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Missing Factors in Cost-Benefit Analysis:

Lessons from the United States Experience in Afghanistan and Iraq

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Abstract

This paper addresses the limitations of cost-benefit analysis in communicating the full human drama of war. Particular attention is paid to the failure of analysts to account for *down stream* and social opportunity costs of war. Relying on glory narratives, war is often presented as necessary and a moral obligation, there is no other choice. But, calculations can pay little attention to social costs of war, i.e.broken families, veteran homelessness rates, spousal violence, child maltreatment, long-term medical care for individuals with traumatic brain injuries, suicides, and disability payments as well as myriad other costs to society. Asymmetrical warfare has extended the battlefield beyond geographic limits requiring a redefinition of *casualty*. Missing are meaningful peace narratives that counter balance war narratives. This paper seeks to contribute to the emerging dialogue on the need for peace narratives communicated through positive and critical imagination.

I and the public know
What all schoolchildren learn,
Those to whom evil is done
Do evil in return.

W.H. Auden

Introduction.

When cries of havoc let slip the dogs of war, it is important to ask, "*Where are the peace scholars?"* How are they contributing to the development of peace narratives? Where is their voice?

Leading up to the U.S. invasion of Iraq, the Bush administration argued that the war would be executed at little financial cost to the nation. Administration representatives made their rounds of the talk show circuit arguing how the war would be paid for by Iraqi oil profits. Military intervention in the region would bring nothing but benefits to America, milk and honey. Iraq would become a symbol of democracy in the Middle East, other nations would follow their example. Seven years later things look much different than the pre-invasion rhetoric. Waiting to be answered are, how did the war-on-the-cheap narrative develop? How did it survive? Where were the opposing peace narratives? Where were the peace scholars?

At the time, the peace movement, as it was, marched in the streets to counter the administration's call to war. Demands for peace were made based primarily on the belief and value that war is morally wrong and peace is good. War was framed as a Manichean choice. However, it is easy to become lost in the murky waters of good and evil. Clear thinking was needed, but was largely absent.

At the start, the American public strongly supported military action in Afghanistan and Iraq based on a *fact-centered* war narrative. Cost-benefit analysis provided the foundation for a war-centered discourse. However, the war narrative that developed was largely constructed from memories of the first Gulf War where combat was quick and casualties low. The military is always fighting the last war, and it is often unable to construct a narrative based on a predictable future. A meaningful counter-narrative was absent.

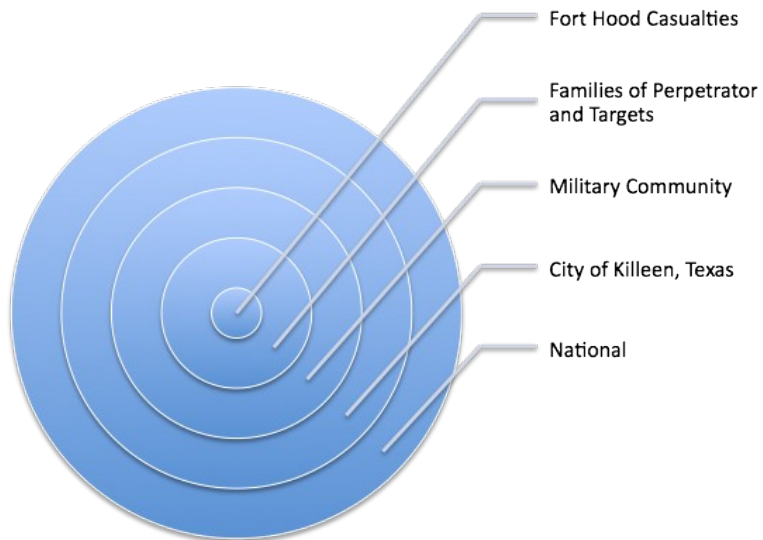
The peace movement was unprepared to respond to the developing war narrative. Peace activists lacked a response grounded in cost-benefit analysis that could counter the administration's call to war, dollar for dollar. There was nothing oppositional to listen to as calls for war dominated the discourse.

Peace activists contributed to their marginalization by refusing to address the call to war with clearly thought out arguments based on rational analysis; rather than, solely, anti-war emotion. The peace movement was against the war, but they could not communicate the peace they favored. The peace movement handed narrative hegemony to those shouting the loudest, War!

War narratives are necessarily incomplete and self serving. Casualties of war always far out-number official estimates. Servicemembers' invisible wounds remain absent from official cost effectiveness calculations of war's cost to society. Broken families, homelessness, spousal violence, child maltreatment, medical care for individuals with traumatic brain injuries, suicides, disability payments as well as myriad other social effects of war, are not addressed. Counting dead bodies is easy, invisible wounds and social impacts are difficult to quantify.

This paper grew out of a conversation with Dr. Johan Galtung regarding how cost-benefit analysis far undercounts casualties of war. It does not account for the many casualties that occur outside of official casualty counting parameters. For instance, how do we account for the horror at Fort Hood, Texas? Will the dead and wounded be counted as casualties of war, or as casualties of a mass shooting unrelated to the wars in Afghanistan and Iraq? As random violence?

The horror of Fort Hood demonstrates how the effects of war occur outside of the military zone of operations and how those effects radiate outward from the geographic location of the violence. The range of destruction increases the further one moves away from the point of violence, the impacts are exponential. The casualty list becomes enormous.



In this paper, I seek to open a dialogue focusing on the missing factors of cost-benefit analysis *vis-a-vis* war. I provide a short history of cost-benefit analysis (CBA) within the U. S. military context, use the American experience in Afghanistan and Iraq to demonstrate CBA's limitations in communicating the full human drama of war, and lastly, make recommendations for confronting the shortcomings of CBA in communicating the full effects of war on society.

The Incomplete Nature of War Narratives.

The language of war narratives is largely quantitative. A consequence of their numbers-focused nature is that translation to the qualitative is made difficult. Decision makers often look to make the complex simple, numbers can do just that. Numbers can be easily grasped, but complex human stories require complex connections. Numbers provide an illusion of rationality and dispassion. As is often heard, "Numbers do not lie." But do they?

War games and computer modeling provide leaders with the quantitative data they need in making, and justifying, decisions on war and peace.   A problem here is that projections of future costs of war are based heavily on data anchored to a contextualized past. But, the changing nature of war requires models that are adjusted to account for changing conditions. Nor do computer models and war games account for the long-term social costs of war. They are myopic in addressing short-term operational costs, and projections of dead and wounded without regard for long-term payments to cover down stream expenses.

Looking at the changing numbers of dead to wounded in past wars demonstrates how quickly the nature of war casualties refashions. In the Afghanistan and Iraq conflicts there are 16 wounded for every fatality on the battlefield (Bilmes, 2007). Blimes notes this is “the highest killed-to-wounded ratio in U.S. history” (p. 2). She points out that in Vietnam it was 2.6:1 and in Korea 2.8:1, respectively. World Wars I and II had less than two wounded for every fatality.

Clearly, enhanced battlefield evacuation techniques, body armor, upgraded armor on vehicles, advanced triage, and the forward nature of field hospitals contributes significantly to survivability rates. Noonan (as cited in Bishop, 2008, p.4) notes that Army doctrine addresses the need for operations that ensure low casualty rates in order to maintain public support. But, CBA predictions are based on past experience, not predictable futures.   CBA can demonstrate potentially low casualty figures to meet political requirements, but they do not account for the full cost to society. In Operations

Enduring Freedom (OEF) and Iraqi Freedom (OIF), how were the projected costs of surviving casualties figured?

In the past, wars provided a means of relieving population stresses. Not so today. A number of doctrinal changes in how wars are fought have converged resulting in increased expectancy of survival by soldiers wounded on a battlefield. However, long-term care costs remain elusive.

Another major shortcoming of current processes is that all casualties are treated equally. A broken arm is accounted for in casualty numbers the same as traumatic brain injury. This does not help in estimating costs of future wars.

As of 2008, it was estimated that 303,000 veterans of Operations Enduring Freedom and Iraqi Freedom were suffering from Post Traumatic Stress Disorder (PTSD) or major depression (Tanielian, 2009). These numbers suggest long-term social and economic costs to society. And, they do not address the costs and lost benefits to Afghan and Iraqi society.

Figures needed to accurately determine civilian casualties are not always readily available. Combat operations disrupt populations and citizen-roles. Of then, the best that can be done is estimate. In 2008 the World Health Organization noted that the number of deaths in Iraq from violence ranged from 104,000 to 223,000. The Guardian (2009) newspaper estimates 6584 civilian Afghan casualties between 2006 and 2009. Of course these figures are constantly increasing as violence in country continues. They represent a point in time. The literature is well developed on the difficulty of collecting accurate figures of civilian war casualties.

War narratives are necessarily incomplete as they do not account for the social consequences of armed conflict. They rely heavily on a determination of cost effectiveness analysis. Simply put, when elites determine that the potential benefits to be gained from war outweigh the costs, a war narrative begins.

Determining the cost-effectiveness of war with economic formulas ignores, and fails to account for, the “time-stream of future costs” (Quade, 1971, p. 14), nor do they address *social opportunity costs*. Cost-benefit war narratives do not tell the whole story. The effects of war seep into every aspect of society, consciously and unconsciously. Costs can be found everywhere, but rarely are they calculated.

Using mathematical formulas and computer modeling, individuals advancing war narratives attempt to reduce the complexity of war. War becomes a commodity in the marketplace. Everything is monetized (Galtung, 1998) and can be traded off in a CBA world. Certainly, this was the case with the U.S. invasion of Iraq. The administration used weapons of mass destruction for their marketing appeal. Casualties were traded off in a financial calculation. Currently, the government values a prime age male life at 6 million dollars (Blimes & Stiglitz, 2006). At that rate, and combined fatalities of 5359 for OEF and OIF, that is more than a 32 trillion dollar trade-off. And that is for deaths in theatre.

But, the criteria used in cost-benefit analysis is far too limited in scope to provide a realistic picture of war, and human beings are more than monetized objects. The criteria selected to determine costs and benefits can ignore the ancillary social costs of going to war. Cost-benefit analysis fails to recognize the changing definitions of

casualties when war is conducted asymmetrically. How do we account for the 13 killed and 31 injured at Fort Hood, Texas? Victims of random violence? Casualties of war? How do we account for Major Nadal Malik Hasan? Criminal? Terrorist? Something else?

How do we account for the multigenerational affects of war? The transgenerational transmission of trauma has received very little study. The primary focus, as it is, has been centered on veterans themselves; however, an Australian Institute of Health and Welfare (2000) study discovered that the children of Vietnam veterans have triple the suicide rate of the broader community. Yet, these children are not counted as casualties of war.

Peace narratives that communicate the full horror of war must provide a full accounting of the consequences. Wars' effects radiate out from the geographically limited space of combat. And, war is not time bound; the consequences of going to war extend beyond the here and now. War is relived daily by those closest to it and its effects; soldiers, families, and communities.

Peace narratives are guided by imagination (Galtung, 1998); positive imagination and critical imagination. Positive imagination is utopian creating a world of positive peace that does not yet exist while critical imagination communicates a predictable post-conflict state. Peace narratives use the full range of imagination in countering war narratives.

History.

Army uniforms of the United States resemble Brooks Brother's business suits more than military regalia. It seems the uniform, as a symbol of war, is to provide soldiers with a sense of business management, and to make war a management activity. Soldiers become problem solvers implementing management *best practices*. In the Kennedy administration, Secretary of Defense Robert McNamara changed the nature of U.S. war fighting by introducing systems analysis at the expense of leadership. War could be managed. Cost-benefit analysis became the principle way of determining value on the battlefield.

And managers require management tools. Cost-effectiveness analysis fits the bill perfectly. It makes the complex, simple. It ignores knotty social concerns and focuses on what can be measured. Numbers become privileged providing war narratives with a perceived credibility.

Legitimacy is needed to mask war; there is no other way, we must fight. It is believed that post-Vietnam, American's will only support wars with low casualty figures. This was demonstrated in Iraq as public support of the Bush administration declined as casualty figures rose. A *Just* war requires proportionality. War narratives built upon quantified, cost-benefit analyses provide the cover elites need to justify their actions. Mathematical calculations make the process look very scientific and legitimate. Proportionality is demonstrated.

Sensitive to the public's concern over casualty figures, military and civilian decision makers seek to present a war narrative that supports their goals and objectives (Gartner et al, 2003; Gartner & Segura, 1998), and places war in the best light possible.

Combatant deaths, *battle deaths*, and *war deaths* are the principle means by which war fatalities are counted. However, no uniform procedure exists to account for the full array of combat losses, and as a result, fatality figures are “inaccurate or misleading” (Lacina & Gleditsch, 2005, p. 146). The figures ignore deaths that occur outside the criteria, for instance veterans not on active duty who commit suicide that results from PTSD or depression related to their war experience.

The Pentagon institutionalized cost-benefit analysis (CBA) as a decision discipline in the 1960s. CBA flows out of economic theory, suggesting that everything has an economic value that can be used in a formula to determine the effectiveness of decisions. But, CBA provides only partial answers and is essentially an “intuition reinforcing tool” (Quade, p. 19). It may have worked well at General Motors, but it is far too inadequate a measurement of war related costs.

Need for New Practices.

Until recently, no field of study existed that investigated the demographic aspects of war. The current focus of the emerging study of *demographies of conflicts* is on deaths; combat related and otherwise. Social costs are not readily available and as a result rarely considered (Brunborg & Tabeau, 2005). This may be a result of the difficulty of measuring affects on social structures.

Brunborg & Tabeau suggest the need for a program to study the demographic affects of conflict and war. The program will include:

1. The intersection between demography and conflict research,
2. The role of demographic factors in conflict,
3. The demographic consequences of conflict, and
4. Data and methods to measure the population impact of conflict and violence (p. 133-135).

Lacina & Gleditsch (2205) point out that "a focus on combatant deaths rather than battle deaths could seriously underestimate the scope of military combat in many, if not most, of today's wars....It does not provide a remotely adequate account of the true human costs of conflict" (p. 148). Adding to Brunborg & Tabeau, they propose that,

> a complete accounting of the true human costs of conflict would include -- in addition to fatalities -- non-fatal injuries, disability, reduced life expectancy, sexual violence, psychological trauma, displacement, loss of property and livelihood, damage to social capital and infrastructure, environmental damage, (and the) destruction of cultural treasures (p. 148).

Further, "an account of war deaths must record all people killed in battle as a well as all those whose deaths were the result of the changed social conditions caused by the war" (p. 148). Lacina & Gleditsch (2005) note that the "numbers of nonviolent deaths due to humanitarian crisis....far surpass the lives lost in combat" (p. 147).

Invisible Wounds.

The numbers are unconscionable. Much of what we know about the dead wounded in war comes to us in numbers. But, numbers do not communicate the complete story. Numbers are not the language of human beings. Though they can provide an entrée into the horrors of war, numbers need to be complimented by narratives. Human narrative allows us to share the lived experiences of others.

Though the numbers should incite us to action, they do not. Clearly, suicides of Vietnam veterans should have pointed out the long term psychosocial and behavioral issues veterans face; however, they remain largely unattended to. Without narrative numbers remain cold and disconnected from they reality they seek to communicate. The question is how, as peace scholars, do we bring the numbers to life? How do we animate them?

Suicide.

Between 2004 and 2005, Veterans of the War on Terror, aged 20 through 24, "had the highest suicide rate among all veterans, estimated between two and four times higher than civilians of the same age" (Keteyian; 2007, Nov. 13.; p. 3).

In 2009, more military personnel took their own lives than were killed in Afghanistan or Iraq. The figure of 334 is most likely incomplete as it does not include figures from the Marine Corps nor does it incorporate suicides of Iraq and Afghanistan veterans who left active duty (Donnelly, 2009).

There is "little information" (Keteyian; 2007, Nov. 13; p. 2) regarding the number of suicides involving veterans who have left active military service. Keteyian reports

that for 2005, 45 states reported 6,256 suicides among veterans, 120 per week. According to those numbers, veterans were "twice as likely to commit suicide in 2005 than non-vets" (p. 3).

The Department of Veterans Affairs estimates that eighteen veterans commit suicide everyday (http://www.morningstaronline.co.uk/index.php/news/content/view/full/85493).

Post Traumatic Stress Disorder and Major Depression.

Predicted that the two-year post-deployment costs of resulting from PTSD and major depression "for 1.64 million deployed servicemembers (as of October 2007) could range from $4.0 to $6.2 billion (in 2007 dollars)" (Tanielian, 2009, p. 9). Tanielian notes that the total future costs to society are greater as the estimates account for only two years of post-deployment care; nor, do they account for individuals deployed in the future The numbers can only provide a snapshot view of a point in time.

Traumatic Brain Injury.

Less is known about traumatic brain injury (TBI) than PTSD and major depression. There is little comprehensive literature available regarding the economic effects of traumatic brain injury on individuals and society. Eibner (2008) estimates "that the cost of deployment related TBI ranged from $96.6 to $144.4 million" (p. 8). These costs are based 609 cases reported in 2005. Based on cost estimates in the 2007, *Serve, Support, Simplify: The Report of the President's Commission on Care for America's Returning Wounded Warriors*, Eibner suggests that the annual cost of caring

for military personnel with TBI can “range between $591 and $910 million” (p. 9). Eibner notes that the numbers represent an underestimate of the true costs as they are based on a static number of casualties and do not include individuals with TBI as the conflict continues; nor, do the numbers include individuals with mild TBI who did not seek out medical care.

Homelessness.

Irrespective of the fact that veterans make up only eleven percent of the U.S. population, they account for twenty five percent of homeless individuals. On any given night, approximately 194,254 veterans are homeless, on the street (http://www.timesonline.co.uk/tol/news/world/us_and_americas/article2873622.ece).

Civilian Casualties.

Determining the true extent of civilian deaths and casualties is extremely difficult because combat operations can destroy the documentation necessary to establish reliable figures. Citizenship records, tax records, church documents, birth and death certificates can all be destroyed leaving researchers with little documentation to study.

Future.

Galtung notes that conflict workers need to always ask: What do we do about it? Analysis is good, but useless until it devolves into action.

Galtung (2010) argues for a *discourse switch*, from a narrative that is informed primarily by cost-benefit analysis to one based on conflict analysis and resolution. Individuals and groups can become anchored in war narratives and unable to move to

competing, peace-centered narratives. Dialogue establishes the possibility of a discourse switch.

Peace scholars will need to take a dominant position in creating non-violent, conflict transformation-centered narratives. Clear, reasoned discourse will place peace scholars front and center in debates of peace and war.

And, without a competing counter peace narrative, individuals are left with only one story, that of war and glory. The peace movement can meet an emotional need to act, but it contributes little to positive peacemaking and peacebuilding.

Recommendations.

So, in the context of developing counter-narratives to war, how do we adjust for the limitations of cost-effectiveness analysis? How do we arrive at a place where peace narratives replace war narratives? On what can peace narratives be based? Possibly, here are some places to start.

- Peace Journalism. Conflict journalism presents limited snapshots of events. Peace journalism seeks to weave a complete tapestry of events, presenting a past, present, and future. I peace journalism, deconstruction and truth co-exist. Peace journalism reports on the many positive non-violent conflict transformation activities occurring in a conflict zone. Grassroots activities are elevated to the level of national interests. Peace journalism focuses on Track II diplomatic efforts of Non-Governmental

Organizations, International Non-Governmental Organizations, and Global Social Change Organizations.

- Casualty Designators. The changing nature of war requires a new calculus for identifying casualties. Veterans demands that Post Traumatic Stress Disorder be listed as a casualty category demonstrates this need. Combat Casualties, Combat Related Casualties, and Post-Combat Casualties are broad categories within which casualties can be accounted. Battle-Related deaths needs to be added to Battle Deaths.

- Non-Affiliated Peace Scholarship. TRANSCEND Peace University and the World Peace Academy are steps in the right direction. Critics of the United States Institute of Peace suggest it is too closely aligned with in-place power structures to provide a true critique of American actions. This can be the case with state-sponsored research institutes. Non-affiliated peace scholarship activities must remain free from financial influences. The United Nations Peace University can be saddled with internal UN political agendas.

- Dialogue Groups. Local, grassroots groups that meet on a regular basis to discuss peace issues. Peace narratives develop that are introduced into the dominant discourse. Based on Habermas's *communicative action*, adhering to Balzac's observation that the pubs and coffee houses are the parliaments of the people.

- Peace Education. Peace education is embedded in existing teaching. Peace education connects scholarship and practice. It is based on asking better questions that lead to better solutions. Peace education is centered on global citizenship, war narratives advance the oppressive aspects of community and nationalism.

- Oral History Collection. Conflict workers collect oral histories of combatants and non-combatants, peri-conflict and post-conflict. This approach informs peace journalism.

- War Game Modeling. Include the human dimension. Update models to include human dimensions of conflict, focusing on long-term economic and social costs. Analyze past combat for insights into a predictable future by engaging future search processes. Integrate NGOs, INGOs, and GSCOs in war game modeling to expand the scope of anlysis, and extend modeling beyond the limited combat zone.

Wherever we start, and however we begin, peace narratives will need to be structured to speak at all levels of analysis: interpersonal and family (micro), societal (meso), and inter-societal and inter-regional (macro) (Galtung, 1998). A shortcoming of peace narrative development can be a failure to speak to all levels of analysis. Narratives that speak exclusively to the interpersonal dimension can fail to address societal aspects of peace and war. Multi-dimensional peace narratives are drastically needed.

Micro	Meso	Macro
Interpersonal	National	Inter-national
Family	Regional	Inter-Societal
Tribe	Societal	Inter-Regional

Conclusion.

Asymmetric warfare has decoupled soldiers from geographically bounded battlefields. And, the scope and density of mental and physical injuries has expanded. Numbers of dead and wounded communicate only the short-term effects of war. Down stream social costs and payments must be integrated into peace narratives.

Future peace narratives will require data to substantiate rational calls for peace. Long-term care costs of veterans and social opportunity costs will frame peace narratives.

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