

15 November 2013

The United States, Inequality and International Security

Can inequality have positive effects on international security, asks Justin Logan. Well, if the US is any example, inequality within states is unlikely to cause genuine security problems whereas inequality between them discourages international competition and, therefore, conflict.

By Justin Logan for ISN

Much research has focused on allegations of growing inequality between the richest citizens in the United States and the rest of the country. The most prominent scholars making this case, Thomas Piketty of the Ecole d'économie de Paris and Emmanuel Saez of the University of California-Berkeley, [argue](#) that since the 1970s larger shares of GDP growth have been accruing to slimmer and slimmer slices of the income distribution, hollowing out the middle class and creating an overall distribution rivaling that of the Gilded Age.

Other scholars have challenged Piketty and Saez, [arguing](#) that employer-paid benefits like health care should be treated as income, which would eliminate much of the gap in income growth. Still [others](#) point out that growing house prices have the effect of making income's share of GDP shrink, despite the fact that much of the capital that houses represent is owned by lower and middle-income people.

But regardless of the scale of income inequality in the United States, what effect does inequality have on international security? There are at least two ways to think about this question. The first, as suggested above, is to consider inequality within states. In particular, what do current levels of income inequality in the United States – the richest and most powerful state in the world – mean for international politics and security?

The second is to consider the impact of inequality between states. That is, what are the consequences of the historically large imbalance in wealth, national income and therefore power between the United States and all other states? This article shows that the relationship between any form of inequality and security is tenuous at best, and to the extent inequality bears on security at all, there may be some upsides.

Inequality and security within states

There are two ways in which inequality could affect security within states. The first rests on the effects of inequality for national budgets and therefore for defense spending. When inequality is coupled with sluggish economic growth it amplifies the political need to make 'guns vs. butter'

tradeoffs. When governments are flush with money, as they were at the turn of the 21st century, zero-sum competition for resources ebbs, and policymakers can take a “more of everything” approach to spending. When money is tight, however, policymakers are forced to make hard choices which make cuts to defense spending more likely. (Since military spending is [far less popular](#) than spending on health care and pensions, even in relatively militaristic countries like the United States, defense becomes an appealing area to cut.) Indeed, modest cuts to the Pentagon budget have already [become a political reality](#), over and against the desires of hawks in Washington and bureaucrats at the Defense Department.

There are also ‘guns vs. guns’ tradeoffs. Within the Defense Department, there is a growing sense that policymakers need to prioritize more than they have in recent years. As the Vice Chairman of the Joint Chiefs of Staff, Navy Adm. James A. Winnefeld, Jr. [remarked](#) of the fiscal 2014 budget, “Gentlemen, we're out of money, and now we have to think.”

But cuts to defense spending would only jeopardize security if they denuded a nation’s defense in the face of a proximate military threat. Since neither the United States nor European nations face such a military threat, there is no reason to credit this argument. Europe’s most proximate security threat, presumably Russia, is a shadow of its former self, with a GDP roughly equivalent to that of Italy, and therefore little capacity for projecting power into western or even central Europe. The United States faces an [even more enviable position](#), with weak and friendly neighbors to the north and south and oceans to its east and west. This makes it the most secure great power in modern history, and cuts to military spending are not going to change that. This means that while inequality may combine with slow growth to create political pressure for cuts in military spending, this will not pose a meaningful security threat.

The second argument about inequality and security within states suggests that economic inequality itself could produce civil unrest, posing a security threat. But surely this does violence to the concept of “security.” Civil war in Europe over inequality (or the lack of economic growth or unemployment) is unthinkable. It is even more unthinkable in the United States. The fact that protests, even violent protests or [vitriol directed at other nations](#), are regarded as security threats is a function of [how safe Europe and the United States actually are](#). At any rate, there is a whole scholarly movement—“[human security](#)”—working to securitize non-security problems in order to gain them greater attention. But it is difficult to credit the view that inequality poses a security threat unless “security” is completely redefined.

In short, neither pressure on defense spending posed by inequality and budget constraints nor civil unrest resulting from unhappiness with economic conditions creates a linkage between inequality and security. The connection between inequality and security is somewhat less implausible when we discuss inequality among states.

Inequality among states

Since at least the end of the Cold War, the international system has been unipolar. No country has anywhere near the military power of the United States and its economic rivals are currently hobbled by political difficulties. The European Union, if it wished to rise to the level of a great power, would need to undergo significant political integration, which seems more unlikely at present than in decades. China is facing the specter of slowing economic growth while its society undergoes a massive demographic shift toward the aged and away from working-age citizens. If Washington remains unchallenged as a unipolar power, what does that mean for international security?

First, it means that the security competition traditionally associated with [power transitions](#) is unlikely. John Mearsheimer’s [prediction](#) that the United States would leave Europe after the Cold War and

security competition would ensue is often derided, but it bears remembering that many European leaders at the time felt the same way. As US President George H. W. Bush and his national security adviser Brent Scowcroft made clear in their book, [A World Transformed](#), UK Prime Minister Margaret Thatcher and others feared that German reunification would reignite security competition in Europe. In this instance, the imbalance of power in Washington's favor, combined with a steady hand on policy, helped produce German reunification in a smoother, less destabilizing way than would likely have happened otherwise.

Today, the implications of unchecked American power are clear. Inequality between states means that security competition among second-tier states is unlikely beyond a certain point, because the United States is unlikely to allow it. To the extent one would expect security competition or even conflict among major regional powers if the United States were much weaker, inequality among states has a salutary effect by dampening that competition – even if the ambitious foreign policy projects that unipolar powers are often tempted into may partially undermine the effect.

Inequality and security—a tenuous relationship

In conclusion, there is little reason to credit the notion that the relationship of inequality inside states and security is very powerful. Inequality can help create political pressure for cuts to military spending, but in the absence of an important threat, this will not affect security. Similarly, it is highly unlikely that income inequality will cause war or grave civil strife within states.

When it comes to inequality among states, the picture is more mixed. Historically, imbalanced international systems like the one after the end of the Cold War have helped dampen competition and instability among third parties, a marginal good for international security. On the other hand, the imbalance in favor of Washington has enabled ideological flights of fancy like Iraq, which should be coded as bad for international security.

Justin Logan is director of foreign policy studies at the Cato Institute. You may follow him on twitter at @JustinTLogan.

Publisher

[International Relations and Security Network \(ISN\)](#)

Creative Commons - Attribution-Noncommercial-No Derivative Works 3.0 Unported

<http://www.isn.ethz.ch/Digital-Library/Articles/Detail/?lng=en&id=172356>

ISN, Center for Security Studies (CSS), ETH Zurich, Switzerland