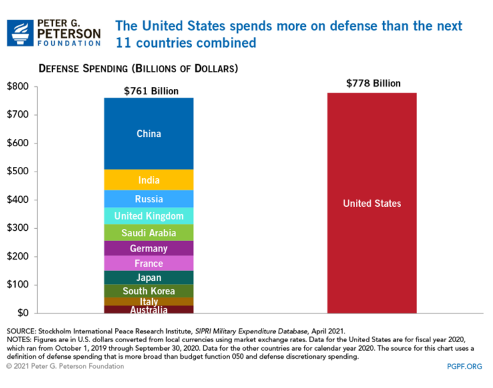
Does the U.S. Spend Too Much on Defense?

Phillip Meylan February 25, 2022

The state of U.S. defense spending is often boiled down to eye-catching but incomplete statistics. On one side, the U.S. spends more than the next 11 nations combined, amounting to a grand total of 38% of defense spending worldwide, three times more than China, and ten times more than Russia. Conversely, defense spending as a percentage of GDP is at one of the lowest points since World War II, at somewhere between 3 and 4 percent. Depending on who you ask, the U.S. is either at risk of being unable to cope with 21st-century security challenges, including from actors such as China and Russia, or wasting money hand over fist on unproven, outdated, or irrelevant platforms.

Proponents of maintained or higher spending often focus on a rising threat from China and Russia and see maintaining a military superiority as a buttress against global authoritarian powers. Through the maintenance of a military advantage, they argue the U.S. can deter aggression, or win a conflict if required. The current invasion of Ukraine by Russia is a prime example of such a security concern, though the U.S. military seems unlikely at this point to become formally involved. Those in favor of lower defense spending often see concerns about rising authoritarian powers as issues that can be solved at the negotiating table, with the cooperation of allies and partner forces, or, if need be, with a more limited military. Rather than indispensable military capabilities, critics often see bloated spending on ineffective, unproven, or irrelevant platforms.

This article provides a brief quantitative assessment of U.S., Russian, and Chinese armed forces and then aggregates arguments for and against current trends in U.S. defense spending. Below the facile arguments about topline numbers is a complicated matrix of decision-making, compelling arguments on both sides, and a challenging mix of public attitudes and industry entrenchment that make frank discussions about defense all the more difficult.



Comparing the U.S., Russia, and China

Getting a sense for the basic characteristics of the world's top military powers, namely the U.S., China, and Russia, provides useful context for a discussion about military spending and the relative challenges posed by Russia and China. It may seem that looking at the numbers of soldiers, ships, and planes is a straightforward starting point for assessing relative military strength, but doing so ignores the qualitative differences in capabilities. A country with many outdated Cold War-era platforms may find itself outmatched by a smaller, more modern force. So while such data can be instructive, it is just a first piece of data in the debate about defense spending.

Summary of Selected Defense Spending and Capabilities

This is a limited, non-exhaustive comparison of military capabilities along easily comparable metrics. It does not capture qualitative differences in platforms, nor the total extent of each country's armed forces. Figures for 2021. Compiled by The Factual.

	United States	Russia	China
General			
Defense Expenditure (2021)	$811 bn	$62 bn	$270 bn
Active Military Personnel	1,395,350	900,000	2,035,000
Reserve	843,450	2,000,000	510,000
Total Personnel (Active + Reserve)	2,238,800	2,900,000	2,545,000
Army			
Active-Duty Personnel	489,050	280,000	965,000
Main Battle Tanks	2,645	2,927	5,400
Infantry Fighting Vehicles	2,931	5,180	7,200
Armored Personnel Carriers	10,607	6,050	4,350
Artillery	5,123	4,894	9,834
Helicopters	3,812	0	974
UAVs	416	unknown	unknown
Navy			
Active-Duty Personnel	349,600	150,000	260,000
Submarines	67	49	59
Principal Surface Combatants	124	32	86
-Aircraft Carriers	11	1	2
-Cruisers	24	4	3
-Destroyers	68	11	36
-Frigates	21	16	45
-Patrol and Coastal Combatants	86	129	196
Naval Aviation			
-Aircraft (combat capable)	954	219	446
-Helicopters	707	127	117
Marines			
Active-Duty Personnel	179,250	35,000	35,000
Air Force			
Active-Duty Personnel	329,400	165,000	395,000
-Aircraft (combat capable)	1,574	1,172	2,475
-Helicopters	136	821	53
-UAV	261	unknown	36
Space			
-Satellites	142	113	161

Table: The Factual • Source: IISS, The Military Balance • Download image • Created with Datawrapper

While the U.S. may be at a disadvantage in terms of the number of active-duty and reserve personnel and in some categories of platforms, it is generally accepted that the U.S. wields considerable advantages in terms of modern equipment, training, and doctrine. Differences in defense expenditure (U.S. - $811 bn; Russia - $62 bn; China - $270 bn) go a long way in explaining the qualitative advantages the U.S. holds in many areas.

As an example, though China outnumbers the U.S. in terms of combat capable aircraft, the U.S. fields far more fifth-generation fighters — aircraft that wield many of the most advanced, modern capabilities such as stealth, advanced avionics, and network integration. According to *The Military Balance 2022*, the U.S. operates at least 600 fifth-generation aircraft, while China operates 150 and Russia has just a dozen (and is set to acquire only 70 by 2027).

The table above also fails to capture the unique attributes of each country's armed forces and other capabilities that complicate like-to-like comparisons. Each country has contrasting arsenals of both conventional and nuclear missiles. The U.S. Marine Corps is not only larger than its counterparts in terms of personnel, but it also wields its own sizable aviation capabilities, including almost as many fifth-generation aircraft as China's entire air force. China has an enormous coast guard, consisting of some 524 patrol and coastal combatant vessels, and perhaps another 300 vessels as part of a maritime militia. And Russia has been increasingly operating in the gray zone, using private military companies to accomplish foreign policy goals abroad without putting Russian soldiers at risk.

Simply put, no table can capture the many disparate capabilities and platforms available to each country and enable easy comparison. Nor can it illustrate the many factors from geography, to domestic politics, to strategy that would determine their ultimate value and availability in a conflict. Instead, the debate about the adequacy of defense spending relies on other factors, such as perceptions of the strategic environment and of the efficacy of specific investments.

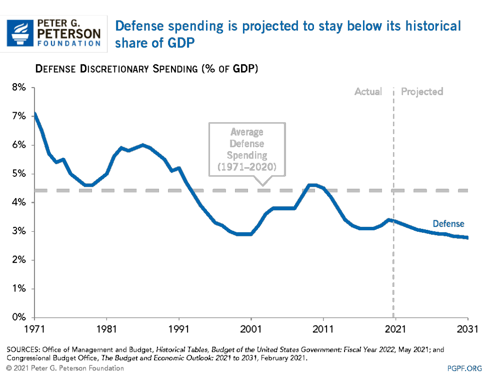
The Case for Maintaining or Increasing Defense Spending

Given the right perception of the strategic environment, the case for maintaining and even increasing defense spending seems sensible. The key to this perspective is that as conflicts have wound down in Iraq, Afghanistan, and Syria, demands on the U.S. military have shifted elsewhere but not decreased. Instead, these conflicts have been replaced by rising global tensions with near-peer competitors, what U.S. strategic documents have referred to as "great power" or "strategic" competition. Proponents of this perspective, and the many variations therein, argue broadly that this environment demands sustained or even increased funding to meet security challenges.

In this view, China is a threat above all others, wielding newfound military and economic heft to bully neighbors and threaten the U.S. position atop a rules-based international order. China seeks to manipulate this order to its will, adopting elements that work well for it (e.g., access to global markets) while bending or breaking the rules to its advantage (e.g., intellectual property theft). At home, President Xi Jinping drives the Chinese Communist Party (CCP) in an increasingly authoritarian direction, rooting out challengers while cracking down on dissent wherever it appears. Growing investment in the People's Liberation Army (PLA) and its various branches signifies increasing willingness to use military force (or the threat thereof) as a tool. Flashpoints such as the genocide against the Uyghur Muslim minority in Xinjiang province, the potential threat of invasion of Taiwan, and island building in the South China Sea now define a belligerent and ascendant China on the world stage — a direct challenger to U.S. allies and influence.

Likewise, this perspective sees Russia as an irredeemable, expansionist threat to Europe that poses existential risk to countries on its immediate periphery, from the Baltics to Georgia. This worry has been borne out by recent events in Ukraine. Since the depths of the post-Cold War era, Russia has invested heavily in new military capabilities, which it often employs in tandem with coordinated disinformation campaigns. Moreover, military incursions in Syria and elsewhere have developed a more professionalized, battle-hardened force far better than that seen in Chechnya or Georgia. This expansion has included renewed investment in the Arctic, where Russia's Northern Fleet stands ready to capitalize on thawing sea routes, and the use of private military companies to support Russian objectives worldwide.

In the context of strategic competition, the threat from states like Iran and North Korea plays a lesser but still important role, and the ability to project power around the world remains a critical element of U.S. influence. A "rogue state" missile strike from North Korea, for example, remains one of the key objectives of U.S. missile defense efforts (i.e., if one or several nuclear missiles were launched, could U.S. defense systems stop them?). Likewise, Iran remains a critical point of interest as its acquisition (or attempted acquisition) of a nuclear weapon could be hugely destabilizing for the region and invite immediate conflict. And globally, the U.S. retains an interest in being able to respond rapidly and forcibly to disasters and minor incidents anywhere in the world — a signal of national strength and a reassurance to allies the world over. All of these goals represent a demand on resources, and many argue that effectively meeting them in a changing environment requires more, not less investment.



To accomplish all of these goals, many argue that the U.S. needs continued defense spending on many fronts, from missile defense to nuclear modernization, or it risks falling behind. That means billions for procurement and continued fielding and maintenance of the systems the U.S. currently possesses, but also billions for the research and development to keep U.S. military platforms ahead of competitors for years to come. Major goals for defense require major spending. For example, the 355-ship goal for the Navy, a level upheld by Republican and Democratic administrations as a signal of a strong navy, requires a robust shipbuilding budget, about $26.6 billion annually for the next 30 years. Similarly, updating the U.S. nuclear arsenal is costly, representing an investment of $634 billion over a decade. Growing budgets have struggled just to keep up with inflation, let alone hit the growth target of 3 to 5 percent above inflation that military figures have cited as necessary for maintaining an edge over competitors. These spending patterns are cause for concern for some in the defense community, leading to proclamations that the U.S. military is "staring into the abyss."

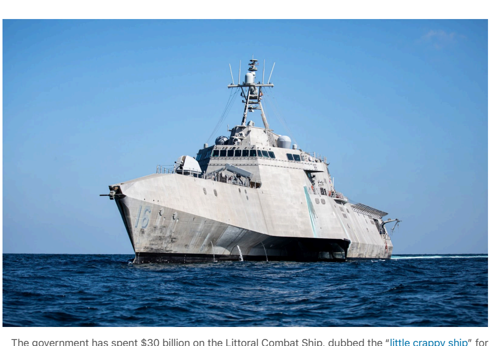
The Case for Lower Defense Spending

Critics of U.S. defense spending come in many shapes and sizes, including pacifists and isolationists, but there are many who simply think that the country spends too much on defense, and that much of that spending is wasteful or misdirected. Regardless of relative trends in defense spending, in 2020 it accounted for 44% of total federal discretionary spending, at $714 billion. This dwarfs categories such as Healthcare ($178 billion) and Education, Training, Employment, and Social Services ($107 billion) — areas where the U.S. demonstrates an acute need. This perspective argues not only that there are more pressing areas to focus U.S. government dollars on, but also that much of the spending on defense delivers unclear or unproven benefits to the U.S. taxpayer, instead feeding an overzealous defense industry. Importantly, the median perspective here is not that defense spending should be abandoned entirely, but rather that a serious rethinking of the effectiveness and purpose of defense spending and strategy is warranted.

For some, this includes a reconceptualization of the strategic environment into one less dependent on military tools and more reliant on multilateral diplomatic efforts, even if the military remains an essential tool. When diplomacy fails, a smaller, more efficient force could deliver many of the same benefits at far less cost. In this view, China's rise doesn't automatically precipitate a fall for the U.S., nor some unavoidable conflict. Russia remains problematic, especially given events in Ukraine, but outsized U.S. military strength is of limited value since a conventional conflict between Russia and NATO remains unlikely under the shadow of nuclear deterrence. A greater impetus is placed on shifting overseas costs to allies and directing more resources into non-military ends that nonetheless make the world a safer place, such as addressing global hunger, responding to acute crises, and mitigating climate change. This view acknowledges that counterparts like the U.S. and China are far too intertwined economically and financially for a conflict to hold much benefit for either side. While issues like Taiwan and Ukraine still require responsive strategies and significant capabilities to back them up, critics of high defense spending argue that the U.S. can accomplish the same goals for less.

Advocates for lower spending also argue that the U.S. must focus on what money is being spent on as much as how much is being spent. By drilling down into specific programs, it's possible to expose exorbitant spending on systems that offer little proven benefit, failed programs that cost billions, and a culture of costly bureaucracy and uncomfortable relationships with the defense industry.

There are numerous programs that satisfy many of these criteria that are regularly the subject of criticism. The F-35 Joint Strike Fighter — meant to be the mainstay of America's fifth-generation fleet — has notoriously run over-schedule and above price estimates, anticipated to cost Americans $1.7 trillion across its life-cycle. Today, there are plans to purchase nearly 2,500 F-35s, even as concerns about operating costs, maintenance issues, and unspecified "critical technical deficiencies" remain. The plane costs over $30,000 an hour to fly.



The government has spent $30 billion on the Littoral Combat Ship, dubbed the "little crappy ship" for its poor performance and cost overruns. Despite being plagued with issues since the first ship was commissioned in 2008, the Pentagon only stopped new orders in 2021. Photo: U.S. Pacific Fleet

In a similar vein, aircraft carriers have long served as an emblem of U.S. military might and power projection, but they are a costly investment with an uncertain return. The Navy recently procured the U.S.S. *Gerald Ford* at a cost of over $13 billion, despite significant doubt about aircraft carriers' survivability and value in 21st-century conflicts (consider article titles such as "Navy's $13 Billion Carrier Sows Doubt That It Can Defend Itself"). Even with these doubts, DoD approved a deal in 2019 to buy two more carriers in a deal worth $24 billion, courtesy of a "discount" from Huntington Ingalls Industries, the boat's builder.

For critics, it seems defense rarely faces the same scrutiny as other spending priorities. Whereas much government spending faces stringent review to justify and prove effectiveness, U.S. military spending receives a blank check, regularly receiving funds above and beyond that requested by the Pentagon for programs that can be seen as wasteful, outdated, or simply unproven. As an example of unproven technology, look to missile defense. The U.S. has spent more than $53 billion on developing and deploying the Ground-based Midcourse Defense program to counter a nuclear missile threat to the continental U.S. Yet, the system has repeatedly failed tests which were "scripted for success," to the extent that the Center for Arms Control and Non-Proliferation said: "In a real-world scenario, the system cannot be relied upon to protect the United States from even an extremely limited attack." Modernization of nuclear ICBMs stored across the midwest is another prime example. The program for updating these missiles is expected to cost $100 billion. But critics note that this capability is as much a liability as an asset, since it increases the risk of nuclear escalation and could conceivably be replaced by shifting more warheads to submarines. This is just the tip of the iceberg when it comes to the nuclear arsenal — experts have suggested that it "could be cut by one-third without any damage to U.S. security."

For critics of defense spending, a primary culprit is clear: the military-industrial complex. According to the Project on Government Oversight, the Pentagon has spent more than $14 trillion this century, up to half of which has gone to contractors. Over the same period, the arms industry, featuring many of these contractors, has given $285 million in campaign contributions and spent $2.5 billion on lobbying efforts. Close relationships between the Department of Defense and private industry — sometimes referred to as a "revolving door" — mean that officials frequently rotate straight from government to corporate boardrooms for major companies and vice-versa, which for some constitutes problematic closeness. In discussions about government waste, examples are often brought in of officials who award lucrative contracts to private companies then join those same companies upon leaving government. This culture invites unnecessary defense spending and makes fundamentally reassessing spending levels all the more difficult.

> "The top five weapons companies alone split $166 billion in Pentagon contracts in Fiscal Year 2020, well over one-third of those issued by the Department of Defense that year. To give you some sense of the scale of all this … Lockheed Martin alone received $75 billion in Pentagon contracts in Fiscal Year 2020, nearly one and one-half times the $52.5 billion allocated for the State Department and the Agency for International Development combined."
>
> Project on Government Oversight

Change Looks Unlikely

The U.S. public remains somewhat divided on defense spending as well as strategic outlook. A 2021 study by the Eurasia Group Foundation found that 16% of Americans support increasing the defense budget, 40% want to keep spending the same, and 39% want to decrease it. The public is also strongly affected by perspectives on the global security environment, and today much of this analysis is pessimistic — articles regularly refer to conflict with China as a matter of "when," not "if" and feature titles such as "Washington Must Prepare for War With Both Russia and China." It is no surprise, then, that 34% of Americans see China as an "enemy" and another 55% see China as a "competitor." Differences in opinion are apparent across party lines as well; 53% of Republicans see China as an enemy, compared to just 20% of Democrats. Events in Ukraine have seen American opinion of Russia plummet, but it is too soon to know what that will mean in the context of strategic competition.

Where Americans do agree, however, is on the positive impact the U.S. can have globally. Nearly two-thirds of Americans (64%) said in a 2021 Chicago Council Survey that the world will benefit if the U.S. takes an active part in world affairs. Americans just disagree on the best way to make an impact. A majority (57%) say that maintaining U.S. military

superiority is "very important" to maintaining global influence, but larger proportions think investing in public education (73%), strengthening U.S. democracy (70%), and maintaining U.S. economic power (66%) is also "very important."

Source: 2021 Chicago Council Survey

Ultimately, determining the appropriate level of defense spending would require accurate and total knowledge of the intentions and capabilities of other actors around the world. Those wary of Russia and China are certain that strategic demands will increase, not decrease, with the conclusion of conflicts in the Middle East and Afghanistan, and the beginning of 2022 has given good reason to be concerned with Russia in particular. Critics of today's defense spending, on the other hand, note exorbitant spending on unproven and unneeded systems and argue that there are far better ways to spend the vast sums being devoted to defense, even while achieving collective defense goals. For now, defense spending looks set to be largely maintained at a similar level to recent years. Depending on who you ask, that's either a good or a bad thing.

Phillip Meylan February 25, 2022 Divisive Topics, Featured, Research

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