iraq and Afghanistan. Congressional oversight was also missing in action. War budgets were approved using an emergency funding mechanism, which circumvented the normal congressional approval process and skirted budgetary scrutiny. Over time, the funding mechanism developed into a parallel budget that financed a bonanza in defense spending, much of it only tangentially related to Iraq or Afghanistan.

Swollen military spending (what former secretary of defense Robert Gates termed "the culture of endless money") greatly benefited US defense contractors. Our military relied to an unprecedented degree on private contractors in virtually all areas of war operations. Contractors supplied trucks, planes, fuel, helicopters, ships, drones, night-vision goggles, engines, sandbags, communications equipment, weapons, and munitions as well as support services from catering and construction to IT and logistics. The number of contractors on the ground [outnumbered US troops](#) in most years of the Afghanistan and Iraq conflicts.

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Defense stocks [outperformed](#) the stock market overall by nearly 60 percent during the Afghanistan war. These profits fueled a wave of consolidation in the industry. Weapons manufacturing is now concentrated in five giant companies — Lockheed Martin, Boeing, General Dynamics, Raytheon, and Northrop Grumman — which acquired the next tier of manufacturers. Over 50 percent of the Pentagon budget goes to contractors, and half of that spending is [paid to just these five firms](#). The country has moved from what former president Dwight Eisenhower termed a military-industrial complex to something much worse — a monopolistic military-industrial complex.

Oil producers were also beneficiaries of the Iraq conflict, as the price of crude more than quadrupled in the five years after the 2003 invasion. The Pentagon is the world's single largest purchaser of fuel, so these soaring oil prices contributed to the high cost of the war.

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[As we predicted](#), the needs of veterans from the Iraq and Afghanistan wars will continue for decades. More than 40 percent of US troops who served in those theaters have already been awarded lifetime benefits. Higher survival rates from injuries, better medical treatments, and an unprecedented number of disabilities mean that the costs of providing lifetime health care and disability compensation will exceed \$2 trillion over the next two decades. The personal legacy, in terms of high suicide rates, opioid addictions, and diseases from burn pit exposure, is substantial, as well as the widespread casualties among the people of Iraq and Afghanistan.

Finally, the Iraq and Afghanistan wars had serious geopolitical fallout. Instead of ushering in a new era of democratization, toppling Saddam Hussein further destabilized the Middle East and beyond. It fueled an

ongoing refugee crisis. And it ultimately diminished US influence in the region. Today, Iraq is aligned with Iran. Russia has become the principal kingmaker in Syria. And China is brokering talks between Saudi Arabia and Iran without the United States even in the room.

In Afghanistan, too, despite the sacrifices of thousands of American and Afghan troops, the Taliban is now back in power. Afghan girls can't go to school. And the humiliating Vietnam-style exodus from Kabul was widely interpreted as demonstrating America's weakness and lack of resolve — seen by many as providing President Vladimir Putin of Russia with the confidence to invade Ukraine.

The lessons from our wartime folly are stark, but we should learn them. It was reckless to send our young men and women to wage a war of choice that was based on hubris and shoddy intelligence. Wars are expensive. Cutting taxes while borrowing all the money for the wars hides the true costs and makes it appear that war is free. But there is no free lunch or free war.

Regrettably, all these problems are still very much with us as we engage in a new conflict, this time without US troops, but nonetheless with considerable spending. Accounting for the cost of the weapons and munitions being supplied to Ukraine is hazy. There is no clear budgetary provision for the hugely increased replacement cost. In an effort to deliver equipment in days, or even hours, President Biden has authorized 33 separate “presidential drawdowns,” which means the full cost of Ukraine assistance is likely to be [much higher than currently assumed](#).

We also learned little from the traumatic experience of soaring oil prices following the Iraq invasion. The United States did not wean itself off its fossil fuel dependence and is still highly dependent on fossil fuels. In the past year (since the Russian invasion of Ukraine) the big oil companies have smashed all previous profit margins and enjoyed [their most profitable windfall in history](#).

Congress should reassert its role as guardian of the public purse, requiring the Pentagon to produce clean accounts and insisting on rigorous spending oversight. Today, as we stand with Ukraine to defend against Putin's vicious and unprovoked aggression, we need to consider how we pay for freedom; how we ensure integrity, oversight, and transparency over spending; and how we clarify our goals to avoid getting enmeshed in another long conflict with no clear end.

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