

When defense spending remains elevated to counter Russia without corresponding revenue expansions or entitlement reforms, does the resulting fiscal strain chronically erode domestic political accountability by forcing recurrent budget brinkmanship, or do statutory debt-ceiling mechanisms and automatic stabilizers preserve functional governance despite the added security burden?

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Executive Summary

The evidence suggests that when defense spending remains elevated to counter Russia without corresponding revenue expansions or entitlement reforms, the resulting fiscal strain chronically erodes domestic political accountability by forcing recurrent budget brinkmanship. Debt-financed defense expansion systematically obscures the true costs of security commitments from voters, limiting their ability to observe transparent trade-offs and hold officials accountable [5, 12]. While statutory debt-ceiling mechanisms and automatic stabilizers offer some mechanical preservation of solvency and functional governance by forcing legislative action and cushioning economic shocks, they have increasingly become partisan tools that exacerbate instability and contribute to deficits without resolving underlying structural imbalances [2, 3, 9]. The key unresolved uncertainty is the long-term efficacy of these mechanisms in preventing systemic governance failure amidst escalating debt and political polarization, which would be settled by empirical data on sustained public trust and legislative effectiveness over multiple budget cycles.

Key Findings

Debt Financing Obscures Costs and Erodes Accountability

Domestic political accountability, defined as voters' direct observation of transparent trade-offs between security spending and domestic economic health, is systematically eroded by debt-financed defense expansion [5, 12]. Financing military commitments through borrowing rather than taxation significantly limits democratic accountability, as

Americans are substantially more supportive of wars when they are debt-funded [12]. Policymakers have historically avoided war taxes to prevent the public from withdrawing support upon seeing the true costs, creating an economic disconnect between civilians and the military [5, 12]. This opacity is compounded by off-budget emergency war funding, which has bred corruption, profiteering, and "ghost spending," further hindering the public's ability to track expenditures and hold officials responsible [5]. Accelerated defense spending also increases procurement corruption risks due to weak parliamentary oversight, weakening political support and trust [11].

Debt Ceiling Mechanisms Exacerbate Brinkmanship

Statutory debt-ceiling mechanisms primarily operate as partisan bargaining tools that exacerbate budget brinkmanship and undermine continuous legislative stability [3]. The debt ceiling has been "weaponized by partisans to hijack the budgeting process," leading to concrete instability such as the 2011 S&P credit downgrade, a Dow Jones decline of over 2,000 points, and \$1.3 billion in increased borrowing costs [1, 3, 9]. Former Defense Secretary Jim Mattis identified this "budgetary chaos" as a top impediment to military readiness [6]. While these mechanisms force legislative action and have historically accompanied deficit reduction agreements, their contemporary impact is categorized under "Erosion of Domestic Political Accountability and Budget Brinkmanship," as even the mere threat of default disrupts household and business decision-making and economic growth [3, 9]. The U.S. debt ceiling has been modified over 100 times since World War II [1].

Rising Debt Service Crowds Out Domestic Priorities

The current trajectory of elevated defense spending, particularly when funded through debt without corresponding revenue expansions or entitlement reforms, ultimately weakens the democratic state's long-term capacity to adapt to prolonged security competition [4, 8]. Interest payments on the national debt are a significant and growing fiscal burden. In 2024, net interest payments consumed approximately 3.00% of GDP, nearly matching defense spending at 3.43% of GDP [10]. This means that for every dollar allocated to national defense, the government spent roughly 87 cents servicing accumulated debt [10]. The "Fiscal Space Index," which tracks this ratio, reached approximately 88% by 2024, an all-time high for the examined period [10].

Long-term projections indicate that net interest payments will grow from approximately

3.1% of GDP in 2024 to 6.3% of GDP by 2054 [8]. By 2030, cumulative interest payments for the post-9/11 wars are projected to equal the direct spending on those operations, totaling over \$2 trillion [4]. This rising cost of debt service crowds out discretionary spending and other domestic priorities, limiting the government's strategic flexibility [8, 14]. While specific data on real-term cuts to programs like SNAP or infrastructure maintenance due to defense spending is not provided, research indicates a general "crowding out effect" where rising defense expenditures lead to decreases in other government spending [13]. The primary domestic trade-offs often involve major entitlement programs like Social Security, Medicare, and Medicaid, which dominate the budget and make up the vast majority of federal spending [14].

Automatic Stabilizers Offer Limited Preservation

Automatic stabilizers generally cushion the political system against immediate fiscal strain and preserve functional governance during economic contractions, even when sovereign debt service costs exceed 4 percent of federal outlays [17, 18, 19, 20, 21, 22]. They provide immediate, predictable support that helps prevent deeper economic downturns and political paralysis, which is crucial for maintaining market confidence [21]. However, these stabilizers contribute to deficits without offering clear metrics for citizens to evaluate government performance or resolving underlying structural imbalances [2].

In contrast, peer democracies often utilize expenditure rules and multi-year defense agreements to mitigate legislative gridlock during elevated security competitions [7, 16]. Countries like Denmark use broad, multiparty defense agreements to establish stable funding frameworks and strategic priorities, reducing budgetary volatility [16]. The European Union employs an off-budget funding mechanism, the European Peace Facility, to finance elevated defense expenditures without immediately straining domestic national budgets [16]. The United States, however, has historically struggled with automatic budgeting mechanisms like the Gramm-Rudman-Hollings Act and Pay-As-You-Go (PAYGO) rules, which frequently failed to prevent gridlock or sustained compliance due to circumvention and a lack of bipartisan commitment [15].

Implications

The findings imply that the current approach to financing elevated defense spending in the U.S. poses a significant challenge to democratic accountability and long-term fiscal stability. The reliance on debt obscures the true costs of security commitments, making it

difficult for voters to hold officials accountable for trade-offs between military power and domestic economic health. This opacity, combined with the weaponization of the debt ceiling for partisan brinkmanship, creates policy uncertainty that degrades institutional credibility and defense planning. While automatic stabilizers provide short-term economic cushioning, they do not address the structural fiscal imbalances exacerbated by rising debt service costs, which increasingly crowd out other priorities. Without significant policy changes in entitlement spending and revenue generation, fiscal constraints will increasingly limit the state's ability to respond to security threats while maintaining democratic legitimacy.

Limitations and Caveats

Direct empirical evidence on the "chronic erosion of accountability" is limited, allowing for genuine interpretative debate on the core concepts of "accountability" and "functional governance." The research does not specify real-term cuts or stagnation for particular domestic programs like SNAP or infrastructure maintenance directly attributable to defense spending increases since 2014. Additionally, specific counts of post-2011 debt ceiling suspensions or raises, and the average duration of government shutdowns or partial continuing resolutions associated with these events, are not provided. The efficacy of automatic stabilizers in preventing intensified political brinkmanship under specified debt conditions also has limited direct operational data.

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