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To: President George W. Bush

Subject: The Hidden Costs of Iraq

You may recall that you got rid of your loyal White House economic adviser Lawrence B. Lindsey back in 2002 after, among other sins, he claimed that a war in Iraq might cost as much as $200 billion. At the time, White House staffers sneered that Lindsey was being alarmist. Hardly. One commonly cited estimate of Iraq's cost, based on an August analysis by the nonpartisan Congressional Budget Office, is $1 trillion, and that's probably on the low side. A report released last week by the Democratic staff of Congress's Joint Economic Committee put the war's 2002-08 tab at $1.3 trillion.

But all these figures don't quite get at Iraq's real cost. Indeed, we usually don't even frame the question the right way. We'd do better to recognize what we've lost, rather than focusing only on what we've paid.

We often think of cost simply in terms of dollars spent, but the real cost of a choice -- what economists call its "opportunity cost" -- consists of the forgone alternatives, of the things we could have had instead. For instance, the cost of seeing a movie is not just the dollars you plunked down for the ticket, but also the subtler cost of missing a dinner at home or a cocktail party at work. This idea sounds simple, but if applied consistently, it requires us to rethink and, yes, raise the costs of the Iraq war.

Set aside the question of what we could have accomplished at home with the energy and resources we've devoted to Iraq and concentrate just on national security. Here, the hidden cost of the war, above all, is that the United States has lost much of its ability to halt nuclear proliferation.

Mr. President, when the war started, I was convinced by your arguments that we had to stop Iraq's dictatorship from getting the bomb. No longer. Let's look at some of the opportunity costs the United States has incurred so far:

1. We still haven't secured our ports against nuclear terrorism. The $1 trillion we've probably spent on the war could have funded the annual budget of the Department of Homeland Security 28 times over.

2. The human toll of the war is dreadful: more than 3,800 U.S. soldiers dead and more than 28,000 wounded, plus more than 1,000 private contractors killed and many more injured. It's harder to know how many Iraqis have died; some estimates claim that the war has caused a million or more Iraqi deaths, and even if that's an overstatement, the toll is still very high. But it's not just the lives that are gone; we've also lost the contributions that these people would have made to their families and to humanity at large.

3. Another major hidden cost: Many of the wounded have severe brain injuries or other traumas and will never return to "normal" life. Furthermore, Washington will find it far harder to recruit and retain quality troops and National Guardsmen in the future.

4. Don't forget the small statistics, which are often the most striking. According to John Pike, the head of the research group GlobalSecurity.org, an estimated 250,000 bullets have been fired for every insurgent killed in Iraq. That's not just a waste of ammunition; it's also a reflection of how badly the country has been damaged and how indiscriminate some of the fighting has been. Or take another straw in the wind: The cost of a coffin in Baghdad has risen to $50-75, up from just $5-10 before the war, according to the Nation magazine.

5. Above all, governing Iraq has, so far, been a fruitless investment. According to 2006 figures, U.S. war spending...
came out to $3,749 per Iraqi -- almost as much as the per capita income of Egypt. That staggering sum hasn't bought a lot of leadership from Iraq, or much of a democratic model for its Arab neighbors.

In fact, Mr. President, your initial pro-war arguments offer the best path toward understanding why the conflict has been such a disaster for U.S. interests and global security.

Following your lead, Iraq hawks argued that, in a post-9/11 world, we needed to take out rogue regimes lest they give nuclear or biological weapons to al-Qaeda-linked terrorist groups. But each time the United States tries to do so and fails to restore order, it incurs a high -- albeit unseen -- opportunity cost in the future. Falling short makes it harder to take out, threaten or pressure a dangerous regime next time around.

Foreign governments, of course, drew the obvious lesson from our debacle -- and from our choice of target. The United States invaded hapless Iraq, not nuclear-armed North Korea. To the real rogues, the fall of Baghdad was proof positive that it's more important than ever to acquire nuclear weapons -- and if the last superpower is bogged down in Iraq while its foes slink toward getting the bomb, much the better. Iran, among others, has taken this lesson to heart. The ironic legacy of the war to end all proliferation will be more proliferation.

The bottom line is clear, Mr. President: The more you worried about the unchecked spread of doomsday weapons, the stronger you thought the case was for war in the first place. But precisely because you had a point about the need to stop nuclear proliferation, you must now realize that the costs of a failed war are far higher than you've acknowledged.

Ironically, it's probably the doves who should lower their mental estimate of the war's long-haul cost: By fighting a botched war today, the United States has lowered the chance that it will fight another preventive war in the near future. The American public simply does not have the stomach for fighting a costly, potentially futile war every few years. U.S. voters have already lost patience with the pace of reconstruction in Iraq, and that frustration will linger; remember, it took the country 15 years or more to "get over" Vietnam. The projection of American power and influence in the future requires that an impatient public feel good about American muscle-flexing in the past.

Even if the wisest way forward is sticking to our guns, the constraints of politics and public opinion mean that we cannot always see U.S. military commitments through. Since turning tail hurts our credibility so badly and leaves such a mess behind, we should be extremely cautious about military intervention in the first place. The case for hawkish behavior often assumes that the public has more political will than it actually has, so we need to save up that resolve for cases when it really counts.

So, Mr. President, I wonder: Lawrence Lindsey is gone, but exactly who else will end up getting fired?

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