

Protection's Price: Reassurance and Burden-Sharing in U.S. Alliances

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Research Question

- What explains variation in the success of U.S. burden-sharing persuasion?

Motivation

- Many U.S. presidents have made encouraging defense burden-sharing in U.S. alliances a priority
 - “We cannot continue to pay for the military protection of Europe while the NATO states are not paying their fair share and living off the ‘fat of the land.’” (John F. Kennedy, 1963)
 - “What would happen if Russia or somebody attacks? I said: ‘I don’t know; have [allies] paid?’” (Donald Trump, 2016)

Motivation

- These efforts have had varying levels of success, however
 - Success: Jimmy Carter and South Korean defense spending
 - Failure: Lyndon Johnson and British retrenchment from Asia and the Middle East

Conventional Wisdom

- Consensus: burden-sharing is difficult in asymmetric alliances between great powers and smaller allies
 - Smaller allies know that their contributions pale in comparison (Olson and Zeckhauser 1966)
 - Inequitable burden-sharing is “built-in” to asymmetric alliances – the great power accepts the costs of providing security in exchange for smaller allies’ loyalty (Morrow 1991; Lake 2009)
 - U.S. troop presence leads to free-riding (Lake 2007, 2009; Martinez Machain and Morgan 2013; Posen 2014)

Problems with Conventional Wisdom

- Empirical: many cases don't fit the conventional wisdom
 - French withdrawal from NATO's military command in 1966, despite being among NATO's largest members
 - Germany since the end of the Cold War has been among NATO's lower spenders on defense as a percentage of its GDP
 - Smaller NATO allies – e.g., the Baltic states – have punched above their weight
 - Allied military spending rose in 1970s and fell in much of early 1980s

Problems with Conventional Wisdom

- Conceptual:
 - Weaker allies' dependence on U.S. protection provides the United States with leverage on issues of burden-sharing
 - The presence of U.S. troops and other assurances of support don't necessarily discourage burden-sharing because they're often provided to allies that need them most – allies that doubt U.S. credibility or have high perceptions of external threat
 - These allies, in turn, are more dependent on U.S. protection

A Theory of Burden-Sharing Persuasion

- Burden-sharing is frequently the outcome of bargaining
- The academic literature on alliances suggests that bargaining leverage stems largely from fears of abandonment (Snyder 1997)
 - The more allies believe that the United States has a credible threat of abandonment, and the more dependent they are on its protection, the more susceptible they are to U.S. persuasion

When Is the US Threat of Abandonment Credible?

1. When the United States faces pressure to retrench from its foreign commitments

- Domestic pressure for troop withdrawals, spending cuts, and avoiding foreign conflicts raise the specter that allies might be on their own if attacked

When Is the US Threat of Abandonment Credible?

2. When an ally is less strategically valuable to it

- The less easily the United States can afford to see an ally leave the alliance or be conquered, the less likely an ally is to believe that the United States would withhold protection or abandon it
- Components of strategic value:
 - U.S. perception of threat
 - When the United States perceives a high level of threat from an adversary, it has less incentive to remain aloof from its allies, or else risk tempting the adversary to expand
 - Geostrategic position
 - Some allies are strategically positioned to allow the United States to project power while denying adversaries the ability to do the same
 - Proximity to U.S. adversaries
 - Proximity to key maritime chokepoints around U.S. adversaries

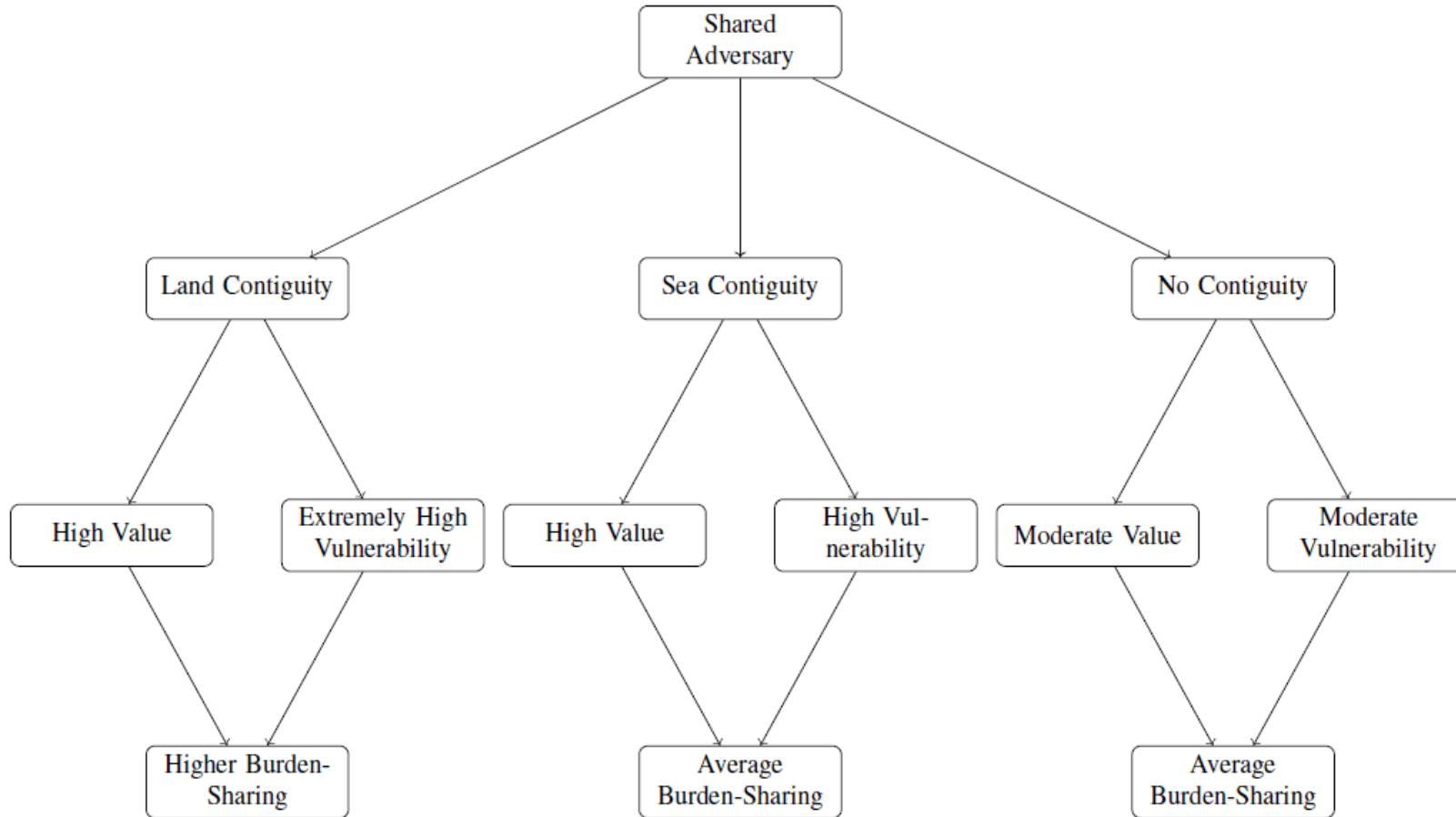
When Are Allies Most Dependent on US Protection?

- When their perception of external threat is elevated
 - The more allies fear for their security, the more reluctant they will be to go without U.S. protection

Distinguishing the Effects of US and Ally Perceptions of Threat

- The effects of external threat on allies' burden-sharing may cancel themselves out
 - U.S. threat perception undercuts its leverage on burden-sharing – the more threat it perceives, the more it needs partners
 - Allies' threat perception increases U.S. leverage on burden-sharing – the more threat they perceive, the more they need U.S. protection
- Explaining variation requires distinguishing the two
 - Adversary capabilities and behavior can't distinguish patron vs. ally perceptions
 - But geography varies
 - The effect of an ally's proximity to shared adversaries, then, depends on whether it is so vulnerable to attack that its vulnerability outweighs the value that its proximity offers to the United States

Distinguishing the Effects of US and Ally Perceptions of Threat

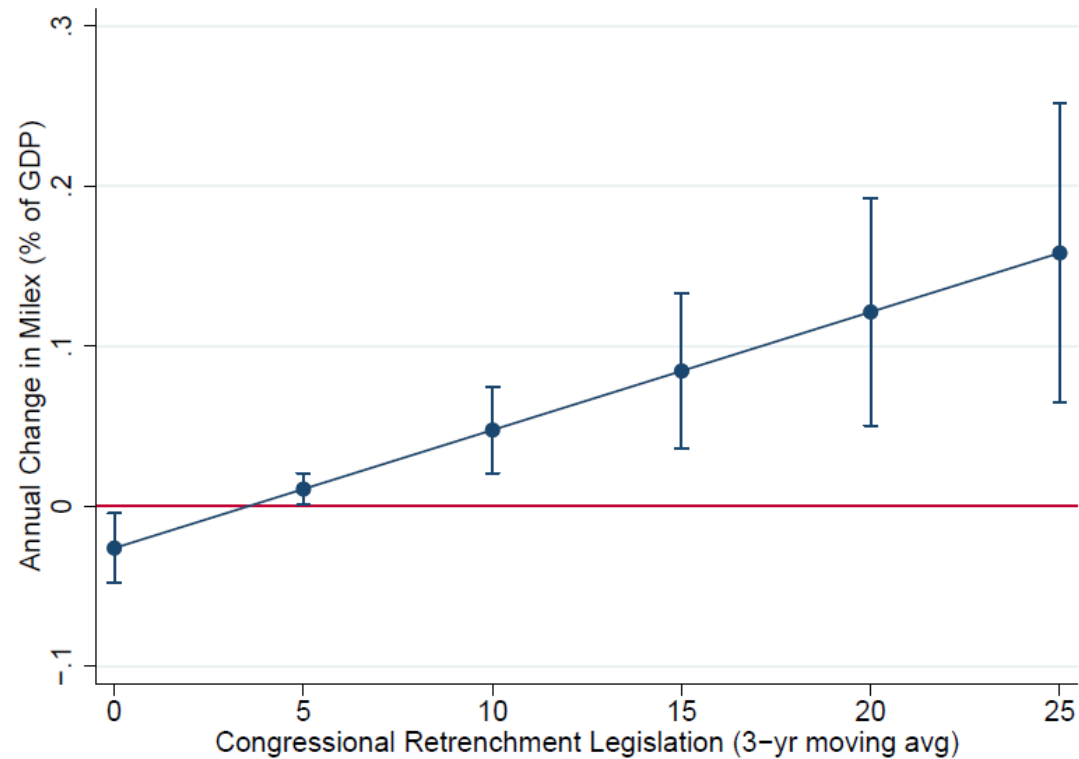


Quantitative Evidence: U.S. Alliances, 1950-2010

- Outcome variables:
 - Annual military expenditures (% of GDP)
 - Annual change in military expenditures (% of GDP)
- Independent variables:
 - *US Domestic Pressure*: Congressional legislation
 - *Ally Geographic Vulnerability*: Allies' shared land borders with shared adversaries
 - *Ally Geostrategic Position*: Allies' proximity to maritime chokepoints around U.S. adversaries
 - *US Troop Presence*: Number of US troops present on an ally's territory in a given year

Quantitative Results

1. Allies tend to increase their military spending when the United States faces domestic retrenchment pressure



Quantitative Results

2. Allies contiguous to a shared adversary by land spend more on defense, while those close to a maritime chokepoint spend less

	Predicted Effect on Military Spending
Land contiguity w/ shared adversary	+0.96%** [0.34, 1.57]
Sea contiguity w/ shared adversary	+0.05% [-0.70, 0.79]
Contiguity to chokepoint	-0.76%* [-1.37, -0.14]

Quantitative Results

3. US troop levels have no clear effect on allied military spending

- US troop levels and other assurances are not deployed randomly; the areas where they are most needed often overlap with allies that are likely burden-sharing candidates

Qualitative Evidence: West Germany, 1961-1974

- Throughout the 1960s, U.S. policymakers persuaded West Germany into purchasing U.S. military equipment in order to “offset” the costs of stationing U.S. troops in the country
 - Series of biannual agreements for ~\$1 billion in purchases in 1961, 1963, 1965, 1967
 - U.S. pressure frequently accompanied with threats of troop withdrawals
 - But also assurances that at least six divisions would remain if the FRG complied

Qualitative Evidence: West Germany, 1961-1974

- Congressional pressure for troop withdrawals from Europe provided new impetus for West German burden-sharing
 - Series of resolutions and amendments from Sen. Majority Leader Mike Mansfield and others
 - Jackson-Nunn Amendment in 1973: required offset as a condition for US troop levels in Europe
 - Officials in Bonn and other NATO capitals were alarmed and sought to defuse Congressional pressure
 - The result: West German military nearly doubled between 1970 and 1975, and U.S. officials were able to secure considerable amounts of offset purchases

Qualitative Evidence: South Korea, 1965-1976

- South Korea's level of economic development made it largely dependent on U.S. support for much of the 1950s and 1960s
- The result: U.S. military aid accounted for upwards of 80% of the South Korean defense budget throughout the 1950s and first half of the 1960s
- Nevertheless, the ROK contributed multiple combat divisions to support the U.S. in the Vietnam War
 - Largely an attempt to solicit continued U.S. presence on the Korean Peninsula

Qualitative Evidence: South Korea, 1965-1976

- By the late 1960s, years of double-digit economic growth were rendering South Korea more capable of self-reliance
 - This represented an opportunity for “Koreanization” of the Korean peninsula for the Nixon Administration
 - ⇒ Withdrawal of 7th Infantry Division
- Importance of ROK burden-sharing magnified in light of war weariness in the U.S. and a desire to avoid being entangled in another foreign conflict
- The result: massive ROK armaments program
 - Five-year military modernization program in 1971-75
 - Defense budget quadrupled from \$0.5 billion in 1965 to nearly \$2 billion in 1975
 - By 1975, ROK now paying 90% of its (now much higher) defense budget

Qualitative Evidence: Japan, 1965-1976

- The margin of security Japan enjoyed by virtue of its separation from the Asian mainland – as well as its strategic value to the United States – insulated it from U.S. burden-sharing pressure during much of the 1960s
 - Most Japanese policymakers – and much of the Japanese public – did not perceive a serious threat to Japanese territorial integrity
 - Partially shaken by Chinese nuclearization in 1964, but mitigated by explicit assurances of the U.S. nuclear umbrella
- Result: Japanese burden-sharing fairly limited
 - Defense spending <0.9% of GDP for most of the 1960s

Qualitative Evidence: Japan, 1965-1976

- Japan became more amenable to U.S. requests as domestic pressure on Washington mounted in the late 1960s and early 1970s
 - U.S. troop levels in East Asia dropped
 - U.S. military spending declined
 - Congress attempted to impose limits on the use of force
- Result: between 1967 and 1975, the Japanese defense budget nearly tripled, from \$5 to nearly \$15 billion

Implication #1: The United States is not helpless in encouraging allied burden-sharing

- Using a combination of pressure and assurances, Washington has historically been able to successfully encourage allies to assume more responsibility for their own defense in a number of cases
- But its room to maneuver is limited
 - Periods of sustained domestic pressure for retrenchment are not common, and come with downsides
 - Allies with *too much* fear of being abandoned are likely to consider other options, including nuclear weapons & closer alignment with third parties (see: South Korean and Taiwanese nuclear programs in 1970s)
 - Not all allies' have a sufficiently high perception of threat to be receptive to U.S. persuasion

Implication #2: Reassurance and burden-sharing are not always at odds

- The same allies that need assurances of U.S. support are often those most susceptible to U.S. persuasion
 - West Germany
 - South Korea
- On their own, threats may only cause alienation and resentment; to be effective and sustainable, U.S. persuasion has to incorporate assurances
 - Thomas Schelling: “stop or I’ll shoot” is only effective if the target believes that if they do stop you won’t shoot anyway

Implication #3: The presence of an external threat is no guarantee of success

- Allies with an elevated perception of threat are likely to be inclined toward greater burden-sharing...
- ...but an elevated U.S. perception of threat may reduce allies' incentives for greater burden-sharing
 - The United States had more success in encouraging allied burden-sharing during the period of détente in the 1970s than during the “second Cold War” of the early 1980s
 - Allies' proximity to shared adversaries not only makes them geographically vulnerable to attack, but also geostrategically valuable to U.S. efforts to limit its adversaries expansion and project power

More Research Needed

- Military contributions aren't the only form of burden-sharing
 - Troop contributions to peacekeeping, multilateral interventions
 - Foreign aid
- How effective are other forms of inducement for burden-sharing?
 - Economic rewards
 - Economic coercion
 - Normative pressure (“naming and shaming”)
- US public opinion
 - When is allied burden-sharing a salient issue to the U.S. public?
 - What ideological, psychological, and other individual-level factors shape people's support for alliances & their distaste for “free-riding”?