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## The Crisis of American Military Primacy and the Search for Strategic Solvency

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Hal Brands and Eric Edelman

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**ABSTRACT:** The authors discuss the erosion of US military primacy and the corresponding dangers for American grand strategy and international security. They analyze three options for restoring strategic solvency and recommend a significant expansion of US defense resources to bring capabilities back into alignment with US global commitments.

America is hurtling toward strategic insolvency.<sup>1</sup> For two decades after the Cold War, Washington enjoyed essentially uncontested military dominance and a historically favorable global environment—all at a comparatively low military and financial price. Now, however, America confronts military and geopolitical challenges more numerous and severe than at any time in at least a quarter century—precisely as disinvestment in defense has left US military resources far scarcer than before. The result is a creeping crisis of American military primacy, as Washington’s margin of superiority is diminished, and the gap between US commitments and capabilities grows. “Superpowers don’t bluff,” went a common Obama-era refrain—but today, America is being left with a strategy of bluff as its preeminence wanes and its military means come out of alignment with its geopolitical ends.

Foreign policy, Walter Lippmann wrote, entails “bringing into balance, with a comfortable surplus of power in reserve, the nation’s commitments and the nation’s power.” If a statesman fails to preserve strategic solvency, if he fails to “bring his ends and means into balance,” Lippmann added, “he will follow a course that leads to disaster.”<sup>2</sup> America’s current state of strategic insolvency is indeed fraught with peril. It will undermine US alliances by raising doubts about the credibility of American guarantees. It will weaken deterrence by tempting adversaries to think aggression may be successful or go unopposed. Should conflict actually erupt in key areas, the United States may be unable to uphold existing commitments or only be able to do so at prohibitive cost. Finally, as the shadows cast by US military power grow shorter, American diplomacy is likely to become less availing, and the global system less responsive, to US influence. The US military remains far superior to any single competitor, but its power is becoming dangerously insufficient for the grand strategy and international order it supports.

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<sup>1</sup> This article is derived from a longer report: Hal Brands and Eric Edelman, *Avoiding a Strategy of Bluff: The Crisis of American Military Primacy and the Search for Strategic Solvency* (Washington, DC: Center for Strategic and Budgetary Assessments [CSBA], forthcoming, 2017).

<sup>2</sup> Walter Lippmann, *U.S. Foreign Policy: Shield of the Republic* (Boston: Little, Brown, 1943), 9–10.

Great powers facing strategic insolvency have three basic options. First, they can decrease commitments thereby restoring equilibrium with diminished resources. Second, they can live with greater risk by gambling that their enemies will not test vulnerable commitments or by employing riskier approaches—such as nuclear escalation—to sustain commitments on the cheap. Third, they can expand capabilities, thereby restoring strategic solvency. Today, this approach would probably require a concerted, long-term defense buildup comparable to the efforts of Presidents Jimmy Carter and Ronald Reagan near the end of the Cold War.<sup>3</sup>

Much contemporary commentary favors the first option—reducing commitments—and denounces the third as financially ruinous and perhaps impossible.<sup>4</sup> Yet significantly expanding American capabilities would not be nearly as economically onerous as it may seem. Compared to the alternatives, in fact, this approach represents the best option for sustaining American primacy and preventing a slide into strategic bankruptcy which will eventually be punished.

# I

Since the Cold War, America has been committed to maintaining overwhelming military primacy. The idea, as George W. Bush declared, that America must possess “strengths beyond challenge” has been featured in every major US strategy document and reflected in concrete terms.<sup>5</sup> Since the early 1990s, for example, the United States has accounted for 35–45 percent of world defense spending and maintained peerless global power-projection capabilities.<sup>6</sup> Perhaps more important, US primacy was unrivaled in key strategic regions such as Europe, East Asia, and the Middle East. From thrashing Saddam Hussein’s million-man Iraqi military during Operation Desert Storm (1991) to deploying two carrier strike groups off Taiwan during the third Taiwan Strait crisis (1995–96) with impunity, Washington has been able to project military power superior to anything a regional rival could employ, even on its own geopolitical doorstep.

This military dominance has constituted the hard-power backbone of an ambitious global strategy. After the Cold War, US policymakers committed to averting a return to the unstable multipolarity of earlier eras and to perpetuating the more favorable unipolar order. They committed to fostering a global environment in which liberal values and an open international economy could flourish and in which international scourges such as rogue states, nuclear proliferation, and catastrophic terrorism would be suppressed. And because they saw

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3 In practice, these options are not mutually exclusive—one could conceivably pursue a hybrid approach. But here, we treat these options as distinct to better flesh out their respective risks and merits.

4 Michael J. Mazarr, “The Risks of Ignoring Strategic Insolvency,” *Washington Quarterly* 35, no. 4 (Fall 2012): 7–22, doi:10.1080/0163660X.2012.725020.

5 George W. Bush, “Commencement Address at the United States Military Academy in West Point, New York,” June 1, 2002; and Eric S. Edelman, “The Strange Career of the 1992 Defense Planning Guidance,” in *In Uncertain Times: American Foreign Policy After the Berlin Wall and 9/11*, ed. Melvyn P. Leffler and Jeffrey W. Legro (Ithaca, NY: Cornell University Press, 2011), 63–77.

6 Military spending statistics are drawn from the Stockholm International Peace Research Institute (SIPRI) database, <https://www.sipri.org/databases/milex>.

military force as the *ultima ratio regum*, they understood the centrality of military preponderance.

Washington would need the military power to underwrite world-wide alliance commitments and preserve substantial overmatch versus any potential great-power rival. The United States must be able to answer the sharpest challenges to the international system, such as Saddam's invasion of Kuwait in 1990 or jihadist extremism today. Finally, because prevailing global norms reflect hard-power realities, America would need superiority to assure its own values remain ascendant. Saying US strategy and the international order required "strengths beyond challenge" was impolitic, but it was not inaccurate.<sup>7</sup>

American primacy, moreover, has been eminently affordable. At the height of the Cold War, the United States spent over 12 percent of gross domestic product (GDP) on defense; since the mid-1990s, the number has usually been 3–4 percent.<sup>8</sup> In a historically favorable international environment, Washington has enjoyed primacy—and its geopolitical fruits—on the cheap.

Until recently, US strategy also heeded the limits of how cheaply primacy could be had. The American military shrank significantly during the 1990s, but US officials understood that if Washington cut back too far, US primacy would erode to a point where it ceased to deliver its geopolitical benefits. Alliances would lose credibility, stability of key regions would be eroded, rivals would be emboldened, and international crises would go unaddressed. American primacy was thus like a reasonably priced insurance policy, requiring nontrivial expenditures—and protecting against far costlier outcomes.<sup>9</sup> Washington paid the premiums for two decades after the Cold War. But more recently American primacy and strategic solvency have been imperiled.

## II

For most of the post-Cold War era, the international system was—by historical standards—remarkably benign. Dangers existed, and as the terrorist attacks on September 11, 2001 demonstrated, they could manifest with horrific effect. But for two decades after the Soviet collapse, the world was characterized by remarkably low levels of great-power competition, high levels of security in key theaters such as Europe and East Asia, and the comparative weakness of “rogue” actors—Iran, Iraq, North Korea, and al-Qaeda—who most aggressively challenged American power. Now, however, the strategic landscape is darkening due to four factors.

First, great-power military competition is back. The world's two leading authoritarian powers—China and Russia—are seeking regional

7 On post-Cold War grand strategy, see Hal Brands, “The Pretty Successful Superpower,” *American Interest* 12, no. 3 (January/February 2017): 6–17; and Hal Brands, *Making the Unipolar Moment: US Foreign Policy and the Rise of the Post-Cold War Order* (Ithaca, NY: Cornell University Press, 2016).

8 John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy during the Cold War* (New York: Oxford University Press, 2005), 393; and “Military Expenditure (percent of GDP),” World Bank, <http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS?locations=US&page=3./databases/milex>.

9 William S. Cohen, *Report of the Quadrennial Defense Review, May 1997* (Washington, DC: Department of Defense [DoD], 1997).

hegemony, contesting global norms such as nonaggression and freedom of navigation, and developing the military punch to underwrite these ambitions. Notwithstanding severe economic and demographic problems, Russia has conducted major military modernization emphasizing nuclear weapons, high-end conventional capabilities, and rapid-deployment and special operations forces—and utilized many of these capabilities in Ukraine and Syria.<sup>10</sup> China, meanwhile, has carried out a buildup of historic proportions, with constant-dollar defense outlays rising from \$26 billion in 1995 to \$215 billion in 2015.<sup>11</sup> Ominously, these expenditures have funded power-projection and anti-access/area denial (A2/AD) tools necessary to threaten China's neighbors and complicate US intervention on their behalf. Washington has grown accustomed to having a generational military lead; Russian and Chinese modernization efforts are now creating a far more competitive environment.

Second, international outlaws are no longer so weak. North Korea's conventional forces have atrophied, but Pyongyang has amassed a growing nuclear arsenal and is developing intercontinental delivery capability.<sup>12</sup> Iran remains a nuclear threshold state, which continues to develop ballistic missiles and A2/AD capabilities while employing sectarian and proxy forces across the Middle East. The Islamic State is headed for defeat, but has displayed military capabilities unprecedented for any terrorist group and shown that counterterrorism will continue to place significant operational demands on US forces. Rogue actors have long preoccupied American planners, but the rogues are now more capable than at any time in decades.

Third, the democratization of technology has allowed more actors to contest American superiority in dangerous ways. The spread of antisatellite and cyberwarfare capabilities, the proliferation of man-portable air defense systems and ballistic missiles, and the increasing availability of key elements of the precision-strike complex have had a military-leveling effect by giving weaker actors capabilities formerly unique to technologically advanced states. Indeed, as these capabilities spread, fourth-generation systems, such as F-15s and F-16s, may provide decreasing utility against even nongreat-power competitors, and far more fifth-generation capabilities may be needed to perpetuate American overmatch.

Finally, the number of challenges has multiplied. During the 1990s and early 2000s, Washington faced rogue states and jihadist extremism but not intense great-power rivalry. America faced conflicts in the Middle East, but East Asia and Europe were comparatively secure. Now, old threats still exist, but the more permissive conditions have vanished. The United States confronts rogue states, lethal jihadist organizations, and great-power competition; there are severe challenges in all three Eurasian theaters. The United States thus faces not just more

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10 International Institute for Strategic Studies (IISS), *The Military Balance 2015* (London: IISS, 2015), 159–67; and Catrin Einhorn, Hannah Fairfield, and Tim Wallace, “Russia Rearms for a New Era,” *New York Times*, December 24, 2015.

11 SIPRI database.

12 Barbara Staff and Ryan Browne, “Intel Officials: North Korea ‘Probably’ Has Miniaturized Nuke,” CNN News, March 25, 2016; and David Albright, *Future Directions in the DPRK's Nuclear Weapons Program: Three Scenarios for 2020*, North Korea's Nuclear Futures Series (Washington, DC: US-Korea Institute at SAIS, 2015).

significant but also more numerous challenges to its military dominance than it has for at least a quarter century.

### III

One might expect the leader of a historically favorable international system to respond to such developments by increasing its relatively modest investments in maintaining the system. In recent years, however, Washington has markedly disinvested in defense. Constant-dollar defense spending fell by nearly one-fourth, from \$768 billion in 2010 to \$595 billion in 2015.<sup>13</sup> Defense spending as a share of GDP fell from 4.7 percent to 3.3 percent, with Congressional Budget Office projections showing military outlays falling to 2.6 percent by 2024—the lowest level since before World War II.<sup>14</sup>

Defense spending always declines after major wars, of course. Yet from 2010 onward, this pressure was compounded by the legacy of Bush-era budget deficits, the impact of the Great Recession (2007–9), and President Obama’s decision to transfer resources from national security to domestic priorities. These forces, in turn, were exacerbated by the terms of the Budget Control Act of 2011 and the sequester mechanism. Defense absorbed roughly 50 percent of these spending cuts, despite accounting for less than 20 percent of federal spending. By walling off most personnel costs and severely limiting flexibility in how cuts could be made, moreover, the sequester caused the Department of Defense to make reductions in blunt, nonstrategic fashion.<sup>15</sup>

This budgetary buzz saw has taken a toll. Readiness has suffered alarmingly with all services struggling to conduct current counterterrorism operations while also preparing for the ever-growing danger of great-power war. “The services are very good at counterinsurgency,” the House Armed Services Committee noted in 2016, “but they are not prepared to endure a long fight against higher order threats from near-peer competitors.”<sup>16</sup> Modernization has also been compromised; the ability to develop and field promising future capabilities has been sharply constrained by budget caps and uncertainty. This problem will only get worse—in the 2020s, a “bow wave” of deferred investments in the nuclear triad and high-end conventional capabilities will come due.<sup>17</sup>

Finally, force structure has been sacrificed. The Army has fared worst—it is slated to decline to 450,000 personnel by 2018, or 30,000 personnel fewer than prior to 9/11.<sup>18</sup> But all the services are at or near post-World War II lows in end strength, and the US military is significantly smaller than the 1990s-era “base force,” which was designed as

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13 SIPRI database.

14 “Military Expenditure,” World Bank; and Loren Thompson, “Pentagon Budget Headed Below 3% of GDP as Warfighting Edge Wanes,” *Forbes*, February 2, 2015.

15 Robert Zarate, “FPI Analysis: Obama’s FY2014 Defense Budget & The Sequestration Standoff,” *Foreign Policy Initiative*, April 11, 2013; and Todd Harrison, *Analysis of the FY 2013 Defense Budget and Sequestration* (Washington, DC: CSBA, 2012).

16 Quoted in Dave Majumdar, “The Pentagon’s Readiness Crisis: Why the 2017 Defense Bill Will Make Things Worse,” *Buzz* (blog), *National Interest*, July 13, 2016.

17 Todd Harrison and Evan Braden Montgomery, *The Cost of U.S. Nuclear Forces: From BCA to Bow Wave and Beyond* (Washington, DC: CSBA, 2015).

18 Jim Tice, “Army Shrinks to Smallest Level Since Before World War II,” *Army Times*, May 7, 2016; and Tony Capaccio and Gopal Ratnam, “Hagel Seeks Smallest U.S. Army Since before 2001 Attack,” *Bloomberg*, February 24, 2014.



the “minimum force . . . below which the nation should not go if it was to remain a globally engaged superpower.”<sup>19</sup> “Strategy wears a dollar sign,” Bernard Brodie wrote, and Washington is paying for less capability relative to the threats it faces than at any time in decades.<sup>20</sup>

#### IV

Cumulatively, these developments have resulted in a creeping crisis of US military primacy. Washington still possesses vastly more military power than any challenger, particularly in global power-projection capabilities. Yet even this global primacy is declining. The United States faces a Russia with significant extraregional power-projection capabilities as well as near-peer capabilities in areas such as strategic nuclear forces and cyberwarfare. China’s military budget is now more than one-third of the US budget, and Beijing is developing its own advanced power-projection capabilities.<sup>21</sup> Perhaps more importantly, US global primacy is also increasingly irrelevant, because today’s crucial geopolitical competitions are regional contests, and here the trends have been decidedly adverse.

In East Asia, China’s two-decade military buildup has allowed Beijing to contest seriously US power projection within the first island chain. “The balance of power between the United States and China may be approaching a series of tipping points,” RAND Corporation analysts observe.<sup>22</sup> The situation in Eastern Europe is worse. Here, unfavorable geography and aggressive Russian modernization have created significant Russian overmatch in the Baltic; US and North Atlantic Treaty Organization (NATO) forces are “outnumbered and outgunned” along NATO’s eastern flank.<sup>23</sup> In the Middle East, the balance remains more favorable, but Iranian A2/AD and ballistic missile capabilities could significantly complicate US operations, while the reemergence of Russian military power has narrowed US freedom of action. In key areas across Eurasia, the US military edge has eroded.

This erosion, in turn, has profound implications for American strategy. For one thing, US forces will face far harder fights should conflict occur. War against Iran or North Korea would be daunting enough, given their asymmetrical capabilities. Even Iran, for instance, could use its ballistic missile capabilities to attack US bases and allies, employ swarming tactics and precision-guided munitions against US naval forces in the Persian Gulf, and activate Shi’ite militias and proxy forces, all as a way of inflicting higher costs on the United States.<sup>24</sup>

Conflict against Russia or China would be something else entirely. Fighting a near-peer competitor armed with high-end conventional weapons and precision-strike capabilities would subject the US military to an environment of enormous lethality, “the likes of which,” Army Chief of Staff General Mark A. Milley has commented, it “has not

19 Mark Gunzinger, *Shaping America’s Future Military: Toward a New Force Planning Construct* (Washington, DC: CSBA, 2013), 2–3.

20 Bernard Brodie, *Strategy in the Missile Age* (Santa Monica, CA: RAND Corporation, 1959), 358.

21 On Chinese spending, see SIPRI database.

22 Eric Heginbotham et al., *The U.S.-China Military Scorecard: Forces, Geography, and the Evolving Balance of Power, 1996–2017* (Santa Monica, CA: RAND Corporation, 2015), 342.

23 Ibid.

24 Mark Gunzinger, *Outside-In: Operating from Range to Defeat Iran’s Anti-Access and Area-Denial Threats* with Chris Dougherty (Washington, DC: CSBA, 2011), 21–52.

experienced . . . since World War II.”<sup>25</sup> American forces might still win—albeit on a longer time line and at a painfully high cost in lives—but they might not.

According to open-source analysis, US and forces would have little chance of halting a determined Russian assault on the Baltic states. Facing severe disadvantages in tanks, ground-based fires, and airpower and air defenses, those forces would likely be destroyed in place. NATO would then face an agonizing dilemma—whether to mobilize its resources for a protracted war that would risk nuclear escalation, or acquiesce to an alliance-destroying fait accompli.<sup>26</sup>

Similarly, whereas the United States would have dominated any plausible conflict with China in the 1990s, according to recent assessments the most likely conflicts would be nearer run things today. Consider a conflict over Taiwan. Beijing might not be able to defeat Washington in a long war, but it could establish air and maritime superiority early in a conflict and thereby impose unacceptable losses on US air and naval forces. The crucial tipping point in a Taiwan contingency could come as early as 2020 or even 2017; in the Spratly Islands, it could come within another decade.<sup>27</sup> As US superiority erodes, America runs a higher risk of being unable to meet its obligations.

In fact, Washington’s ability to execute its standing global defense strategy is increasingly doubtful. After the Cold War, the United States adopted a two major regional contingency standard geared toward preventing an adversary in one region from undertaking opportunistic aggression to exploit US preoccupation in another. By 2012, budget cuts had already forced the Obama administration to shift to a 1.5 or 1.7 war standard premised on decisively defeating one opponent while “imposing unacceptable costs” on another.<sup>28</sup> Yet the US capacity to execute even this less ambitious strategy is under strain, just as the international environment raises questions about whether the strategy is ambitious enough.

This doubt has arisen because the Obama administration’s 2012 defense strategy was announced prior to sequestration, and prior to Russian aggression in Ukraine in 2014—which raised the disturbing possibility that one of America’s wars might be against a nuclear-armed, great-power competitor. And beyond these issues, events in Europe and the Middle East since 2012 have raised doubts about whether a 1.7 war standard is sufficient given the possibility the Pentagon might confront conflicts in three strategic theaters—against Russia in Europe, Iran or an Islamic State-like actor in the Middle East, and China or North Korea in East Asia—on overlapping time frames. In sum, the United States is rapidly reaching, if it has not already reached, the point of strategic insolvency. And even beyond the aforementioned risks, this situation poses fundamental strategic challenges.

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25 Sydney J. Freedberg Jr., “Army \$40B Short on Modernization Vs. Russia, China: CSA Milley,” *Breaking Defense*, October 3, 2016.

26 David A. Shlapak and Michael W. Johnson, *Reinforcing Deterrence on NATO’s Eastern Flank* (Santa Monica, CA: RAND Corporation, 2016).

27 Heginbotham et al., *U.S.-China Military Scorecard*, xxx, 338, 342.

28 DoD, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* (Washington, DC: DoD, 2012), 4.



The cohesion of US alliances will likely suffer, as American allies lose confidence in Washington's ability to protect them. Adversaries, in turn, will become more likely to test US commitments, to gauge Washington's willingness to make good on increasingly tenuous promises, and to exploit its declining ability to respond decisively. Russian intimidation of the Baltic states, Iranian expansionism in the Middle East, and increasingly aggressive Chinese coercion of the Philippines and Japan illustrate these dynamics in action.

Finally, as US military power becomes less imposing, the United States will find its global influence less impressive. Norms, ideas, and international arrangements supported by Washington will lose strength and increasingly be challenged by actors empowered to imprint their own influence on global affairs. American grand strategy and the post-Cold War system have rested on American military overmatch; as that overmatch fades, US grand strategy and the order it supports will come under tremendous strain.

## V

So how should America respond? One option is reducing commitments. If the United States cannot sustain its existing global strategy, then it could pare back global obligations until they are more commensurate with available capabilities.

The United States might, for instance, embrace a twenty-first century Nixon Doctrine, by stating that it will protect Middle Eastern partners from conventional, state-based aggression, but that they must defend themselves against nontraditional threats such as the Islamic State.<sup>29</sup> Or, America could simply delegate Persian Gulf security to its Arab allies in the region. Most dramatically, if the United States were really serious about slashing commitments, it could dispense with the obligations most difficult to uphold—to Taiwan and the Baltic states, for instance. In short, America would reduce commitments proactively, rather than having their hollowness exposed by war.

There are historical precedents for this approach. The Nixon Doctrine and US withdrawal from Vietnam helped Washington retreat to a more defensible strategic perimeter in the 1970s following strategic overstretch in the decade prior. More significantly, beginning in the late-nineteenth century, the United Kingdom gradually conducted an elegant global retreat by first relying upon rising regional powers such as the United States and Japan to maintain acceptable regional orders, and later encouraging Washington to shoulder many of London's global burdens after World War II. Graceful retrenchment, then, is not an impossibility.<sup>30</sup>

It is, however, extremely problematic today. This approach—particularly the more aggressive variants—would be enormously difficult to implement. The US commitment to the Baltic states is part of a larger commitment to NATO; shredding the former guarantee

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29 Under the Nixon Doctrine, Washington would keep existing treaty commitments in Asia and defend allies against aggression by a nuclear power, but it would provide only military and economic assistance to allies and partners facing other threats, namely insurgencies.

30 See, generally, Paul K. MacDonald and Joseph M. Parent, "Graceful Decline? The Surprising Success of Great Power Retrenchment," *International Security* 35, no. 4 (Spring 2011): 7–44.

risks undermining the broader alliance. Even in Asia, where the United States has bilateral alliances, withdrawing the US commitment to Taipei could cause leaders in Manila, Seoul, or Tokyo to wonder if they might be abandoned next—and to hedge their strategic bets accordingly. Alliances hinge on the credibility of the patron's promises; revoking some guarantees without discrediting others is difficult.<sup>31</sup>

This dynamic underscores another liability—the likelihood of profound geopolitical instability. Retrenchment works best when the overstretched hegemon can hand off excessive responsibilities to some friendly power. But today, there is no liberal superpower waiting in the wings. Rather, the countries most sympathetic to America's view of the international order—Japan, the United Kingdom, and key European allies—confront graver long-term economic and demographic challenges than the United States. The countries most likely to gain influence following US retrenchment—Russia and China—have very different global visions.

In these circumstances, US retrenchment seems unlikely to succeed. Rather than simply forcing friendly local actors to do more to defend themselves and check revisionist powers, the outcome might easily be underbalancing—in which collective action problems, internal political divisions, or resource limitations prevent timely action against a potential aggressor—or bandwagoning, in which exposed countries buy a measure of safety by aligning with, rather than against, an aggressive power.<sup>32</sup> Meanwhile, although writing off Taiwan or Estonia might produce a near-term improvement of relations with Beijing or Moscow, the longer-term effect would be to remove a chief constraint on the aggressive behavior these powers have been increasingly manifesting. If Moscow and Beijing seem eager to bring their “near abroads” to heel now, just wait until the United States retracts its security perimeter.<sup>33</sup>

If more aggressive variants of retrenchment are thus deeply flawed, even more limited versions, such as a Middle Eastern Nixon Doctrine, have weaknesses. As Iran's military power continues to grow, and the recent removal of nuclear-related sanctions makes this seem likely, even the wealthy Persian Gulf kingdoms will have great difficulty dealing with Tehran's advanced and asymmetric capabilities without US assistance. In fact, without US leadership, the long-standing collection action problems between the Gulf countries are likely to worsen. Moreover, the United States essentially tried a version of this approach by withdrawing from Iraq in late 2011. But as soon became clear, Iraq, a vital state in a key region, could not withstand challenges from nontraditional foes such as the Islamic State on its own. In fact, US retrenchment actually encouraged developments that left Iraq more vulnerable to collapse, such as the increasingly sectarian nature of Nūrī al-Mālikī's governance

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31 On credibility and reputation, see Alex Weisiger and Keren Yarhi-Milo, “Revisiting Reputation: How Past Actions Matter in International Politics,” *International Organization* 69, no. 2 (Spring 2015): 473–95, doi:10.1017/S0020818314000393.

32 On these phenomena, see Randall L. Schweller, *Unanswered Threats: Political Constraints on the Balance of Power* (Princeton, NJ: Princeton University Press, 2008); and Randall L. Schweller, “Bandwagoning for Profit: Bringing the Revisionist State Back In,” *International Security* 19, no. 1 (Summer 1994): 72–107, doi:10.2307/2539149.

33 Hal Brands, *The Limits of Offshore Balancing* (Carlisle Barracks, PA: Strategic Studies Institute, 2015), 49–52.

and the hollowing out of the Iraqi Security Forces.<sup>34</sup> Retrenchment, then, may narrow the gap between capabilities and commitments in the short run, but only by inviting greater global dangers and instability.

## VI

If the United States is unwilling to spend significantly more on defense, but does not wish to invite the geopolitical instability associated with retrenchment, a second option is to live with greater risk. Living with greater risk could take two different, but not mutually exclusive, forms. First, the United States could accept higher risk with respect to its global commitments by wagering that even exposed commitments are unlikely to be tested because US adversaries are risk averse and are unwilling to start a war, even a potentially successful one, that might cause American intervention. In other words, the United States might not be able to defend Taiwan effectively, but the mere prospect of an invasion provoking a Sino-American war would stay Beijing's hand.

Second, the United States could bridge the capabilities-commitments gap through riskier strategies substituting escalation for additional resources. Most likely, this would entail relying more heavily on nuclear warfighting and the threat of nuclear retaliation to defend vulnerable allies in East Asia or Eastern Europe. Because US allies are already covered by the US extended nuclear deterrent, this approach would involve making more explicit nuclear threats and guarantees and integrating greater reliance on nuclear weapons into US plans. Similarly, this approach could entail the use, or the threat of use, of powerful nonnuclear capabilities such as strategic cyberattacks against critical enemy infrastructure for the same purpose—bolstering deterrence on the cheap by raising the costs an aggressor would expect to pay.<sup>35</sup>

Let these approaches sound ridiculous, both have a distinguished pedigree. In the late 1940s, the United States could not credibly defend Western Europe from a Soviet invasion. But the Truman administration still undertook the security guarantees associated with NATO on the calculated gamble that Moscow was unlikely to risk global war by attacking US allies, particularly during the period of the US nuclear monopoly.<sup>36</sup> And in the 1950s, to control costs and address the continuing deficiency of US and allied conventional forces, the Eisenhower administration relied heavily on nuclear threats to deter aggression.<sup>37</sup> Throughout much of the Cold War, in fact, the United States compensated for conventional inferiority—particularly in Central Europe—by integrating early recourse to nuclear weapons into its war plans. Accepting greater risk would mean updating Cold War-era approaches for today's purposes.

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34 Rick Brennan, "Withdrawal Symptoms: The Bungling of the Iraq Exit," *Foreign Affairs* 93, no. 6 (November/December 2014): 25–34; and Dexter Filkins, "What We Left Behind," *New Yorker*, April 28, 2014.

35 To clarify, this would entail more than simply using cyber as part of a US conventional defense of Taiwan or the Baltic. Rather, it would entail using strategic cyberattacks against strategic targets—economic, military, or infrastructure—not directly associated with the aggression.

36 Marc Trachtenberg, *A Constructed Peace: The Making of the European Settlement, 1945–1963* (Princeton, NJ: Princeton University Press, 1999), 87–90.

37 H. W. Brands, "The Age of Vulnerability: Eisenhower and the National Insecurity State," *American Historical Review* 94, no. 4 (October 1989): 963–89, doi:10.2307/1906591.

Yet substituting risk for cost entails serious liabilities. Simply hoping exposed commitments will not be challenged might work—for a while. But this strategy carries enormous risk of those guarantees eventually being tested and found wanting, with devastating effects on America's reputation and credibility. Meanwhile, a strategy of bluff could weaken deterrence and reassurance on the installment plan as allies and adversaries perceive a shifting balance of power and understand US guarantees are increasingly chimerical.

The second variant of this approach, embracing more escalatory approaches, lacks credibility. Consider threatening to employ strategic cyberattacks against an aggressor in a conflict over Taiwan or the Baltic states. Such threats are problematic, because as President Obama acknowledged in 2016, "open societies" such as the United States are "more vulnerable" to massive cyberattacks than authoritarian rivals such as Russia or China.<sup>38</sup> America may simply lack the escalation dominance needed to make a strategy of cyber-retaliation believable.

So too in the nuclear realm. Threats to punish Communist aggression with nuclear retaliation might have been credible in the 1950s, when China lacked nuclear weapons: Washington had a massive nuclear advantage over Moscow, and neither adversary could reliably target the US homeland. But today, both rivals possess secure second-strike capabilities and could inflict horrific damage on America should nuclear escalation occur. This approach thus risks leading the United States into a trap where, if its interests are challenged, it faces a choice between pursuing escalatory options carrying potentially unacceptable costs and acquiescing to aggression. Awareness of this dynamic may, in turn, make adversaries more likely to probe and push. Trading cost for risk may seem attractive in theory, but in practice the risks may prove far more dangerous than they initially seem.

## VII

This leaves a final option—significantly increasing resources devoted to defense, thereby bringing capabilities back into alignment with commitments and strengthening the hard-power backbone of US strategy. Given current trends, this strategy would likely entail a sustained, multiyear buildup of magnitude roughly similar to the Carter-Reagan buildup, when real defense spending increased by around 50 percent. This buildup would require permanently lifting the Budget Control Act caps to provide increased resources and budgetary stability. It would require not just procuring larger quantities of existing capabilities but also investing aggressively in future capabilities geared toward defeating great-power challengers as well as middle-tier problem countries such as Iran and North Korea. And crucially, greater resources would have to be coupled with developing innovative operational concepts, streamlining Defense procedures and acquisition processes, and maximizing the Pentagon's other efforts toward effectiveness and efficiency.

Recent proposals demonstrate the likely parameters of this approach. If the goal was to restore an authentic two major regional

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<sup>38</sup> Ron Synovitz, "Europe Bracing against Risk of Russian 'Influence Operations,'" Radio Free Europe/Radio Liberty, January 16, 2017.

contingency capability, the United States might follow the recommendations issued in 2014 by the National Defense Panel, which call for a force consisting, at minimum, of 490,000 active duty Army personnel and 182,000 marines, a Navy of between 323 and 346 ships (versus 274 today), and an Air Force of unspecified size but substantially larger than the end-strength envisioned in late Obama-era budgets.<sup>39</sup> If, more ambitiously, the United States sought a two-plus or even a three-war standard, a more significant buildup would be required.

One recent estimate issued by Senator John McCain calls for a three-theater force—a Navy of over 330 ships and nearly 900 frontline naval strike fighters, an Air Force of 60 combat squadrons and 1,500 combat aircraft, an Army of at least 490,000–500,000 active duty soldiers, and a Marine Corps of at least 200,000 active duty marines. Because McCain’s budget reaches out only 5 years, these numbers would presumably grow further over time.<sup>40</sup> Another three-theater proposal by the American Enterprise Institute advocates a 10-year expansion to 600,000 active duty Army soldiers, over 200,000 active duty marines, a Navy of 346 ships, and an Air Force of unspecified but significantly increased end-strength. The number of F-22s, for instance, would rise from 185 to 450.<sup>41</sup>

These proposals would require significant new investments. The McCain budget calls for \$430 billion in new money over 5 years, culminating in a Fiscal Year 2022 budget of roughly \$800 billion.<sup>42</sup> The American Enterprise Institute proposal, issued in late 2015, calls for \$1.3 trillion in new money over 10 years.<sup>43</sup> All of these force constructs reflect a high-low mix designed to enable effective operations ranging from counterterrorism, to major conventional war against Iran or North Korea, to high-end combat against a great-power adversary. All the proposals include robust recapitalization of the US nuclear triad. And although these proposals differ on specifics, all are meant to enable a range of investments necessary to maintaining US primacy in a more competitive environment.

If the United States were to undertake a buildup of this magnitude, it could, for instance, invest in a more survivable, multibrigade presence in Eastern Europe. America could significantly increase investments in capabilities—from additional *Zumwalt*-class destroyers and nuclear attack submarines, to stealthy fighters and penetrating long-range bombers, to vastly enhanced stocks of precision-guided and standoff munitions, to improved air and missile defenses necessary to retain air and sea control in high-end conflicts as well as to maintain the upper

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39 National Defense Panel, *Ensuring a Strong U.S. Defense for the Future: The National Defense Panel Review of the 2014 Quadrennial Defense Review* (Washington, DC: United States Institute of Peace, 2014).

40 Senator John McCain, *Restoring American Power: Recommendations for the FY 2018–FY 2022 Defense Budget* (Washington, DC: Senate Armed Services Committee, 2017), 9–14.

41 Marilyn Ware Center for Security Studies, *To Rebuild America’s Military* (Washington, DC: American Enterprise Institute, 2015), 25.

42 McCain, *Restoring American Power*, 20.

43 Thomas Donnelly, “Great Powers Don’t Pivot,” in *How Much is Enough? Alternative Defense Strategies*, ed. Jacob Cohn, Ryan Boone, and Thomas Mahnken (Washington, DC: CSBA, 2016), 7; also Ware Center, *To Rebuild America’s Military*, 70.

hand in fights with Iran and North Korea.<sup>44</sup> This approach would ease the tradeoffs between critical capabilities for today's fight, such as the A-10, and those critical for tomorrow's fight, such as the F-35. Crucially, this approach would also allow aggressive development and production of future technologies in areas from hypersonics to directed energy, which currently receive seed funding but cannot be adequately fielded without additional resources.<sup>45</sup> Finally, this approach, particularly the more aggressive, three-theater option, would permit the increased force structure necessary to cover a larger number of contingencies and reduce stress on the current force.

So how viable is this option? Critics offer four primary objections. The first critique deems this approach unnecessary, because the Pentagon can maintain US primacy at existing budget levels either by pursuing technological innovation and strategic offsets or by undertaking business and acquisition reforms. The second critique asserts a sustained, multiyear buildup will overtax the US economy, given persistent budget deficits and a debt-to-GDP ratio of 76 percent.<sup>46</sup> The third critique views this approach as self-defeating because it will spur arms races with American adversaries. The fourth critique holds this approach will incentivize continued free-riding by US allies and partners by forcing Washington to continue subsidizing their defense. All of these arguments have some logic, but none is persuasive.

The first argument—about innovation, offsets, and defense reform—is alluring but unsatisfying. To be sure, repurposing existing capabilities, developing high-end future capabilities to create significant dilemmas for competitors from Iran to China, and designing innovative operational concepts—essentially, what former Secretaries of Defense Hagel and Ashton Carter termed the Third Offset Strategy—are absolutely vital to restoring strategic solvency. Yet offsets and innovation cannot by themselves compensate for the lack of resources Washington faces in covering the range of plausible contingencies.

Moreover, any meaningful offset strategy is dependent on significantly greater resources. As senior Pentagon officials have acknowledged, right now the United States simply cannot field even promising technologies in numbers sufficient to have strategic impact. “We’ll do the demo, we’ll be very happy with the results, [but] we won’t have the money to go on,” Undersecretary of Defense Frank Kendall warned in 2016.<sup>47</sup> Offsets and innovation are necessary for sustaining American primacy, but they are hardly sufficient. Similarly, although virtually all experts consider defense reform essential, no one has identified a feasible reform program sufficient to close the capabilities-commitments gap.

The economic argument is also deceptive. Although a multiyear buildup would be very expensive, it would hardly be unmanageable. Even

44 On the importance of these various capabilities, see Evan Braden Montgomery, “Contested Primacy in the Western Pacific: China’s Rise and the Future of U.S. Power Projection,” *International Security* 38, no. 4 (Spring 2014): 140–43, doi:10.1162/ISEC\_a\_00160; Timothy A. Walton, “Securing the Third Offset Strategy: Priorities for the Next Secretary of Defense,” *Joint Force Quarterly* 82 (3rd Quarter 2016): 6–15; and Gunzinger, *Outside-In*.

45 Sydney J. Freedberg Jr., “Pentagon Can’t Afford to Field 3rd Offset Tech under BCA: Frank Kendall,” *Breaking Defense*, October 31, 2016.

46 On debt-to-GDP ratio, see Congressional Budget Office (CBO), *The Budget and Economic Outlook: 2016 to 2026* (Washington, DC: CBO, 2016), 3.

47 Freedberg, “Pentagon.”



the most aggressive proposed buildups would push defense spending only to 4 percent of GDP. The United States has previously supported far higher relative defense burdens without compromising economic performance.<sup>48</sup> One cannot draw a perfect parallel with earlier eras, of course, because during the 1950s America enjoyed higher growth and lower levels of deficits and debt. But these factors do not make a major buildup economically impossible.

For one thing, defense spending increases can actually stimulate growth. As Martin Feldstein, a former chair of the Council of Economic Advisers, has noted, “Military procurement has the . . . advantage that almost all of the equipment and supplies that the military buys is made in the United States, creating demand and jobs here at home.”<sup>49</sup> Moreover, defense spending simply does not drive federal spending or deficits to the extent often imagined. In fiscal year 2016, defense consumed 16 percent of federal spending; domestic entitlements consumed 49 percent.<sup>50</sup> As a result, the growth of federal debt is influenced far more by unconstrained entitlement spending and insufficient tax revenues than by defense outlays. Put differently, if Washington can make politically difficult decisions regarding tax increases and curbing entitlement growth, it can spend significantly more on defense while also getting its fiscal house in order. If, conversely, the United States is unwilling to confront such politically difficult decisions, then the deficit will explode, the debt-to-GDP ratio will skyrocket, and Social Security and Medicare/Medicaid will go bankrupt regardless of how much or how little the country spends on defense.

The third objection, regarding intensified competition with US rivals, is also problematic. It is hard to see how increased US defense spending could trigger an arms race with Russia or China, or Iran or North Korea, because these countries are already developing significant military capabilities aimed at the United States. China, for instance, has averaged double-digit annual defense spending increases for two decades. Strenuous military competition is already underway; US adversaries are just the ones competing most seriously. Moreover, although increased US defense efforts, particularly if paired with additional forward presence in Eastern Europe or East Asia, might cause increased near-term tensions with Moscow or Beijing, over the longer-term, failure to counter Russian and Chinese buildups and limit their opportunities for successful coercion might well prove more destabilizing.

To be sure, Russia and China, or even Iran and North Korea, are not powerless to respond to US capability enhancement, and there may come a time when Washington simply cannot preserve the desired level of overmatch at an acceptable cost. Yet in light of the significant internal challenges—political, economic, demographic, or all of the above—facing each of America’s adversaries, the passing of US primacy is hardly

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48 Ware Center, *To Rebuild America’s Military*, 2.

49 Martin Feldstein, “Defense Spending Would Be Great Stimulus,” *Wall Street Journal*, December 24, 2008.

50 “Policy Basics: Where Do Our Federal Tax Dollars Go?,” Center on Budget and Policy Priorities, March 4, 2016, <http://www.cbpp.org/research/federal-budget/policy-basics-where-do-our-federal-tax-dollars-go>.

inevitable.<sup>51</sup> Given how advantageous US primacy has proven over the decades, America's goal should be to push that point of unsustainability as far into the future as possible.

The fourth and final objection, regarding allied free riding and the need for a collective approach, can also be answered. US strategy has always been a concert strategy, and so this approach certainly requires enhanced allied efforts. Countries from Japan and Taiwan to Poland and the Baltic states will have to spend more on defense if their situation is not to become untenable. They will, in many cases, also have to adopt more cost-effective and realistic defense strategies.<sup>52</sup> But because the United States cannot simply make this decision for its allies, the question is which US approach will best encourage constructive changes. And although advocates of retrenchment often argue allies will only do more if the United States does less, the United States has been most successful at securing increased allied contributions when it, too, has been willing to do more.

In previous instances when NATO allies collectively increased military spending—during the early 1950s or under the long-term defense program of the Carter-Reagan years—they did so as part of a broader program in which Washington also significantly increased its contributions to European security.<sup>53</sup> Likewise, the United States elicited the best performance from the Iraqi military and government when the American commitment to Baghdad was greatest, during the surge of 2007–8. The performance declined rather than improved as the US commitment was subsequently reduced.<sup>54</sup> In sum, the United States may actually get the most out of its allies and partners when those countries are reassured of the American commitment and thus prepared to take risks of their own.

As the principal objections to increasing defense resources fall away, the advantages and logic become clearer. This approach recognizes, for instance, how beneficial US military primacy has been in shaping a relatively stable, prosperous, and congenial international order, and it makes the investments necessary to sustain as much of this order as possible. This approach provides the United States with greater ability to meet aggression from a range of enemies and rivals without resorting to dangerously escalatory strategies in the most operationally demanding scenarios. As a result, this approach is arguably best suited to avoid the use of force over the long term, by averting situations in which American adversaries from Iran and North Korea to Russia and China think aggression might pay. “Peace through strength” is not a meaningless catchphrase; it is good strategy. Closing the capabilities-commitments

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51 See, for instance, Robert D. Kaplan, “Eurasia’s Coming Anarchy: The Risks of Chinese and Russian Weakness,” *Foreign Affairs* 95, no. 2 (March/April 2016).

52 See Jim Thomas, John Stillion, and Iskander Rehman, *Hard ROC 2.0: Taiwan and Deterrence through Protraction* (Washington, DC: CSBA, 2014); and Hal Brands, *Dealing with Allies in Decline: Alliance Management and U.S. Strategy in an Era of Global Power Shifts* (Washington, DC: CSBA, 2017).

53 See Richard L. Kugler, *Laying the Foundations: The Evolution of NATO in the 1950s* (Santa Monica, CA: RAND Corporation, 1990).

54 Stephen Biddle, Michael E. O’Hanlon, and Kenneth M. Pollack, “How to Leave a Stable Iraq,” *Foreign Affairs* 87, no. 5 (September/October 2008): 40–58; also Peter R. Mansoor, *Surge: My Journey with General David Petraeus and the Remaking of the Iraq War* (New Haven, CT: Yale University Press, 2013).

gap by dramatically increasing the former therefore represents the best available approach.

## VIII

“Without superior aggregate military strength, in being and readily mobilizable, a policy of ‘containment’ . . . is no more than a policy of bluff.”<sup>55</sup> This admonition, written by the authors of NSC-68 in 1950, reflected a dawning realization that insufficient military power endangered America’s global commitments. The United States faces another crisis of strategic solvency today as gathering international threats combine with dwindling military resources to leave the American superpower in an increasingly overextended and perilous state.

America thus confronts a stark choice about how to proceed. *Of the options considered here, the best approach is to find the resources necessary to bring American forces back into line with the grand strategy they are meant to support.* Undertaking a sustained, major military buildup will not be cheap, but is not unaffordable for a wealthy superpower that has benefitted so much from military primacy and its geopolitical benefits. Indeed, the fundamental question regarding whether America can undertake this course is not an economic one. It is whether the country will politically prioritize the investments needed to sustain its primacy or allow itself to slip further into strategic insolvency with all the associated dangers for the United States and global order.

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<sup>55</sup> National Security Council, “NSC-68, United States Objectives and Programs for National Security,” April 14, 1950, <http://fas.org/irp/offdocs/nsc-hst/nsc-68.htm>.