Afterword to “War in Iraq versus Containment”
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Shortly before the March 2003 invasion of Iraq, we circulated an essay titled “War in Iraq versus Containment: Weighing the Costs.” As the title suggests, the essay sought to analyze and compare the chief U.S. policy options regarding Iraq at the time. We wrote and circulated the essay for three reasons: first, to help structure our thinking about the wisdom of a looming war; second, to show how basic economic principles and a quantitative approach can inform analysis of national security issues; and third, because of our dissatisfaction with the shallow nature of much public and private discourse about U.S. policy toward Iraq.

In 2005, we revised and substantially expanded the essay into a larger study. We replaced off-the-shelf government war cost projections with our own projections. We considered a broader range of possible scenarios under the war and containment policy options, and we deepened the analysis in other respects. As in the earlier essay, we retained a focus on the choice between major policy options facing the United States as of 2002 and early 2003. We presented the larger study in draft form at the CESifo Conference on “Guns and Butter” in December 2005 and circulated the version published here in February 2006.

At this writing in March 2008, the ultimate cost and outcome of the Iraq intervention remain uncertain. Violent sectarian conflict, terrorism, resistance to U.S. military occupation and widespread criminality have caused a large loss of life, displaced many Iraqis from their homes, and escalated U.S. military costs. Violence, sabotage and corruption have impeded reconstruction and economic development. The security situation inside Iraq deteriorated markedly during 2006 before improving dramatically in 2007. According to the Brookings Iraq Index, Iraqi deaths by violent means rose from about 1,450 per month in October-December 2005 to more than 3,300 per month in the second half of 2006. Violent deaths fell over the course of 2007 and reached post-invasion lows of about 700 per month in the period from October 2007 to January 2008. U.S. troop fatalities in the Iraq conflict show a similar pattern, falling sharply after May 2007, as seen in Figure 1. Whether progress in restoring internal security and order to Iraq can survive a gradual or rapid withdrawal of U.S. troops remains to be seen.

The Iraq intervention has proved to be much costlier for the United States than our baseline estimate for the cost of containment (roughly 300 billion 2003 dollars) and at least as costly as the most pessimistic containment scenario we considered in Table 11. Experience to date with respect to U.S. casualties and reconstruction costs is in line with war scenarios 5 and 6 outlined in Table 8. However, none of our scenarios fully anticipated the extended duration

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1 Available for download at [http://faculty.chicagogsbe.edu/steven.davis/research/](http://faculty.chicagogsbe.edu/steven.davis/research/).
of a large-scale U.S. occupation force in Iraq. Scenario 5 projected a U.S. force in theater of 200,000 through October 2006 and a draw down to zero by October 2008. Scenario 6 envisioned a force of 200,000 through September 2007 and a draw down to zero by 2013.

**Figure 1: U.S. Troop Fatalities in Operation Iraqi Freedom, March 2003 to February 2008**

![Figure 1: U.S. Troop Fatalities in Operation Iraqi Freedom, March 2003 to February 2008](image)


Figure 2 shows actual U.S. forces inside Iraq through December 2007. The “surge” brought U.S. forces to their highest levels since the occupation began. The troop numbers in Figure 2 do not include support personnel stationed outside Iraq but directly engaged in Operation Iraqi Freedom. We are unaware of publicly available data on total U.S. military forces in the Iraq theater or directly engaged in Operation Iraqi Freedom, but we believe that these force levels have been greater than 200,000 during the surge period and perhaps earlier.³

Higher troop levels imply bigger personnel and support costs, bigger capital costs for the equipment and facilities used by extra troops, and additional costs for transport and redeployment. The extended duration of a large-scale U.S. occupation force has substantially increased the cost of the Iraq intervention above the levels we projected for scenarios 5 and 6. In addition, the value we applied for labor costs per troop-year under occupation may be too low for reasons we discussed in Section 2.1.2. Whether realized user costs for capital goods

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³ The war cost estimates in our study are based on projected military forces in the Iraq theater of operations, which includes forces in Kuwait, Qatar and other countries in the region as well as naval vessels.
exceed the rates we applied (Table 1) is unclear to us, although the large run up in fuel prices pushes in the direction of higher costs to operate equipment and transport troops.

**Figure 2: U.S. Troops in Iraq,**
**May 2003 to January 2008**


Developments since the invasion of Iraq also raise questions about our analysis of containment costs. The intensity and duration of sectarian conflict since 2004 suggest that violent civil conflict might have erupted following the eventual death of Saddam, a possibility we did not consider in our containment scenarios. The apparent success of the containment policy in degrading Iraq’s military capabilities suggests that it had less capacity to threaten its neighbors than some national security analysts had feared. Whether the United States and its allies would have sustained the political will to maintain indefinitely an effective containment policy seems as uncertain now as it was in 2002.

Our study and the earlier essay elicited a wide range of responses, many quite passionate, some dismissive, some laudatory and some constructive. Many critics, including sympathetic ones, expressed the view that it is important to consider a broader range of costs and benefits implicated by the choice between war and containment. We agree, and we hope that social scientists will not hesitate to apply their tools and skills to the Iraq conflict and other critical matters of national security and humanitarian concern. We believe there is considerable value in spelling out assumptions, grounding analysis and conclusions in data
where possible, articulating explicit counterfactuals and weighing policy options in a systematic manner. We also think that U.S. national security decision making, planning and implementation are ill served by an aversion to the systematic application of analytical tools from economics and other social sciences.