

Report

**The Balance Sheet of the US Allies
Comparative Study between
Asia and Europe**

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The Balance Sheet of the US Allies: Comparative Study between Asia and Europe

 THE SASAKAWA PEACE FOUNDATION

In cooperation with



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Foreword

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There is no doubt that the Japan-US Alliance remains the cornerstone of Japanese security policy as well as being the most rational means for providing for Japan's national defense. However, in the United States, criticism of unilateralism or asymmetry in the Japan-US Alliance remains persistent. Thus, It is likely that the US will demand its allies to shoulder an ever greater portion of the defense burden in the future. Yet Japanese public opinion is generally unfavorable to towards increasing military contributions, especially directly engaging in military operations, and despite the efforts of the Abe Administration, attitudes are unlikely to shift appreciably in the near future. Moreover, despite incremental additions in the Japanese Defense Budget, economic constraints preclude a significant increase in military expenditure.

Under such circumstances, Tokyo needs to consider ways to sustain the alliance relationship whilst minimizing any increase of its military role and defense contributions. To this purpose, it is essential to reveal and underline the full spectrum of assets that Japan can bring to the alliance in order to highlight its overall strategic importance to the US. Conversely, it is necessary to examine areas in which Japan may be underperforming and able to contribute more to the allied defense burden. Through this process a systematic appreciation, or "balance sheet", of Japanese advantage and disadvantage can be drawn up from which Japan can assess its ability to meet the anticipated demands placed upon it by Washington in the future.

To reveal these points, the Sasakawa Peace Foundation started a research project titled "Balance Sheet of US Allies" from April, 2018 in cooperation with the Casimir Pulaski Foundation (CPF), Poland. The major objective of this project was to reveal the balance sheet of "assets (advantages)" and "liabilities (disadvantages)" held by US allies from a strategic perspective and to shed light on the characteristics of Japanese cooperation through a comparison with the balance sheets of other allies. This report represents the findings of the extensive research and discussions undertaken over the past year toward this aim.

We are grateful to all the participants of this project, especially Mr. Rira MOMMA, Head of the China Division of National Institute for Defense Studies, MOD, Japan, Dr Thomas S. Wilkins, Senior Lecturer, University of Sydney and Mr. Tsuneo Watanabe, Senior Fellow of our foundation. We also acknowledge our collaborators at the CPF and the Polish authors, Dr. Tomasz Smura, Director of the Research Office, Mr. Kamil Mazurek and Mr. Maciej Szopa, Research Fellows at CPF, Dr. Karolina Libront, Expert on Germany and International

Securityat Centre of International Initiatives, Poland and Dr. Łukasz Smalec, Policy Officer on Political Cooperation with the United States of America, Department of Americas, Ministry of Foreign Affairs, Poland for their cooperation and contribution.

However, the content of this report does not indicate the views of the respective nations or specific organizations to which the members belong.

While we have received much valuable help form others, the result of study, as well as any errors of fact or judgement, are ours alone.

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The Balance Sheet of the US Allies: Introduction

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According to the *National Security Strategy* (NSS) of the Trump administration published in December 2017, today's world is becoming more competitive.¹ The US and its allies are facing growing political, economic, and military competition around the world. Two revisionist states, China and Russia, are challenging US prosperity and superiority as well as the liberal international order. The NSS also pointed out that strong relationships with allies are invaluable in order for the US to magnify its power and respond to the growing political, economic, and military competition.

As shown in the NSS, US allies in Asia and Europe are facing similar threats, namely, the emergence of two revisionist states. The other growing pressure on the US allies is that of "burden-sharing", which the US currently believes is weighted in favor of the allies rather than the US.

In Asia, Japan and other US allies have been facing Chinese expansion since the 2010s. China's unilateral behavior has become more visible, especially so since it became the second largest economic power in 2010, surpassing Japan. China has begun to show its ambitions in the East China Sea, the South China Sea, and even the Pacific Ocean. Notably, since 2012, when the Japanese government nationalized the Senkaku Islands—a small group of islands in the East China Sea—Chinese vessels have more frequently intruded into the waters surrounding these islands and have heightened tensions by coercive use of paramilitary means.

In Europe, NATO members are encountering an aggressive Russia that is seeking to expand its territory and sphere of influence at the allies' Eastern flank. The Russia-Georgian War of 2008 was a prelude to "hybrid warfare" featuring Russian intrusion into the self-proclaimed republics of South Ossetia and Abkhazia. This was followed by Russian military intervention in Ukraine with the "little green men" and Russia's unilateral annexation of Crimea in 2014. NATO was quick to enhance its defense and deterrence posture at its Eastern flank in order to respond to this new environment. Still, Russia raised tensions by showing its force in the *Zapad* 2017 military exercise and continuing intervention in Ukraine.

It appears that US and its allies in Europe and Asia face similar threats, thus it is likely that the

¹ *National Security Strategy of the United States*, December 2017, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905-2.pdf>

US will demand that its allies share an ever greater portion of the defense burden in the future. In fact, at the NATO Brussels Summit in July 2018 President Donald Trump harshly criticized the European allies which had failed to meet the “2% pledge”. The US pressure for a greater contribution to allied defense is not a recent phenomenon. US presidents have been complaining about shortfalls in the defense spending of the US allies for decades. In light of these circumstances, US allies need to consider ways to manage their alliance with the US whilst minimizing any increase of their military role and defense contributions in order that they can maintain public support while still providing an adequate contribution from the US perspective.

For the allies to determine the contribution that they need to make, it is essential to make a comparative study and underline the full spectrum of “assets” and “liabilities”, or the “balance sheet” that indicates the value of the ally to the US. By examining the assets that Japan, Poland and other allies can bring to the alliance, we can identify their overall strategic importance to the US. Conversely, it is necessary to examine areas in which each ally may be underperforming and could contribute more to the allied defenses. Through this process, a systematic appreciation, or balance sheet, of each ally’s assets and liabilities can be drawn up, from which US allies can assess their ability to meet the anticipated demands that will be placed upon them by Washington in the future.

I. The Objectives: What are the Predicted Outcomes of this Project?

To comprehend the assets and liabilities of the US allies, we need to re-examine the allies’ contribution to the alliance and level of cooperation with the US. “Assets” here indicates the strong points and capabilities through which allies contribute to the whole alliance, including the strategic importance of each ally for the US. “Liabilities” means weak points in each ally’s ability to contribute to the preparedness or operations of the alliance.

This project is a comparative study of the allies’ current contribution in Asia and Europe, with a focus on the balance sheet of assets and liabilities held by Japan, Poland, and other US allies from a strategic perspective. Each US ally makes its own respective contribution to the alliance and plays a unique role based on its military capability, economic capability, geographic condition, and so on. By examining the current contribution and strategic importance of each ally, we can shed light on the present characteristics of each ally’s cooperation and compare it with the balance sheets of the other allies. Moreover, although the European allies are facing Russian expansion on land while the Asian allies are facing Chinese expansion at sea, the situations in Asia and Europe are very similar. For this reason, this study will be a useful reference for both Asian and European allies. The following chapters shed light on the present assets and liabilities of each ally.

In this project, six allies—Japan, Taiwan (an informal ally), Australia, Poland, Lithuania and Germany—have been selected in order to make a contrast between Asia and Europe. The first three are US allies in Asia and the latter three are US allies in Europe, facilitating a cross-regional, comparative analysis. This cross-regional and comparative analysis through the “balance sheet” framework will illustrate how Japan and other allies can, individually or collectively, work to meet American expectations of burden sharing. Additionally, the project will provide policy implications for Japan, Poland and other allies with regard to their effective use of their “bargaining chips” in future negotiations with Washington.

II. The Questions to be Investigated

The basic theme of this project is to examine the assets and liabilities of each ally in terms of the ally’s contribution to the US-led alliance. This comparative study of US allies examines the contribution of each ally by using a balance sheet framework. In order to compile a current balance sheet describing each ally’s relationship with the US, and to assess the characteristics of each ally’s contribution, the key questions for this study are as follows.

- What are the dimensions and precise nature of each ally’s relationship with the US?
Each alliance between a given country and the US has its own purpose and orientation. Therefore, it is necessary to clarify the objectives, realm and obligation of each alliance in order to assess each ally’s contribution.
- What is the relative strategic importance of each ally to the US?
If an ally is essential to the US strategy for involvement in and defense of an entire region, this is clearly an asset to the ally in question and will allow it to exert greater influence over the US.
- What roles does the US expect each ally to play, and what burdens should the ally bear?
- What kinds of contribution does each ally make at present to the US-led alliance in order to maintain that alliance?
Examples of such contributions would be the number of US bases and troops the ally maintains, the financial contribution they make, the number and scope of military exercises in which they participate, and their expected military role in both peacetime and wartime.
- What are the “gaps” between US expectations and the actual contribution of allies at present?
If an ally bears a “fair” burden and plays its expected role, it would be fully integrated into the allied strategy and thus be indispensable for the US. This would clearly be a great asset for the ally. If the ally’s contribution does not meet US expectations, it would be a liability for the ally.

- What is the nature and degree of cooperation of a given ally with other allies in their region?

The cooperation provided by individual allies differs in form and scope. Alliance obligations force a firmer commitment than arrangements based on an agreement or bilateral or multilateral talks. Besides, collective defense obligations based on an alliance treaty will bring a higher level of cooperation than cooperative measures for crisis management or non-traditional security. In addition, if a US ally demonstrates its firm commitment to other allies' security, or conducts joint military exercises regularly in order to enhance interoperability, it can be considered to be cooperating extensively.

By comparing the experience of the US allies, this project also attempts to investigate ways for US allies to overcome their liabilities and better leverage their assets towards maintaining a good relationship with the US.

III. The States investigated in this Project

To explore the questions posed above, this project focuses on three US allies in Asia—Japan, Taiwan and Australia—and three European allies—Poland, Lithuania and Germany. These states were selected in order to conduct a comparative analysis of the contribution provided by a range of allies in Asia and Europe, with the results organized geographically on the basis of proximity to the relevant threat, i.e., China in the case of the Asian allies, and Russia in the case of the European allies.

1. Frontline States

Taiwan is an unofficial US ally that is facing Chinese expansion as a frontline state in Asia. Lithuania is also directly facing Russian expansion in Europe. Taiwan is subjected to continuous political and military pressure from China as Beijing is not willing to accept Taiwan's drift away from unification with China. Recently, China has been increasing its pressure on Taiwan through a show of force. To give one example, Beijing conducted combat exercises in June 2018 involving the PLA Air Force and destroyers armed with guided missiles over and around Taiwan. Given these circumstances, Taiwan has not been able to contribute to the US-led operation and has needed to concentrate exclusively on its own defense.

Lithuania is under threat of incursion by Russia. In Lithuania, there are more than 134,000 Russians, who represent a minority in the country. Since Moscow justified the annexation of Crimea and Russia's support for secessionist rebels in Ukraine as protection of Russians, the Russians in Lithuania may provide Moscow with a convenient pretext to start hybrid warfare. In addition, the Suwalki gap at the border of Lithuania and Poland is regarded as the weakest

point in NATO in terms of a Russian invasion. Realizing this situation, Lithuania started to cooperate with NATO in the Balkans after the Cold War and contributed to ISAF in the 2000s. Lithuania also supported the US in the Iraq War and joined the Coalition of the Willing. Although its capabilities are limited, Lithuania has actively participated in NATO-led and US-led operations, indicating where its allegiances lie and from whom it expects to receive reciprocal support.

2. Second Tier States

Japan and Poland are basically second tier states in terms of their support for US operations during a contingency. However, they also play an important role as frontline states, as Japan shares a border with China at sea and Poland shares a border on land with the Russian enclave of Kaliningrad. However, there is a big difference between these two states in their approaches to cooperation with the US.

The US-Japan alliance is the cornerstone in the Asia-Pacific for the US strategy, which makes Japan the central pillar of the US alliance network in Asia. For the US, Japan is an outpost that facilitates US maintenance of stability in Northeastern Asia, in particular by deterring China and North Korea from taking action in peacetime and by being ready to defend Taiwan and South Korea in wartime contingencies. For this purpose, Japan hosts many US military bases and has taken in about 40,000 US troops. At the same time, Japanese public opinion is still generally unfavorable to direct engagement in joint combatant activities with the US, except in the context of defending Japan or in a situation that directly affects Japan's independence. This unfavorable attitude remains despite the success of the Abe Administration in preparing the legal basis for Japan to provide logistic support for US military operations in a contingency affecting Japan's security as described in the country's security legislation published in 2015.

In contrast, the citizens of Poland are very positive about cooperating with the US. Since it joined NATO in 1999, Poland has proactively contributed to NATO missions and operations led by the US. It has sent troops to Kosovo Force (KFOR) since 1999 and to Afghanistan since 2001. It also sent troops to Iraq and fought alongside the US. Since 2017, Poland has deployed troops to Latvia as a part of NATO's Enhanced Forward Presence in addition to accepting the headquarters of the Multinational Corps on its soil. Although it is still too weak militarily and economically to be a central pillar in Europe, Poland is actively contributing to alliance and US led operations, and is showing its loyalty toward the alliance and its leader.

3. States in the Rear

Australia and Germany are the allies that are not frontline states but rather provide support

from the rear. Again, there are differences between these states in their approaches and roles.

Like Poland, Australia has been very active in its cooperation with US-led operations. It has sent troops to major US-led military operations like the Korean War (1950-1953), Vietnam War (1955-1975), Gulf War (1991), and the War in Afghanistan (2001-2014). It was also one of three US allies which fought alongside the US in the Iraq War in 2003. Its expected role in the Asia-Pacific region is to support the US and other US allies, and it is expected to participate in US-led operations in the event of a military conflict in Northeast Asia. Australia has to show its loyalty to the US as an ally and strengthen its ties with the US because it has a large territory compared to its population. Geographically, it is rather isolated from other US allies and it is not much more than a middle power militarily and economically, therefore maintaining US commitment is essential.

In contrast, Germany has for some time been the cornerstone of the US alliance network in Europe, just as Japan is in Asia. By the end of the Cold War, Germany had become reluctant to participate in military operations due to historical experience and legal restrictions. However, a systemic change in German policy took place after the reunification of East and West Germany. The German government decided to participate in peace-keeping missions in the Balkans in the 1990s and decided to send its troops outside Europe in 2006. Russian aggression in Ukraine seemed crucial in this regard, as Germany started to seek to share more responsibility and play a greater role in NATO. As a result, Germany has stationed troops in Lithuania as a Framework Nation of NATO's Enhanced Forward Presence since 2017. However, it is not certain whether Germany will engage in future US-led operations.

4. The Status of Asia and Europe and the Expected Implications for Interaction with the US

The following chapters shed light on the present balance sheet of six US allies such that each ally can see the implications of its current situation. With this knowledge, the ally in question can attempt to overcome its liabilities and employ its assets effectively in order to keep a good relationship with the US.

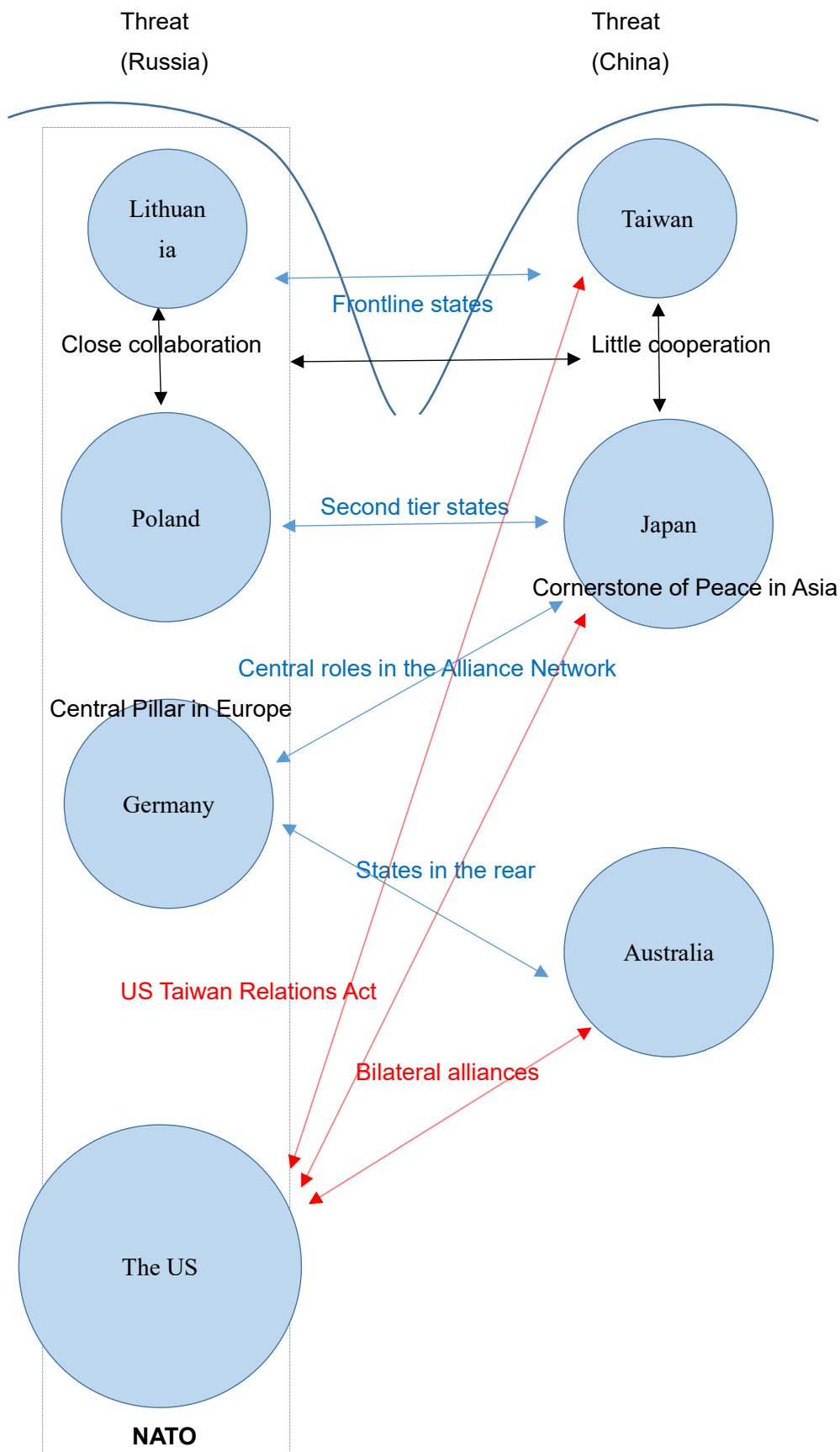
By examining the respective situation in Taiwan and Lithuania, we can see how regional cooperation is necessary to deal with threats and the liabilities of these countries can show us the conditions necessary in order to gain the cooperation of other US allies. Looking at the situation of Japan and Poland, and Australia and Germany, we can see the role of second tier states and states that are providing support from the rear, in addition to each ally's liabilities in terms of the role it can play to support the alliance.

Moreover, by examining the situation of Japan and Germany we can see the capabilities

necessary in order to be the central pillar in a given region, and by examining the situation of Australia and Poland we can see the assets and liabilities of the “fighting allies”.

Furthermore, the contrast between Asian allies in the US hub-and-spokes system and the European allies in their multilateral alliance reveals the advantages and necessity of a cooperative framework that can cope with the threat of a revisionist state, and illustrates how the shortcomings of a given ally can be minimized when allies work together to fulfill reciprocal obligations.

Chart: US allies and geopolitical position



Taiwan's Important Assets and Liabilities in East Asia Security: Ties with the US and Pressure from China

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I. Introduction

In the past, one of China's top priorities was to recapture the territories seized by the great imperialist powers in the period after the 19th century. Based on the Treaty of Nanjing in 1842 and the Convention of Peking in 1860, Hong Kong Island and the tip of the Kowloon Peninsula were ceded to Great Britain by the Qing Dynasty. Then, in 1860, the colony was further expanded to the southern extreme of the Kowloon Peninsula, and in 1898 the colony was expanded even further to encompass the neighboring islands and other areas in the far reaches of the peninsula known as the "New Territories" under a 99-year lease. Macau was ceded to Portugal by the Qing Dynasty in 1887.

At the present time, the only remaining territorial problem of any historical significance for China, which brought Hong Kong and Macau back under its rule during the 1990's, is the reunification of Taiwan with the mainland. Under the Shimonoseki Treaty, which was signed in 1895 after the Qing Dynasty was defeated in the First Sino-Japanese War, Taiwan and the Pescadores were ceded to Japan. From then until the end of World War II—a period of just 50 years—Taiwan was a Japanese colony. After the island ceased to be a Japanese colony, the Republic of China began to take control. However, during this time a civil war took place in mainland China in which the Republic of China (ROC, Taiwan) was defeated by the Chinese Communist Party (CCP) and the People's Liberation Army (PLA) and thus chose to move its government to the island of Taiwan. Taiwan and Japan came to play a role as a bulwark in East Asia against communist countries under the Cold War geopolitical structure that existed after World War II. The US concluded the Mutual Defense Treaty with the ROC in 1954 with the aim of preventing Taiwan's efforts to "Recover the Mainland" and of protecting the security of Taiwan. A few decades later, the US severed relations with Taiwan and normalized relations with the People's Republic of China (PRC). However, the US has maintained strong relations with Taiwan in the fields of politics, economy and security based on the "Taiwan Relations Act".

After starting the "Reform and Opening-Up" policy in 1978, the PRC developed economically and reinforced the PLA. As a result, China now has great political and military power. At the 19th National Congress of the CCP in 2017, the General Secretary of the CCP Xi Jinping declared China would achieve the "Chinese Dream" and "Great Revival of the Chinese Nation" by the middle of the 21st century. However, if China cannot reunify itself with Taiwan, it cannot

declare that it has accomplished these aims. The purpose of this paper is to consider Taiwan's assets, liabilities, and the possible influence of US President Donald Trump on US-Taiwan relations.

II. Taiwan's Assets

1. Taiwan's Geopolitical Value for the US

The first point to be discussed is Taiwan's geopolitical value for the US. Xi Jinping's administration has pushed forward China's expansion into the outside world. At present, the specific targets of this expansion seem to be the South China Sea and the East China Sea. There has been no change, however, in China's view that Taiwan, alongside the Tibet and Xinjiang Uyghur autonomous regions, is an area of extreme importance constituting one of China's "core interests". As China strives to become a major sea power, Taiwan's geopolitical importance has grown all the more, as it sits at the intersection of the East China Sea and South China Sea and is thus China's gateway to the Western Pacific.¹

These seas and the island of Taiwan form a part of the "First Island Chain". The Asian part of the First Island Chain arcs southward from the Japanese home islands through the Ryukyu Islands, Taiwan, and the Philippine archipelago. The island of Taiwan is located in the center of the First Island Chain. At present, when the PLA Navy dispatches its fleet to the Western Pacific, the fleet usually navigates between Okinawa and Miyako-jima, but if China occupied the island of Taiwan, the PLA Navy could use Taiwan's several good naval ports to navigate with ease to the Western Pacific. The US would like to maintain the present order in the Pacific Ocean and its prominent position in this area, and to do so it must maintain the status quo in the Taiwan Strait. This situation is an asset for Taiwan, as it suggests that the US is likely to intervene if any action is taken that could upset the local power balance.

2. Taiwan's Democratic System

Taiwan's second asset is its democratic system of governance. Taiwan became a democracy in the period between the 1980's and 2000's. Moreover, it officially maintained a national policy of anti-Communism even after the death of President Chiang Kai-shek in 1975, as well as under the regime of his successor, Yen Chia-kin, and then after the accession of his son Chiang Ching-kuo in 1978.² Around that time, the Republic of China maintained what was essentially

¹ Rira Momma, "Introduction", National Institute for Defense Studies ed., *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship*, February 2017, p. 2.

² Rira Momma, "Chapter 2, China-Taiwan Relations from Taiwan's Perspective", National

a single party system of control through the Kuomintang (KMT, Chinese Nationalist Party). However, with the rapprochement between the US and China after the PRC was recognized in 1971 as the legitimate representative of China at the United Nations, followed by the normalization of relations between the PRC and Japan in September 1972, the international environment around Taiwan became increasingly severe.³ Furthermore, with the normalization of US-China relations in January 1979, the US started telling Taiwan to democratize in order for it to receive continued unofficial, but strong, support. Noting a link between Taiwan's insecurity and intolerance, James Lilley, the US representative at the American Institute in Taiwan in Taipei from 1982 to 1984, stressed US support while prodding President Chiang to pursue his goal of democratizing Taiwan.⁴

In 1986, opposition forces were able to hold rallies against martial law in Taipei. The security forces did not crack down on at least one political meeting in Taipei at which banned books about Chiang Kai-shek and Chiang Ching-kuo were sold, and some Taiwanese demanded that politicians should speak the local Taiwanese language (not Mandarin). President Chiang allowed the opposition Democratic Progressive Party (DPP) to form on September 28, 1986, even before he ended martial law in July 1987.⁵ Upon the death of Chiang Ching-kuo in January 1988, Vice President Lee Teng-hui was promoted to president. After that, the process of democratization in Taiwan accelerated.

The first presidential election in Taiwan was held in March 1996. In the second presidential election in 2000, the first change of government happened peacefully with the election of Chen Shui-bian of the DPP as president. Democracy is fully established in Taiwan today, evidenced by the fact that regime change has taken place every eight years since 1996 through an electoral process. Moreover, Taiwan has a free press. Because of these facts, Taiwan is regarded as one of the most advanced countries in Asia in terms of democracy. Taiwan's respect for democracy is on par with that of the US, and this is one of the largest incentives for the US to protect Taiwan. Thus, Taiwan's democratic system of governance is an asset for the country, as it makes the US much more likely to come to its aid.

China may well be attempting to intervene in democratic elections in Taiwan by manipulating public opinion, producing fake news and putting diplomatic, military, economic, and other kinds of pressure on the country. However, any propaganda that questioned Taiwan's respect for democratic values would be unlikely to have a significant impact. For the US, protecting

Institute for Defense Studies ed., *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship*, February 2017, p. 29.

³ Rira Momma, *Ibid.*, p. 29.

⁴ Shirley A. Kan, "Democratic Reforms in Taiwan", Congressional Research Service ed., *Issues for Congress*, May 26, 2010, p. 4.

⁵ Shirley A. Kan, *Ibid.*, p. 6.

Taiwan's democracy also means preventing the expansion of China's power in Southeast Asia.

3. The Taiwan Relations Act

Taiwan's third and most important asset is the Taiwan Relations Act, which was drawn up in 1979. The purpose of the act is "to help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the US by authorizing the continuation of commercial, cultural, and other relations between the people of the US and the people on Taiwan, and for other purposes".⁶ The US has to date supplied defensive weapons to Taiwan based on this act. Although it is a domestic act, it plays the role of the legal basis for the US to reserve the right to protect Taiwan. Having this kind of formal recognition of the US interest in protecting Taiwan is clearly an asset for Taiwan.

The US has been keeping arms sales toward Taiwan to a level that does not cause problems with China, however it is important to note that sales are taking place. The Bush administration made the weapons export process to Taiwan the same as the one used for exports to conventional states, *i.e.*, Taiwan became able to express its wishes for what it needed when it needed it.⁷

Beginning late in the Clinton administration, channels were created for substantive debates between the United States and Taiwan on military and security affairs, and a system for regular consultations was put into place. Broadly speaking, these consultations were conducted on three levels: the National Security Council level, the defense authority level, and the military branch level.⁸

4. Support from the US Congress

Taiwan's fourth asset is the support it receives from the US Congress. The National Defense Authorization Act for 2018 describes the support of the US Congress to Taiwan in more detail than ever before.

Congress believes that the US should:

- (1) strengthen and enhance its longstanding partnership and cooperation with Taiwan;
- (2) conduct regular transfers of defense articles and defense services necessary to

⁶ Taiwan Relations Act, January 1, 1979, PUBLIC LAW 96-8 96TH CONGRESS.

⁷ Shinji Yamaguchi, "The United States and the Taiwan Problem", National Institute for Defense Studies ed., *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship*, February 2017, p. 53.

⁸ *Ibid.*, p. 54.

enable Taiwan to maintain a sufficient self-defense capability, based solely on the needs of Taiwan;

- (3) invite the military forces of Taiwan to participate in military exercises, such as the “Red Flag” exercises;
- (4) carry out a program of exchanges of senior military officers and senior officials with Taiwan to improve military-to-military relations, as expressed in section 1284 of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114–328; 130 Stat. 2544);
- (5) support expanded exchanges focused on practical training for Taiwan personnel by and with United States military units, including exchanges among services;
- (6) conduct bilateral naval exercises, to include pre-sail conferences, in the western Pacific Ocean with the Taiwan navy; and
- (7) consider the advisability and feasibility of reestablishing port of call exchanges between the United States navy and the Taiwan navy.⁹

The above are just subjects for study submitted by the US Congress to the White House and will not necessarily be executed by the government. However, it can be seen that the US, regardless of government or parliament, is currently pro-Taiwan to an unprecedented level. We can infer from this that even if President Trump were to change his position regarding Taiwan, there would still be significant support for Taiwan in Congress.

The Taiwan Travel Act is a further piece of evidence that the US Congress supports Taiwan. Before the act came into force, although the president of Taiwan was permitted to travel through the continental US while travelling to Latin America, the media coverage of the visit and the specific locations visited was largely restricted. However, when President Tsai Ing-wen visited the Ronald Reagan Presidential Library and NASA on her first foreign trip to Latin America since the Taiwan Travel Act came into force, she was given VIP treatment and a warm welcome, which previous presidents of Taiwan did not receive. Thus, it appears that the US Congress is willing to show public support for the president of Taiwan.

The four assets described above are very important for Taiwan in terms of the balance sheet with the US, and in terms of the competition with China.

III. Taiwan’s Liabilities

Taiwan is an area that China wishes to reunite to the Chinese mainland, and it is also on the front line of China’s confrontation with the US. More recently, however, as China has continued

⁹ 115th Congress (2017-2018), National Defense Authorization Act for Fiscal Year 2018, <https://www.congress.gov/bill/115th-congress/house-bill/2810/text> (accessed January 7, 2019).

to emerge on the international scene, the Taiwan problem has grown in importance due to Taiwan's lack of diplomatic relations with other countries.¹⁰

1. Limited Diplomatic Relations

Taiwan does not have any substantial allies with powerful states such as the US. Moreover, it cannot buy advanced weapons from other countries.

Taiwan does not have official diplomatic relations with powerful countries such as the US and Japan, and is not recognized as an independent country. This is one of Taiwan's biggest liabilities, with the result being that Taiwan is in a disadvantageous situation with regards to forming alliances and exchanging information on security with other countries. For example, the Tsai Ing-wen administration is not happy about Japan's security policy concerning Taiwan. The administration has requested comprehensive security dialogue with a number of organizations in Japan including MOFA, the National Security Bureau of the NSC, Military Intelligence Bureau MOD, National Defense Academy, National Institute for Defense Studies, and a number of Command and Staff Colleges, but has not received a positive response.

In addition, Taiwan is limited in practical terms to buying weapons solely from the US, and is therefore subject to many restrictions on the type and quantity of the weapons that it can purchase.

2. China's Strong Pressure on Taiwan

A further liability for Taiwan is that China regards Taiwan as a target for unification and will consider use of military means to this end. China is continuing to put Taiwan under pressure by a number of means, and Taiwan considers this is as its most important liability.

First of all, China is putting Taiwan under political pressure. The Tsai Administration does not accept what China calls the "One China principle" nor does it accept the "92 Consensus". Therefore, China refuses to conduct high level official meetings with the Tsai government. However, we should notice that the CCP government does not publicly criticize Tsai Ing-wen.

Secondly, diplomatic pressure is also an issue. Taiwan lost five friendly nations (Democratic Republic of Sao Tome and Principe, Republic of Panama, Burkina Faso, Dominican Republic and Republic of El Salvador) after the Tsai administration came into power. There are now only

¹⁰ Rira Momma, "Conclusions", National Institute for Defense Studies ed., *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship*, February 2017, p. 80.

17 countries that maintain formal relations with Taiwan, and Taiwan has been pushed out of many international organizations. What is more, since 2016 it has not been able to attend the World Health Assembly (WHA) as an observer. Taiwan was allowed to attend the general assembly of the International Civil Aviation Organization (ICAO) in 2013 as a guest, but was not allowed to do so in 2016.

Thirdly, economic pressure is a big problem for Taiwan. The number of Chinese visitors from mainland China to Taiwan has been declining since 2016. However, more people are visiting Taiwan from Southeast Asia, so the overall number of foreign tourists visiting Taiwan is gradually increasing. Taiwan's biggest problem in the economic sense is its dependency on mainland China. A large amount of trade still takes place between Taiwan and China, and in 2017 alone China (including Hong Kong) traded a vast amount of goods with Taiwan.

In order to decrease the influence of China, the Tsai Ing-wen administration recently started the "New Southbound Policy". Taiwan attempted to carry out the "Southbound Policy" during the Lee Teng-hui and Chen Shui-bian eras, but was unsuccessful. At that time, Taiwan's main goal was to invest overseas. In contrast, the New Southbound Policy calls for the development of comprehensive relations with ASEAN, South Asia, Australia and New Zealand, while promoting regional exchange and collaboration. It also aims to build a new model of economic development for Taiwan, reposition the country as an important player in Asia's growth, and create new value going forward.¹¹ However, Taiwan is expected to struggle to promote the New Southbound Policy because of its relative lack of diplomatic relations with South Asian countries.

3. The Significant Military Pressure on Taiwan from the PLA

Since 1979, China has argued for peaceful unification with Taiwan under a "one country, two systems" principle. This policy has remained unchanged regardless of whether the KMT or DPP administration has been in power in Taiwan. The view of the Taiwan national defense ministry has been constant: China is becoming increasingly prepared for the PLA to seize Taiwan. The only "Chinese" area not unified with China is Taiwan. Thus, while China talks about peaceful unification, it has not renounced the right to use military force against Taiwan. There are a lot of different arguments about what might cause China to use military force against Taiwan, but the Taiwan national defense ministry specifically stated the following seven scenarios in the first *National Defense Report* published in 1992:

- (1) Taiwan moves toward independence.

¹¹ H. H. Michael Hsiao, "Strategizing Taiwan's New Southbound Policy", Taiwan-Asia Exchange Foundation, July, 2018.

- (2) There are internal disturbances in Taiwan.
- (3) Taiwan's military strength is comparatively weakened.
- (4) Foreign powers interfere with Taiwan's internal problems.
- (5) Taiwan refuses to hold unification negotiations over a long period.
- (6) Taiwan develops nuclear weapons.
- (7) Taiwan creates a political crisis in China through use of Peace Evolution.¹²

Recently, the PLA Air Force and Navy have been repeating "regular" exercises in which they fly or navigate past the so-called First Island Chain—a key entryway into the western Pacific that includes Japan's Ryukyu Islands and Taiwan.¹³ In other times, the island of Taiwan was a potential target for the PLA, so the PLA did not approach the island. Nowadays, the area around the island of Taiwan is used by the PLA solely for conducting military exercises.

Although Taiwan is severely limited in terms of the arms it can purchase at present, the Tsai Ing-wen administration expects that the Trump administration will sell a significant amount of arms to Taiwan. For instance, some people believe that Taiwan should explore the possibility of acquiring F-35 fighter planes, as the Taiwan Air Force lags far behind the PLA Air Force in terms of advanced jet fighters. However, it is unlikely that this will happen. Taiwan cannot purchase new jet fighters and is therefore working on converting F-16A / B aircraft into F-16V aircraft as suggested by the US. While this is a step forward for Taiwan, it is not enough to bring its air force up to the level it requires.

Moreover, among the various fighter planes owned by the Taiwan Air Force, the Mirage-2000 is regarded as problematic. There have been six major accidents involving Mirages since Taiwan bought 60 of the aircraft from France two decades ago. Since that time, 10 percent of the jets have crashed. Military analysts have said that a lack of maintenance on the aircraft might be a major cause of the crashes, as increasingly more of the island's shrinking defense budget has been earmarked for US weapons. Beijing-based military observer Zhou Chengming has stated that the accidents have exposed Taipei's focus on US systems at the expense of the more costly French jets.¹⁴

All the Mirage-2000 aircraft will probably have to be decommissioned within a few years, and Taiwan wants to have an alternative fighter plane ready to replace them. There has been no sale of major armaments between Taiwan and the US since the Trump regime was established,

¹² Rira Momma, "Chapter 4: Transformation of the China-Taiwan Relationship and 'Maintaining the Status Quo'", National Institute for Defense Studies ed., *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship*, February 2017, p. 64.

¹³ "Chinese Air Force Announces 'Regular' Exercises Flying through Key Entryway into Western Pacific", *The Japan Times*, September 14, 2016.

¹⁴ "Cost of Taiwan's Ageing Mirage Jets in Spotlight Again as Fighter Goes Missing", *South China Morning Post*, Published 08 November, 2017, Updated 22 November, 2017.

but the Tsai Administration seems to be increasingly hopeful that this will take place.

IV. The Trump Factor

This section surveys the factor of President Trump with special emphasis on US-Taiwan relations.

1. The Escalating Confrontation between the US and China

The impact of President Trump on the security environment of the Taiwan Strait and other regions is growing, however, Taiwan does not know the extent to which the president can be trusted. For instance, there have been various concerns and criticisms expressed regarding President Trump: Taiwan might be used as a bargaining chip with China; the relations between Taiwan and the US might be severed if the relations between US and China improve; President Trump is not only a politician but also a businessperson; the President does not consider the protection of democracy important. It may be going too far to express it this way, but it seems that these concerns and criticisms can be expressed succinctly as follows: "President Trump cannot be trusted". Nevertheless, the majority of Taiwanese citizens evaluate the Trump regime positively at the current time. Moreover, it appears that the Trump administration is strengthening its security ties with Taiwan. In December 2016, following the elections in Taiwan, Taiwan's newly elected president Tsai Ing-wen talked with Trump by telephone.

In the past, the US policy toward China was to change China before it became a major power, but this policy failed. The confrontation between the US and China is escalating in some areas, such as trade, the Taiwan Strait, the Korean Peninsula and the South China Sea. Therefore, the basic strategic premise of future US policy toward China is to face up to a China that has become powerful.

From a long-term perspective, the Trump administration seems to consider that China has a strong hegemonic tendency and therefore the US must oppose the rising China. That is because the US regards the conflict with China as a "hegemonic struggle" which goes beyond the scope of a mere trade war. For example, the National Security Strategy which the Trump Administration released to the public in December 2017 states that "China and Russia challenge American power, influence, and interests, attempting to erode American security and prosperity".¹⁵ Recognizing this, it specifies US intentions regarding relations with Taiwan as follows: "We will maintain our strong ties with Taiwan in accordance with our 'One China' policy, including our commitments under the Taiwan Relations Act to provide for Taiwan's legitimate

¹⁵ *National Security Strategy of the United States of America*, December 2017, p. 2.

defense needs and deter coercion”.¹⁶

A summary of the National Defense Strategy of the United States of America released in January 2018 recognizes that the conflict with China will be a protracted one:

“long-term strategic competitions with China and Russia are the principal priorities for the Department, and require both increased and sustained investment, because of the magnitude of the threats they pose to U.S. security and prosperity today, and the potential for those threats to increase in the future”.¹⁷

Moreover, it implies the importance of Taiwan for the US with the statement that “Mutually beneficial alliances and partnerships are crucial to our strategy, providing a durable, asymmetric strategic advantage that no competitor or rival can match”.¹⁸

Public statements of national supreme leaders as well as documents of national strategy are important for understanding the US strategy for China. In October 2018, Vice President Mike Pence made a 45-minute speech and criticized the following actions taken by China: theft of technology from the private sector in the US and the conversion of the technology to military use by Communist China; efforts to erode America’s military advantage through large military expenditures; expansion of military force and reckless harassment in the East and South China Sea; persecution of specific ethnic groups and religions; drastic restriction of the free flow of information; and “debt diplomacy” to expand its influence.¹⁹

While Vice President Pence condemned these actions taken by China as a threat to the stability of the Taiwan Strait, he stated that the Trump administration will continue to respect their One China Policy, which is reflected in the three joint communiqués and the Taiwan Relations Act. Moreover, he emphasized that the support for democracy in Taiwan will show a better path for all the Chinese people.²⁰

To show opposition to China and support for Taiwan, the US sent its destroyers, cruisers and replenishment vessels through the Taiwan Strait in July, October, and November 2018. Although all kinds of vessel from any country can navigate through the Taiwan Strait as it is an international strait, it is worthy of mention that the US action clearly shows the country’s intentions and allegiances, given that US navy vessels passed through the strait three times in five months. Considering Trump’s hardline policy towards China, there is the possibility that the carrier strike group, which represents a stronger potential military threat to China, will

¹⁶ *Ibid.*, p. 47.

¹⁷ Summary of the 2018 National Defense Strategy of The United States of America, Sharpening the American Military’s Competitive Edge, p. 4.

¹⁸ *Ibid.*, p. 8.

¹⁹ Vice President Mike Pence’s Remarks on the Administration’s Policy Towards China October 4, Hudson Institute, Washington, D.C.

²⁰ *Ibid.*

navigate through the Taiwan Strait.

2. Trump's Appointment of High-Ranking Pro-Taiwan Officials

President Trump has appointed a number of high-ranking pro-Taiwan officials. John Bolton was appointed Assistant to the President for National Security Affairs, and Randall G. Schriver was appointed Assistant Secretary of Defense for Asian and Pacific Security Affairs by President Trump. Naturally, the Tsai Ing-wen administration welcomed these personnel selections.

3. The Taiwan-US Defense Forum Held in Kaohsiung (South of Taiwan)

The US and Taiwan have an important channel for discussing defense matters known as the US-Taiwan Defense Industry Conference. This has been held annually since 2002 as a “track 1.5” conference. It was first held in 2002 under the name of the “US-Taiwan Defense Summit”, and it consisted of talks between Deputy Secretary of Defense Paul Wolfowitz and Minister of National Defense Tang Yao-ming. In 2003 its name was changed to the “US-Taiwan Defense Industry Conference”, and it provided a venue for discussion of Taiwan’s defense industry.²¹ In 2018 the name of the conference was changed again, this time to the “Taiwan-US Defense Business Forum”. It was held on May 10, 2018 in Kaohsiung with a view to facilitating bilateral defense industry cooperation and easing Taiwan’s entry into the global defense supply chain.²²

In addition, Taiwan has long aspired to purchase diesel-electric attack submarines from the US, but the US has not shown a positive attitude in this regard. Thus, the Tsai government has begun building its own submarines. On March 21, 2017, President Tsai hosted the Indigenous Submarine and Ship Design Launch and Cooperation MOU Signing Ceremony. National Chung-Shan Institute of Science and Technology (NCSIST) and the China Ship Building Corporation (CSBC) signed an MOU on indigenous submarine and ship design launch and cooperation, signaling the launch of the indigenous submarine and ship building program and the active construction of indigenous navy ships.²³

Taiwan has used its submarines for a long time, thus it is believed to be highly capable of maintaining its submarines. However, if it is to construct new submarines, Taiwan would require technical assistance from other countries that have experience in the field as it takes a great

²¹ Shinji Yamaguchi, “Chapter 3: The United States and the Taiwan Problem”, National Institute for Defense Studies ed., *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship*, February 2017, p. 55.

²² “First Taiwan-US Defense Forum Held”, *Taipei Times*, May 11, 2018.

²³ Republic of China National Defense Report 2017 editing committee ed., *National Defense Report 2017*, Ministry of National Defense, ROC, March 2018, p. 118.

deal of knowledge to construct submarines, particularly in regard to weapon systems and parts providing power, such as the diesel engine, battery and intake/exhaust system. The US Department of State has approved licenses for US defense contractors to sell sensitive US-made submarine technology to Taiwan to support the construction of a yet-to-be-determined number of domestically designed and produced diesel-electric attack submarines (SSK) for the Taiwan Navy, according to local media reports.²⁴ If these reports are indeed true, this recent development will be an asset for Taiwan on its balance sheet with the US.

It will probably be difficult for the US to provide know-how on power-producing submarine parts because they no longer construct submarines. However, they have considerable experience in the area of advanced weapon systems for submarines. A deal between weapons industries in Taiwan and the US could be a major step forward for indigenous submarine construction in Taiwan.

In light of the above, the Tsai Ing-Wen administration is basically satisfied with Trump's Taiwan policy.

V. Conclusions

Taiwan's assets and liabilities should not be regarded as fixed but rather as varying with the times. For example, in the era of Chiang Kai-Shek and Chiang Ching-kuo, Taiwan was not a democracy. It is now, and this is a significant asset for Taiwan. In contrast, China's military power, which used to be quite limited, is now a great liability for Taiwan. These two factors are now essential assets and liabilities in terms of Taiwan's security. Moreover, assets and liabilities can themselves be double-edged swords; for example, China's growing military pressure on Taiwan (a liability) has raised international attention and enhanced Taiwan's geopolitical importance for the US (an asset).

From the "balance sheet" analysis above, we can see that Taiwan's liabilities outweigh its assets, not in terms of their number but rather in terms of their importance and influence on Taiwan's security. The greatest liability for Taiwan is China's economic, political, and military pressure. The struggle for hegemony between the US and China will probably last a long time. However, US policy towards China may shift with a change of government, bringing a détente between the two countries, but it is unlikely that China will change its policy of strengthening its military power and it has given no objective signs that it will cease its efforts to reunite Taiwan with mainland China.

As noted above, Taiwan's geopolitical importance grows as China puts more pressure on

²⁴ "US Grants Licenses to Help Taiwan Build Fleet of Attack Subs", *The Diplomats*, April 11, 2018.

Taiwan. As a result, if China was to further develop its military power, the US would be forced to consider whether they should pay to defend Taiwan, given its important position. We should note that in some cases the US may face the politically difficult decision of whether to abandon Taiwan.

China will no doubt continue to exert various kinds of pressure on, and conduct political maneuvers against, Taiwan. One such maneuver would be to support the KMT, which is now an opposition party in Taiwan.

The CCP and the KMT formed the Cross-Strait Economic, Trade and Culture Forum (commonly referred to as the “KMT-CCP Forum”) in April 2006, and have jointly held the forum nine times, with the most recent event being held in 2015. In 2016, the forum was held for the 10th time under the new name of the “Forum for Peaceful Cross-Strait Development”.²⁵ However, the forum has not been held since. We should notice that Xi Jinping met the former chairperson of the KMT Lien Chan (also the former Vice President of the Republic of China) in July 2018. One analyst in particular believes that this meeting signals the permanent end for the forum. China has already begun to exert diplomatic pressure, for instance in the selection of Taiwan’s official presidential representative for Asia-Pacific Economic Cooperation (APEC).

China is likely to continue to strengthen the PLA, giving it the capabilities it needs to dissuade the US from intervening in problems in the Taiwan Strait, and at the same time promoting the economic and trade ties it built up during the Ma Ying-jeou era as a way of putting political pressure on the Tsai Ing-wen administration and increasing the Taiwanese people’s sense of insecurity concerning the DPP.²⁶ The result of the local elections conducted in November 2018 was remarkable, as the DPP suffered a substantial defeat. Five years ago, the DPP won an emphatic victory in the local elections, and used the momentum of this win to then win the presidential election in 2016. However, in 2018, the KMT won the local elections by a landslide, as the DPP had destroyed themselves. Therefore, many experts on Taiwan expect that the DPP will have to fight hard in the next presidential elections. The next presidential election will be a particularly special event for Taiwan’s future, because it is the year foreseen for completion of the PLA’s military reform. Moreover, the PLA plans to complete the establishment of a formidable military arsenal for conducting military operations against Taiwan before 2020.²⁷

²⁵ Mitsutoyo Matsumoto, “Observation on KMT Chairperson Election”, Japan-Taiwan Exchange Association ed., *KORYU*, October 2017, pp. 8-10.

²⁶ Rira Momma, “Conclusions” National Institute for Defense Studies ed., *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship*, February 2017, p. 82.

²⁷ Republic of China National Defense Report 2015 editing committee ed., *National Defense Report 2015*, Ministry of National Defense, ROC, November 2015, p. 65.

Superficially, China maintains its “Peaceful Integration of China and Taiwan” and “One Country, Two Systems” policies, but the Xi Jinping administration has in fact already abandoned these policies. In addition, it is certain that the result of the election made the Xi Administration confident in the pressure they have been putting on the DPP administration. Therefore, the Xi Jinping administration will continue to put various kinds of pressure on Taiwan.

On the other hand, the Trump administration recognizes that China is not a stakeholder but rather a hostile competitor. The administration will continue its friendly policy toward Taiwan, and the Tsai Ing-wen administration is basically satisfied with this situation.

From a short-term perspective, the US has begun to take countermeasures in various areas, such as trade, maritime security and the military, in order to counter China’s expansionism. However, it is expected that China's expansionism will not stop for at least 20 years. This situation, if it continues, can be regarded as a struggle for supremacy between the US and China. In that case, the geopolitical importance of Taiwan and its reliability as a democratic nation will further increase for the US.

China's expansionism and pressure on Taiwan were expressed as “Taiwan's liabilities” in section 2 of this paper. However, it can be said that China’s attitude and behavior have made the US take various countermeasures and the sympathy for Taiwan has in fact grown. As this shows, liabilities and assets can be described as two sides of the same coin.

Similarly, the US itself tried to oppress Taiwan when the Chen Shui-bian government was trying to change the situation in the Taiwan Strait, indicating that the US is not so much pro-Taiwan as interested in defending its own interests. Taiwan should pay attention to this example from history if China starts to cooperate with international society.

Lithuania – Faithful and Capable US Ally in the Far Corner of NATO

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I. Introduction: Lithuania – Background Information and Ties to the United States

The Republic of Lithuania, one of the three Baltic States, is a border nation of the North Atlantic Treaty Organization (NATO) with a proximity to Russia. It is the most populous country among the three Baltic States with a population of 2.87 million while Latvia and Estonia have 1.96 million and 1.32 million respectively (data from 2016).¹ In the context of the nation's security, it is worth mentioning that all three Baltic States have significant Russian minorities, but Lithuania has the smallest one (5,8% of the population).

Due to the geographical position of Lithuania, the size and population of the country, as well as the historical background with various incarnations of the Russian state, Vilnius' approach to the United States can be summarized in a sentence "the more prominent the presence of the US in Europe, the safer Lithuania will be". On the one hand, it entails Lithuania's foreign actions in favor of US engagement in European security, but on the other hand, it causes anxiety in its establishment when the US launches initiatives of cooperation on global issues with regional powers, such as Russia, in exchange for their partial recognition as geopolitical arbiters.²

Since 2004 Lithuania is a member state of two most important Western organizations - NATO and the EU. The first one, led by the United States, is a cornerstone of Euro-Atlantic security while the other is a *sui generis* organization that deals with economy, politics, security and a number of other domain of its members. Both organizations have a *casus foederis* clause entrenched in their respective core documents – article 5 of the North Atlantic Treaty and article 47(7) of the Treaty of the European Union. Apart from that, as mentioned before, the single most important country for Lithuania in the security and defense spheres are the United States. To fulfil that end Lithuania and the US have signed a number of agreements (bilateral and through NATO) with the most recent one on 17 January 2017 entitled the Defense Cooperation Agreement (DCA) which is the framework for enhanced cooperation in security and defense between both parties. Bilateral cooperation with the US includes: troop presence, military exercises, collective and individual training and courses, capability development projects, as well as US financial support for the development of Lithuanian Armed Forces (LAF) capabilities

¹ World Bank website, <http://databank.worldbank.org> (accessed July 27, 2018).

² Vilius Ivanauskas, Laurynas Kasčiūnas, Simonas Klimanskis, Linas Kojala, Dovilė Šukytė, *The Prospects of the Relationship of Lithuania and the United States of America*, Eastern European Studies Centre, 2014, p. 5.

and infrastructure.

Following Russia's annexation of Crimea and the opening of the war in eastern Ukraine in 2014, the Baltic States – Lithuania, Latvia and Estonia – have become a US defense priority. Washington is fully aware of the difficult situation of the most Eastward NATO members and their military weakness in comparison to the Russian threat. US decision-makers reached a consensus that more is needed to be done both in the US involvement in the region as well as the Baltic States' engagement (including Lithuania) in their own security and defense.

II. Lithuania's Assets on the Balance Sheet of the Lithuania-US Security Relations

Even though Lithuania is one of the most recent NATO member states and is among its smallest and poorest countries, it is in fact an important part of the Alliance and a valuable US partner. As a NATO frontline nation it has begun to take seriously its position since the Russian invasion in Ukraine in 2014. This change of Lithuania's security and defense posture has been welcomed by the Alliance and a number of its member states, particularly the United States, which can now rely on the small Baltic Nation more than ever.

Out of all the assets presented below, the authors believe that the most important one is the increase of defense spending with special focus on procurement of new military equipment and weaponry. This asset alone allows Lithuanian Armed Forces to withstand the first impact from the potential aggression until the arrival of US and other NATO nations troops.

1. Rising Defense Budget

For most of the first and second decades of the 21st century Lithuania had not treated defense outlays as a priority and lagged seriously behind NATO's 2% GDP guideline. The 2008 Russian-Georgian war did not change this trend and actually Vilnius even exacerbated the slope of military expenditures after the economic crisis of 2008. The bottom was hit between 2010-2013, when their defense budget fell below the psychological threshold of \$ 300 million and was symptomatic of the authorities' complete lack of interest in the military sphere. That was a serious liability from the alliance point of view.

Since that time defense outlays have been on steady rise and Lithuania is surpassed NATO's 2% target in 2018 and grow beyond that up to 2,5%. To meet that end applicable law was approved by Seimas³ in December 2017. Now, defense appropriations are growing by € 149 million (20,6%) in comparison to 2017. What is even more important, however, more than 43% of the defense budget will be spent on new contracts, including technical modernization

³ Seimas is unicameral parliament of Lithuania.

programs.⁴ Lithuania has become a country which can be presented by the United States to other NATO member states as a positive example. It is important given that in 2017 only 6 out of 29 members⁵ of the Alliance were fulfilling 2% GDP commitment.⁶

High defense expenditure is the most serious asset of Lithuanian military. It allows to improve defense capabilities of the troops, expand infrastructure, host allied military units, etc. This positions Lithuania among the most reliable US allies, willing to defend itself and, at the same time, protect NATO Eastern flank.

2. Rapid Modernization of the Lithuanian Armed Forces

Since 1990 Lithuania has never possessed forces to defend its territory against a conventional Russian aggression. In 2008 Lithuania, similarly to its neighbor – Poland, resigned from conscription, calling it the “professionalization” of the armed forces. In 2014 LAF had 7890 professional soldiers supported by 4455 members of National Defense Volunteer Forces (NDVF). Every year less than 1000 men were trained. In August 2015 Lithuania, as the first country in Europe, re-established conscription and began the process of enlarging LAF. In 2017 there were 9400 professional soldiers and additional 3500⁷ conscripts performing a 9-month service with an extra of 4900 NDVF members. The number of men available to fight in defense of the country (before mobilizing the reserves) have increased between 2009 and 2016 by 30% (from 12700 to 16500), and in next two years by further 20% (to 19740).⁸ In subsequent years, up until year 2022, those numbers are going to increase further – to 12410 of professional soldiers supported by at least 4000 conscripts and 5400 members from NDVF.⁹ Lithuania is also investing in the preparation of the society for a possible conflict. For example, the annual financing of the civil organization called Lithuanian Riflemen’s Union¹⁰ (LRU) rose five times between 2012 and 2017 (from \$ 300 thousand to \$ 1.5 million). This organizations’ main objective is to prepare for service in LAF and NDVF and to operate behind enemy lines during wartime. In recent years the number of participants of the LRU has increased by 40%

⁴ “Budget Statement”, Lithuania MOD website, https://kam.lt/en/budget_1065.html (accessed August 1, 2018).

⁵ The United States, Greece, Estonia, the United Kingdom, Poland and Romania.

⁶ “NATO Press Release Defence Expenditure of NATO Countries (2010-2017)”, 29 June, 2017, https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_06/20170629_170629-pr2017-111-en.pdf (accessed February 4, 2019).

⁷ 4000 in 2018.

⁸ *Lithuanian Defence System: Facts and Trends*, Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 8.

⁹ *White Paper: Lithuanian Defence Policy*, Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 41.

¹⁰ Original name: Lietuvos šaulių sąjunga.

(from 4500 to more than 6000 in 2012-2016 period).¹¹

Until 2014 the main force of LAF lied within the “Iron Wolf” brigade. From the beginning of the 21st century it has been a mechanized infantry unit, rooted in the fights for independence of Lithuania in the early 90's. After 2014 the “Iron Wolf” brigade is not the only brigade in LAF, but now it has an elite status. Two more brigades were created – light (Žemaitija) and reserve (Aukštaitija). New units could be used for protecting the rear, scouting and sabotage missions, just like the “Iron Wolf’s” tasks some time ago. The mechanized “Iron Wolf” brigade, on the other hand, will be able to fight on the first line, against armored or mechanized enemy units (especially in the defense), with the ability to support offensive or counteroffensive NATO operations.

LAF consist of Land Forces, Navy, Air Force, Special Forces (separated in 2008) and NDVF. The only real asset that can play a role in fighting against Russian invasion are Land Forces. Other formations can only fulfill a support role for them. Lithuanian Air Force can also marginally help NATO in bringing supplies and allied forces to Lithuania, while the Navy may mine or demine the Lithuanian coast or approaches to ports (it consists of one minelayer, two minesweepers and several patrol boats). In 2014 Land Forces consisted only of one mechanized brigade (“Iron Wolf”), supported by one engineer battalion. The mechanized brigade was armed with obsolete M113 armored personnel carriers (APC), towed artillery and mortars. Anti-tank (AT) weaponry consisted of short range AT grenade launchers and old recoilless AT guns. Air defense had relatively modern very short range air defense (VSHORAD) systems – Sweden-made RBS-70 and American-made FIM-92 Stinger. This equipment could not stop armored or mechanized forces of the potential enemy. It means that Lithuanian forces were not effective on the first battle line. Its role was securing the rear of NATO/US fighting units or working as scout or sabotage forces.

Currently the situation is changing. In the 2017-2022 period it is planned that Lithuania will spend no less than 25% of its entire defense budget on buying new equipment and weaponry for about € 2,5 billion in total.¹² This is 5% more than the minimal NATO requirement. In 2016 this percentage was even higher – 30% and in 2018 – it was 43%. Again, Lithuania is a shining example in the field of modernization of military hardware. The modernization includes key capabilities to fight armored and mechanized units and to protect friendly forces from tactical air attacks - helicopters, attack aircrafts, UAVs.

Modernized and capable armed forces allows to defend Lithuanian territory independently, at least for certain amount of time. This is important from both political and military standpoints. Politically, because thanks to this, Lithuania is not a passive NATO “free raider” waiting only

¹¹ *White Paper*, p. 51-52.

¹² *Ibid.*, p. 44.

for US support. Moreover, it can be presented as an example to other nations which do not spend much on technical modernization. Militarily, because thanks to LAF, the US do not have to maintain as many forces in the area it would have otherwise.

3.High Readiness and Rapid Mobilization Posture of LAF

When it comes to the issue of mobilization, the government in Vilnius is well aware of the need of having well-trained reserve troops that could be incorporated to the existing units, especially to Motorized Infantry Brigade “Žemaitija” and National Defense Volunteer Forces. To meet that end Lithuania temporarily reinstated a 9-month conscription service and is making efforts to re-establish LAF capability to train and absorb these additional soldiers. The point is to have enough strength to withstand initial Russian invasion for some time until the arrival of NATO reaction forces and to cause as much havoc to occupying troops as possible.

LAF is organized in a manner, that can be easily mobilized and react rapidly to foreign aggression. This is due to the disproportion of forces between Lithuania and Russia, but also the lack of strategical depth in this small country. Please note, that subdivisions of the elite “Iron Wolf” brigade are stationed along the eastern border of Lithuania which enables them a quick reaction in case of conventional aggression. In 2014 Lithuanian authorities went even further and separated the Rapid Response Force (RRF) with a task to immediately react for border crossing, armed incidents, appearance of unknown groups of armed people of unknown origin, etc. RRF is a force for countering attacks carried out in a hybrid warfare manner, similar to the ones we know from Ukraine. RRF consists of 2 mechanized battalions from “Iron Wolf” (probably those which will get Vilkas AFVs), supported by Special Forces, Air Force and Navy. RRF have 2500 personnel in total, capable of reacting in 2-24 hours.¹³ These forces have the priority when it comes to training, supplying, acquisition, and getting the most modern equipment. RRF should give Lithuania a capability to protect its own territory from any danger except full conventional invasion, or a massive cyber attack.

The capability of LAF to react rapidly and counter hybrid threats means that Lithuania is not a vulnerable target to asymmetrical conflict. It will not lose parts of its territory though hybrid warfare and a connection between Baltic States and rest of NATO will not be severed by such an action. Hence, this is a Lithuania’s serious asset because Washington do not have to be involved in ensuring Lithuania protection in this regard.

4. Host Nation and the Allied Training Ground for the US Armed Forces

¹³ *Ibid.*, p. 44.

The US expects from Lithuania and other Baltic nations that they will provide adequate infrastructure to host NATO troops and enable their swift deployment during the time of crisis. Lithuanian authorities acknowledge this fact and proper actions take place. In the years 2017-2022 more than € 200 million will be spent on major investments in military infrastructure. Such projects are also funded through the NATO Security Investment Program and the US European Reassurance Initiative (ERI). This improvement will apply to the Host Nation Support infrastructure for Allied forces – barracks, training grounds, storage and logistics service infrastructure, as well as the development of the Lithuanian Air Force Air Base.¹⁴ Another factor leading to improvements to the infrastructure in Lithuania involves the financing mechanisms of the EU such as the European Funds and projects carried out under the umbrella of the permanent structured cooperation (PESCO).

Similar to US and NATO expectations about defense expenditures and force readiness, Lithuania is more than eager to meet expectations regarding transport, logistics and training infrastructure. Allies do not need to express much demands on Lithuanian government to enhance LAF capabilities or improvement of railroads, military facilities, training grounds, etc., since Lithuania tries its best to accommodate NATO troops on its territory and allow them to exercise as much as possible.

An important role in the Lithuanian military doctrine is played by the ability to rapidly mobilize the entire country in case of aggression – not only as a military force but also as a host nation for Lithuania's allies. As a host, Vilnius must provide civilian and military support during the time of peace, as well as war, and proper tasks are given to governmental institutions, private companies and reserve military units. To a certain degree it involves providing supplies, but mostly amounts to maintaining order and a good organization of logistics in the rear of US or other allied troops.

In the Lithuanian defense plan the need for cooperation with allied forces on its own territory appeared for the first time in 2004, when the country joined NATO, and it was fully introduced in 2012.¹⁵ NATO and US troops (whose visits are sometimes based on bilateral agreements) appear in Lithuania on a regular basis and are engaged in training with Lithuanian forces. Since 2004 Lithuania is also a host for NATO fighter detachments (initially 4 aircraft fighters), which have been performing constant air policing over the Baltic State, due to their inability to possess such aircrafts. NATO fighters operate from the Lithuanian air base in Šiauliai or the Estonian Ämari air base. Before 2014 maintaining this infrastructure was a cost of € 2,5-4 million a year for the Baltic States. Between May 2014 and May 2015 the presence of NATO fighters was increased to 16 aircrafts (4X4). Later the number was lowered to 8 aircrafts

¹⁴ *Ibid.*, p. 45.

¹⁵ Valdis Oztulis, Žaneta Ozoliņa, "Shaping Baltic States Defence Strategy: Host Nation Support"; *Lithuanian Annual Strategic Review 2016-2017*, Volume 15, p. 87.

(2X4)¹⁶.

In 2015 NATO and the United States European Command (EUCOM) evaluated Lithuanian potential as a Host Nation and described the most important capability it should have in this role as enabling the allied troops to deploy and move quickly.¹⁷ Lithuania is quickly progressing towards this goal and even now it is able to host large exercises and movement of large allied on its territory. During NATO summit in Warsaw in July 2016, it was established that NATO will be constantly present in Poland and the Baltic States, keeping in every country all the time a multinational battalion-size battlegroup capable of cooperating with forces of a Host Nation.¹⁸ US Armed Forces are not part of a NATO battlegroup stationed in Lithuania nor other Baltic States (all US commitments here are based in Poland, where the US is a lead nation of a battlegroup).¹⁹ However, US forces are often present in Lithuania – training with the Lithuanian army – in NATO and/or bilateral exercises.

LAF is taking part in around 70 exercises every year, over a dozen of which are considered as large. For example, in 2016 LAF took part in 15 large military exercises. Moreover, in 2017 LAF took part in 18 large exercises “to retain high intensity of the exercises while strengthening interoperability with allies and ensuring preparedness of forces to counter various ranges of threats”. Of those exercises 4 were national, 7 international but without US participation and further 7 international with US forces.

Joint activities with US Armed Forces include also courses, smaller exercises and individual exchange of knowledge. Please note, that exercises which include American troops are usually the largest in which Lithuanians take part. To ensure good environment for joint exercises on Lithuanian soil, the country has been investing in training infrastructure and is praised for it by its allies. In 2016 the Lithuanian MoD announced the modernization of training grounds in: Pabradė, Gaižiūnai, Mumaičiai military areas, and in the Air Base of the Lithuanian Air Force in Šiauliai. This investment was explained as an answer to the growing needs of LAF and the presence of allies. The project is being implemented in stages and will be completed before 2022. This will require an € 81 million investment. The funding is to be received in equal instalments from three sources: the Lithuanian State Investment Program, the US funded

¹⁶ “Allies Getting Ready to Continue NATO Baltic Air Policing”, April 2015, <https://ac.nato.int/page5931922/allies-getting-ready-to-continue-nato-baltic-air-policing> (accessed August 1, 2018).

¹⁷ Valdis Oztulis, Žaneta Ozoliņa, “Shaping Baltic States Defence Strategy: Host Nation Support”; *Lithuanian Annual Strategic Review 2016-2017*, Volume 15, p. 87.

¹⁸ “Warsaw Summit Communiqué; Issued by the Heads of State and Government Participating in the Meeting of the North Atlantic Council in Warsaw 8-9 July 2016, https://www.nato.int/cps/en/natohq/official_texts_133169.htm.

¹⁹ “NATO Enhanced Forward Presence”, Ministry of National Defence Republic of Lithuania, kariuomene.kam.lt (accessed August 1, 2018).

European Reassurance Initiative, and NATO Security Investment Program (NSIP).²⁰ Among other investments, the decision to expand training grounds was made – two largest will be expanded from 8500 to 17700 hectares and from 5200 to 12000 hectares) which will enable to carry out larger exercises. For the United States, Lithuania will be a more interesting place to train than, e.g. Polish training grounds, and, in that way it will be more competitive. Also, it can be an argument for stationing of US ground troops in Lithuania on a more permanent basis. This, and especially the presence of a US Army heavy brigade is a political goal of Lithuania.²¹

5. Lithuanian Military and Political Loyal Support for US Global Actions

Since 1994 Lithuania has been an active participant of international operations under the auspices of the United Nations, NATO, the European Union and the Organization for Security and Co-operation in Europe (OSCE). These missions have been generally favorable from the US point of view, as the current world order is beneficial for Washington since Lithuania's contribution is the evidence of its great effort to show its loyalty to the US and politically important to enhance legitimacy of US act. Stark example of importance of this asset for US was its invasion on Iraq in 2003 when number of US Western allies did not support this action, but some “new” allies, including Lithuania did. This made possible for the US to show the international community that invasion on Iraq was not a unilateral, warmongering action. Also for US public opinion, the notion that US troops are supported by international community is important. This allows US government to take actions more easily.

Since 2005 Lithuania was a part of the International Security Assistance Force (ISAF) in Afghanistan (usually contributing between 100 and 200 Lithuanian soldiers at a time, with the peak of 260 soldiers).²² Before 2005, in the 2002-2004 period Lithuanian Special Operations Forces were operating in Afghanistan next to the American special forces. As a part of ISAF Lithuanians were performing training and humanitarian missions but special forces were also present, operating with the British in the south of the country. Recently, as a part of Operation ‘Resolute Support’ there are around 30 Lithuanian military instructors in this country.

In 2003 Lithuania took part in Operation ‘Iraqi Freedom’ sending 12 soldiers to Iraq (after the

²⁰ “US Funds – for Modernisation and Reconstruction of Lithuanian Military Infrastructure and Training Grounds”, Ministry of National Defence Republic of Lithuania, https://kam.lt/en/news_1098/current_issues/us_funds_for_modernisation_and_reconstruction_of_lithuanian_military_infrastructure_and_training_grounds.html (accessed August 1, 2018).

²¹ “Lithuania Wants a Permanent US Troops Presence as 'a Game Changer' to Counter Russia”, Christopher Woody, *Business Insider*, May. 12, 2017.

²² “International Security Assistance Force”, February 6, 2008, NATO website, https://www.nato.int/isaf/placemats_archive/2008-02-06-ISAF-Placemat.pdf, (accessed August 18, 2018).

invasion). In the 2003-2008 period Lithuanian troops were a part of peacekeeping forces and had more than 570 troops. In the following years Lithuanian forces in Iraq were getting smaller up until 2011. Currently, there are just a few Lithuanian military instructors in Iraq as a part of the US Operation 'Inherent Resolve'.

Apart from the two aforementioned areas, most important for the US, Lithuania committed also to other operations in the world and was present in: countries of former Yugoslavia, Somalia, Mali, and, in recent years, in its direct geopolitical neighborhood – in Georgia and Ukraine in the form of training missions.

Lithuanian involvement in foreign operations has been rather insignificant in terms of additional capabilities, but it was beneficial in political terms. This is important due to the fact that democratic governments (such as US government) seek international and internal public support to take military actions. Moreover, American soldiers have higher morale knowing that they have support from other nations thus are not viewed as invaders or occupants. ISAF amounted to 140 thousand troops,²³ while the coalition in Iraq usually amounted to between 200 and 300 thousand troops.²⁴ Lithuanian involvement was a fraction of a percent. However the fact that small country like Lithuania is participating in relatively large extent should be considered as a political asset from US point of view. From the Lithuanian point of view it was a huge effort and heavy investment, which was draining money from the defense budget of its own territory. Buying three C-27J Spartan in 2006 (deliveries in 2006-2010) transport aircrafts to support contingents abroad is a shining example of Vilnius commitment to international, usually US-led, operations. Currently, the situation is different and homeland defense is the key priority. In the 2018-2019 period Lithuanian authorities allowed the maximum number of military personnel to service abroad for 120 troops.

This decrease in international involvement is not against US interests. Firstly, because the American demand for allied forces is currently lower than in the previous decade. Secondly, for the United States the most important thing was always the political undertone of Lithuanian efforts. Lithuania was an additional ally, making US efforts in the world more 'international', and Washington can count on such a support from Vilnius now and in the future. The US is also aware, that the limited military budget of Lithuania will be better spent on strengthening its homeland defense. For its solidarity posture, Lithuania expects the same from the United States in case of any form of aggression from Russia. This is a typical policy followed by other nations in the region, threatened by Russia.

²³ "ISAF Mission in Afghanistan (2001-2014)", NATO website, https://www.nato.int/cps/en/natohq/topics_69366.htm, (accessed August 18, 2018).

²⁴ "Allied Participation in Operation Iraqi Freedom", Stephen A. Carney, Center of Military History United States Army, Washington D.C. 2011.

6. Security and Defense Relations with the EU and Third States

The main pillars of present-day Lithuania security are based mostly on good relationships with the United States – bilaterally and via NATO, where the US plays a key role. However, Washington is not the only Lithuanian ally and Vilnius has good relationships with other countries in the region and the EU as an entire organization, which is an important asset. The reason behind this is that Lithuania, being a part of important international organizations and a serious partner of other Western nations is a viable ally in number of fields, not just in the military area. Helping such a nation is much easier in political terms and, on the other hand, its support is more valuable on international stage.

Lithuania supports the development of the Common Security and Defense Policy (CSDP) which, from Vilnius' point of view is providing additional security guarantees to those given by NATO. Lithuania also supports a number of European initiatives to build military capabilities on the continent, and also provides solidarity to other EU member states in the area of security and defense.²⁵ Yet, Lithuania still considers NATO as an indispensable pillar of its defense policy, whereas the European initiatives are considered voluntary. In case of CSDP, there are four most important directions for Lithuania:

- development of coordinated solutions for all kind of hybrid threats;
- development of independent wartime and crisis management capabilities;
- cooperation with Eastern Partnership Countries (especially: Georgia, Moldova, and Ukraine) to support their security and defense sectors;
- strengthening EU - NATO cooperation.

Lithuania support for CSDP and participation in its projects enhances LAF military capabilities. Due to the fact that capabilities emerging from CSDP projects can be utilized by NATO, it is also in US interest to encourage Lithuania's engagement in European defense projects. Stronger European part of NATO means that the US do not have to engage in security of Old Continent and can get involved in other parts of the World.

In addition to NATO and the EU, Lithuania is active also in other forums of multilateral (eg. Nordic-Baltic Cooperation, Baltic Format and Northern Group) or bilateral cooperation (eg. with Poland, Germany, Nordic nations). It makes Lithuania both valuable US security partner as well as strengthen nation's defense. The reason behind this is that every form of cooperation benefits interoperability between allies. Thus, the defense in the region is more effective with same input. Therefore, the US do not have to engage militarily in Eastern Europe and can save

²⁵ *White Paper*, p. 21.

some resources.

III. Lithuania's Liabilities on the Balance Sheet of the Lithuania-US Security Relations

In our opinion the most significant Lithuanian liability is its geographical position in Europe, in the forefront of NATO – between Russia (Kaliningrad) and Belarus, with the close proximity of mainland Russia. In case of military conflict, western and eastern borders of Lithuania will be directly endangered by Russian troops. Even northern border with Latvia can be considered as a problem because this country can easily fall to Russian invasion. Therefore, the US might have serious problem with defending Lithuania and sending additional forces will be much more difficult in comparison to other, non-Baltic NATO allies. Moreover, Lithuania distance to main European western allies and US troops in Germany is considerable.

1. Lithuania's Geopolitical Position

The security position and posture of Lithuania is almost entirely influenced by its geographical location as one of the most eastward of NATO nations. The most populous of the Baltic States is the only NATO member state neighboring Russian Federation and its ally, Belarus, from two opposite sides – Kaliningrad Oblast (Russia) from the southwest (227 km border) and Belarus from the southeast (680 km border).

Apart from that, it is also a neighbor of NATO and EU countries – Poland from the South (via the so called Suwalki Gap, 104 km border) and Latvia from the North (576 km border). The nation has access to the Baltic Sea from the West (90 km coastline). Hence, the country has more than 900 km long border with countries considered as adversaries. Lithuania is a relatively small country with an area of 65,300 km² which is comparable to other Baltic States. The distance from Klaipeda (Lithuania's main coastal city) to the border with Belarus is maximally 400 km in the farthest point and the distance from Vilnius to the border is about 30 km.

These facts put Lithuania in a disadvantageous position in terms of defense of its territory as the country has no significant strategic depth and can be attacked from at least two sides. According to the study made by the US think tank RAND Corporation, pursuant to several war-game scenarios played by its analysts between summer 2014 and spring 2015, Baltic States are at a serious disadvantage in case of a Russian invasion and NATO is unable to defend the territories of these nations.²⁶ In light of these circumstances, Lithuania is not able to defend itself and deeply dependent on US commitment and allied defense of NATO, which is the most

²⁶ David A. Shlapak, Michael W. Johnson, *Reinforcing Deterrence on NATO's Eastern Flank. Wargaming the Defense of the Baltics*, Rand Corporation, 2016, p. 1-2.

important liability for Lithuania. Being unable to defend independently puts Lithuania in a position of a client state to the US and other allies in terms of security. Additionally, such a situation may, in certain circumstances (for instance stark political conflict), embolden Russia to carry military action against Lithuania more easily.

The aforementioned Kaliningrad Oblast is an enclave of Russian territory squeezed between Poland, Lithuania and the Baltic Sea. This heavily militarized area is about 15,100 km² and is a part of the Russian Western Military District and is considered pivotal in A2/AD capabilities of the Russian military in the Baltic Sea and neighboring countries. It is also vital to Russia due to being the most westward territory of Russia, thus giving opportunity to gather intelligence and surveillance data, as well as being a platform for strategic deterrence. According to the Polish Ośrodek Studiów Wschodnich (OSW) think tank, about 25,000 Russian troops are dislocated in Kaliningrad Oblast, which is more than the whole military of Lithuania (around 20,000). A number of state-of-the-art military hardware is present at Kaliningrad Oblast, including: S-400 air defense systems (range of 400km, two battalions of the 183rd Guards Anti-Aircraft Missile Regiment have been equipped with this system); K-300P Bastion missile coastal defense systems with Onyx missiles (range of 450 km, one of the divisions of the 25th Coastal Missile Regiment was equipped with Bastion battery); Iskander-M short range ballistic missile systems (range of 500 km); Voronezh-DM early warning radar station. Moreover, the area has also a Russian Baltic Fleet naval base where four project 20380 corvettes and two project 21631 corvettes are stationed. The latter two are equipped with Kalibr cruise missiles and other four can be equipped with them on short notice,²⁷ which makes Lithuania very vulnerable to the threat of Russia.

2. Belarus Factor

Belarus, although an independent state, is a close ally of Russia and both are a part of the Union State of Russia and Belarus, as well as the Russia-dominated Collective Security Treaty Organization (CSTO).²⁸ The President of Belarus Aleksandr Lukashenko has been holding his office since 1994 and is widely considered as “the last dictator in Europe”. Even though in his foreign policy Lukashenko has always tried to maintain some kind of balance between Russia and the West, his rule depends on the will of Kremlin. Moreover, Belarusian military is greatly dependent on its Russian ally and its whole defense system is *de facto* subordinate to the

²⁷ Iwona Wiśniewska, Maria Domańska, Jan Strzelecki, Piotr Żochowski, Andrzej Wilk, Marek Meniszek, *Kaliningrad Oblast 2016. The Society, Economy and Army*, Ośrodek Studiów Wschodnich, 2016, p. 17-19.

²⁸ CSTO is a military Alliance formed in 1992 with six member states – Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. The Organization is politically and militarily completely dependent on Russia.

Russian one. To give an example of the situation, at the end of 2017 an agreement between Russia and Belarus was signed that gives a possibility of Russian armament, military equipment and other assets to be deployed on Belarusian soil.²⁹ Additionally, a number of high intensity military exercises are carried out jointly by forces of both nations also on Belarusian territory, including the “Zapad” maneuvers.

Hence, Lithuanian officials are largely convinced that in the time of crisis the territory of Belarus can be utilized by Russian forces to invade Lithuania even in the situation of a formal declaration of neutrality made by Belarusian authorities (which is unlikely).³⁰ Forced or voluntary participation of Belarus in invasion on Lithuania allows Russia to utilize Belarusian border as an additional front which would certainly weaken Lithuanian troops as they would have to defend from two sides. This is a serious liability, because in case of Belarusian involvement in Lithuania-Russia military conflict, Lithuania land connection with other European NATO countries (Suwalki Gap) will be hard to defend.

3. The Russian Minority and Demographic Trends

Lithuania is a relatively small and vulnerable country with more problems than just the threat from neighboring Russia. One of them is demography. Unlike Latvia and Estonia, Lithuania has a relatively small Russian minority, but the population of the country is in deep decline. While in 1989 the population of the Republic of Lithuania amounted to 3,674,802 citizens, only 2,924,251 of them were ethnic Lithuanians (79,6%), while 344,455 were Russians (9,4%) and 257,994 Poles (7%). After the first decade of freedom, in 2001 the population declined slightly to 3,483,972 citizens which was connected mostly with the migration of Russians, who at that time were 6,3% of the entire population, while Lithuanian percentage rose to 83,4%. The real problems started, however, in the second decade of the 21st century, after which the total population decreased to 3,052 588 (in 2011) with the percentage of ethnic minorities³¹ unchanged. Currently the situation is even worse. The total population of the country in 2018 equaled 2,731,000 with a growth factor of -27,579 people this year. The main long term problem is the low fertility rate (around 1,3%). While a short term problem, on the other hand, is the emigration, mostly to Western Europe. Lithuania had more than 19,000 net emigration

²⁹ *National Threat Assessment 2018*, State Security Department of the Republic of Lithuania, Second Investigation Department under the Ministry of National Defence, Vilnius 2018, p, 20.

³⁰ “The Testimony of the Ambassador of the Republic of Lithuania Rolandas Kriščiūnas Before the Committee of Appropriations Subcommittee on State, Foreign Operations and Related Programs”, US Senate, March 7, 2017, p. 3.

³¹ “Population on 1 January”, Eurostat, <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tps00001&plugin=1> (accessed August 13, 2018).

per year.³² In this situation it is hard to say for how long the country will be able to keep its GDP growth and maintain its military force structure. The other risk is the possibility of influence growth of Russian minority in the future, which in the worst scenario could result, for example in a vote for Lithuania to exit NATO. Additionally, Russian minority can be utilized by Russia similarly to the scenario in Donbas and Lugansk regions in Ukraine, where Russian minority rebelled against Ukrainian authorities. This scenario appears impossible today, however, it might be valid in the following years. This constitutes a significant challenge for future generations as Lithuanian economy would be weaker and might not maintain enough military expenditures, hence the main asset we identified above would vanish. Therefore, situation with decreasing population and still significant Russian minority is definitely a liability for medium and short term perspectives.

IV. The Trump Factor - Filling the Vacuum in Case of US's Disinvolvement in the CEE Region

Although the possibility of US's disengagement from Central and Eastern Europe region is considered improbable, it cannot be ruled out, especially in the current context of sharp criticism made by the US president, Donald Trump, towards NATO and the European allies. As the July 16 US-Russia Helsinki summit has shown, the Russian president Vladimir Putin and his American counterpart are on good terms and might be on track of elaborating some kind of accord regarding the upcoming US clash with China. Such an agreement could be potentially dangerous for Eastern European countries, since the Russian leader might demand an enlargement of Russia's sphere of influence in this region for the price of cordial neutrality of even some kind of assistance to the US in its conflict with China. Even though such situation seems rather inconceivable, some analysts do not rule it out. Washington's disinvolvement in the CEE region would be extremely dangerous for Lithuania and would probably be equal to the disintegration of NATO. The resulting security vacuum would embolden Russia to take action against the Baltic States and, possibly, Poland.

In such a context, Lithuania would be forced to seek new security guarantors. From all the nations mentioned in the previous section the only one that could independently replace US military involvement in Lithuania is Germany – provided that it would start to treat its defense expenditures more seriously and spend proportionally to its economic output (4th largest economy in the World, with a nominal GDP of \$ 3.677 trillion in 2017).³³ Germany is the only large western power which lies close to Lithuania and is seriously interested in Vilnius

³² "Lithuania Population", www.countrymeters.info/en/Lithuania (accessed August 13, 2018).

³³ "Germany", World Bank website, <http://databank.worldbank.org> (accessed August 1, 2018).

independence. Unlike France, focused on the Mediterranean and former African colonies, or the United Kingdom, a close US ally, which would probably follow the US policy, Germany's sphere of interests indeed encompasses Lithuania.

Another possible option for Lithuania, which would probably be preferred by Germany and other European nations, would be to embed its security within the European Union. Existing *casus foederis* under the provision of article 47(7) of the Treaty of the European Union and recent actions to strengthen the defense sphere of the EU are giving the foundation for a more serious common defense policy of the Union. In 2016 all European NATO members combined spent almost \$ 240 billion on their defense budgets, which is the second best result in the World, after the United States.³⁴ In comparison, in the same year the Russian Federation spent only \$ 70 billion, which is less than a third of what the Europeans spent.³⁵ Hence, Europe is far from being defenseless without the US.

Nonetheless, any kind of European bi or multilateral military alliance replacing US involvement would be clearly far less capable than NATO. Although the main force defending European nations are their respective armed forces, not US troops, Washington possesses military capabilities that gives the transatlantic alliance a technological edge that none of the European powers have. Additionally, the strength of the US Armed Forces and its potential is the best possible deterrent on Earth, which makes NATO so important.

V. Conclusions

Based on the analysis, it appears that Lithuania in general terms has more assets than liabilities to the alliance with the US. We presented six assets: rising Lithuania defense budget; rapid modernization of the armed forces; high readiness and mobilization posture; respectable host nation position for US and NATO troops; nation's support for US global actions; as well as expanded security relations within the European Union and other allied nations. On the other hand, regarding liabilities, we identified three issues: Lithuania's geopolitical position neighboring Russia; Belarus factor in security field; demographic trends and significant Russian minority in Lithuania. However, Lithuania's geopolitical position, the most important liability cannot be overcome in any way and must be regarded as permanent and serious threat to nation's existence.

As mentioned several times in this paper, Lithuania considers the US as its main ally and

³⁴ "Defence Expenditure of NATO Countries (2010-2017)", NATO Press Release, Communique PR/CP(2018)16, March 2018, 7, www.nato.int, (accessed August 1, 2018).

³⁵ "SIPRI Military Expenditure", Stockholm International Peace Research Institute (SIPRI) website, <https://www.sipri.org/> (accessed August 1, 2018).

guarantor of independence and territorial integrity. It can be asserted that as long as Russia poses a threat to Lithuania, the current and future governments in Vilnius will strive for close US support and will try to fulfill all its needs in the security sphere. Lithuania has always been a faithful ally of the US, and especially since 2014 has been doing everything in its power to strengthen defense capabilities, which is in accordance with US expectations. LAF has, however, limited capabilities in terms of independent countering of full scale conventional warfare, especially against armored units. LAF can prepare suitable operating environment for the US and other NATO troops. Lithuania is a responsible host nation, which is investing in communication routes and training infrastructure that can be used by the US and other allied forces. Lithuanian disputes in the political sphere with other NATO countries in the region are limited and do not cause serious problems in terms of the political climate between Vilnius and Washington.

Since the Russian annexation of Crimea (2014) and the war in eastern Ukraine, Vilnius has changed its defense posture and tries to fulfill all NATO and US expectations regarding the defense sphere. Before that time Lithuania was also a staunch US ally and fulfilled the bandwagon policy in a number of aspects, especially in terms of assistance in foreign military interventions. Lithuania's goal is to host as many US and other Western countries' troops on its soil as possible, as every NATO soldier makes the Russian invasion less probable. The more permanent US/NATO presence in Lithuania, the better.

Due to the great disparity between US's and Lithuania's potentials, and the fact that other eastern NATO states seek to host American troops, most of the cooperation takes place through the Alliance. Although the majority of military exercises are under the NATO umbrella, the US-Lithuania agreement signed in January 2017 is set to simplify joint exercises and training and facilitate the deployment of American soldiers.

Lithuania is a part of the so-called Western community and the US support to this country is a part of Washington's global policy. At the same time, it is obvious that, in military and economic terms, Lithuania cannot be considered as a "strategic" partner" or "main regional ally for the US". Lithuania is probably capable of repelling asymmetrical threat to its territory, thanks to its investments in the Rapid Response Forces and cybersecurity and that sphere should not be considered a liability from the US perspective. The sole, relatively serious, disputable issue in the relations between Lithuania and the US relates to the lack of substantial US troops on Lithuanian soil. Washington has not complied with this request from Vilnius. Consent for the US in that matter is improbable, however, due to operational reasons – the possibility to cut Lithuania off from main European NATO countries through the Suwalki Gap is too high.

Japan Enjoys More Assets than Liabilities on the Balance Sheet of the Alliance: Political Willingness and Support are Critical as well as Fundamental Assets

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I. Introduction

On September 2, 1987, the wealthy real estate mogul Donald Trump paid \$94,801 to run advertisements in several US major newspapers such as the New York Times. The message was, “For decades, Japan and other nations have been taking advantage of the United States. The saga continues unabated as we defend the Persian Gulf, an area of only marginal significance to the United States for its oil supplies, but one upon which Japan and others are almost totally dependent”. Trump’s political ad concludes that “It’s time for us to end our vast deficits by making Japan and others who can afford it, pay”.¹

The opinion Trump expressed in 1987 was not unique but rather a quite common frustration felt by ordinary Americans with regard to Japan, as they regarded Japan as “a free rider” taking advantage of the US security umbrella. In reality, the Japanese government at the time was engaged in tough negotiations with the US government over trade disputes.

For government officials engaged in security and trade, Japan’s inability to dispatch its Self-Defense Forces to participate in the Gulf War in 1991 was a traumatic experience. Since then, Japanese security policy officials have worked relentlessly to improve the Japanese legal system and allow the country to provide effective military support for US military operations such as the Iraq War or to areas around Japan such as the Korean Peninsula. And as a result of these efforts, Japan has been able to send non-combatant troops to several UN Peace Keeping Operations and the Iraq War.

In 2014, the Shinzō Abe cabinet made a historic change to the interpretation of Article 9 of the Japanese Constitution, despite heavy criticism in Japan. Abe’s political decision was supported by many security experts and government officials who knew the nature of the frustration felt in the US regarding “free riding” allies. Generally speaking, US military and security experts, including the current Secretary of Defense, James Mattis, realize and appreciate Japan’s efforts despite President Trump’s persisting skepticism over US allies that he considers “free riders”.

¹ Ilan Ben-Meir, “That Time Trump Spent Nearly \$100,000 On An Ad Criticizing U.S. Foreign Policy In 1987”, July 15, 2015, *BuzzFeed News*, <https://www.buzzfeednews.com/article/ilanbenmeir/that-time-trump-spent-nearly-100000-on-an-ad-criticizing-us> (accessed September 1, 2018).

This paper tries to present Japan's assets and liabilities as regards the Japan-US alliance on a balance sheet, based on the author's interviews with US experts on the Japan-US alliance and regional security.

II. Japan's Assets on the Balance Sheet of the Japan-US alliance

1. A Common Threat Perception

The most important Japanese asset on the balance sheet of the Japan-US alliance is the common threat perception that Japan shares with the US regarding the regional and global power balance. It is beyond doubt that US security experts see China as the most formidable security and economic challenge to US hegemony.²

In 2017, the US National Security Strategy (NSS) was designed to address China expanding its power at the expense of the sovereignty of others, its exploitation of data on an unrivaled scale, and its military, which is the most capable and well-funded military in the world after that of the US.³ Importantly, the US National Security Strategy sees China as a potential competitor of the US global hegemony, and states that "China and Russia want to shape a world antithetical to U.S. values and interests".

In addition to the rise of China, the US sees North Korea, which is rapidly accelerating its cyber, nuclear, and ballistic missile programs, as a threat. The NSS 2017 adds that "the U.S. allies are critical to responding to mutual threats, such as North Korea, and preserving our mutual interests in the Indo-Pacific region".

The Defense White Paper 2018 of the Japanese government shows that Japan has a similar threat perception to that of the US, and identifies three security challenges and destabilizing factors in the Asian region:

1. North Korea's military development, including the development of nuclear weapons and

² All the experts whom the author interviewed believe that the rise of China is the most significant security challenge to the US and Japan. The experts interviewed were: Robert Manning, Senior Fellow of the Atlantic Council (on August 6, 2018), Sheila Smith, Senior Fellow of the Council on Foreign Relations (on August 8), Raphael Cohen, Political Scientist at the Rand Corporation (on August 8), Nathan Beauchamp-Mustafaga, Policy Analyst at the Rand Corporation (on August 8), Nicholas Sezchenyi, Senior Fellow of the Center for Strategic & International Studies (on August 8), James L. Schoff, Senior Fellow of the Carnegie Endowment for Peace (on August 9), Daniel Kliman, Senior Fellow of the Center for New American Security and Kent Calder, Vice Dean of the School of Advanced International Studies (SAIS), Johns Hopkins University (on August 9).

³ *National Security Strategy of the United States of America (NSS 2017)*, December 17, 2017, p.25.

<http://nssarchive.us/wp-content/uploads/2017/12/2017.pdf> (accessed September 1, 2018)

ballistic missiles, represents an unprecedentedly serious and imminent threat.

2. The unilateral escalation of China's military activities, which poses a strong security concern for the region including Japan and the international community.
3. The intensification of Russia's military activities, including in the areas surrounding Japan.⁴

Among these three potential threats, China is posing a complex challenge to the US not only by a direct military threat to the power balance, but also through more comprehensive and strategic means. The NSS 2017 states that "China seeks to displace the United States in the Indo-Pacific region, expand the reaches of its state-driven economic model, and reorder the region in its favor".⁵

Japan's Defense White Paper 2018 sees three major challenges for China: rapid modernization of the military, unilateral escalation of China's activity around Japan, and challenging the status quo by coercion. Perhaps the most serious challenge for China is changing the status quo with regard to the Senkaku Islands, which both Japan and China claim as their territory and which are currently under Japan's administrative control. Since 2012, the Chinese government has repeatedly sent its vessels to Japan's territorial waters surrounding the Senkaku Islands. A visible threat of this nature is regarded by the Japanese population as a clear and present danger to Japan's territorial integrity.

2. Japan's Geopolitical Location and Role as a Host Nation to US Forces

Considering the common threat perception shared between Japan and the US regarding the rise of China and North Korea's nuclear development, Japan's geopolitical location is an asset for Japan. The Japanese archipelago acts as a blockade to China's military access to the Pacific Ocean as well as a logistics support base to the Korean Peninsula. If China sought to challenge the US military advantage in the Pacific Ocean through military action, Japan's Self-Defense Forces (JSDF) and the US Forces in Japan (USFJ) stationed on the Japanese archipelago and the island of Okinawa would be a major obstacle. Since the Cold War era, Japan has been of geopolitical importance to US security, as it impedes military action on the part of China as well as Russia.⁶

In 1947, as an act of self-restraint following its surrender in World War II, Japan adopted Article

⁴ *Defense of Japan 2018 (Digest)*, p.23,

http://www.mod.go.jp/e/publ/w_paper/pdf/2018/DOJ2018_Digest_0827.pdf (accessed September 2, 2018).

⁵ *NSS 2017*, p.25.

⁶ Author's interview of Kent Calder, Vice Dean of the School of Advanced International Studies (SAIS), John's Hopkins University on August 9, 2018.

9 of its Constitution, which renounces war as a tool for solving international conflict. Instead, Japan has allowed US Forces to be stationed on Japanese territory and expects them to play an offensive military role when necessary, whereas the JSDF conducts defense missions and maintains military capability solely within Japan. For China, the presence of the USFK and the JSDF acts as a constraint on its freedom of military action in the Pacific Ocean. For the US, if China were to have free access to the Pacific Ocean it would pose a direct threat to US homeland security since there would be no obstacles for the Chinese military if they wished to access the West Coast territory of the US.

China is rapidly modernizing its military in order to off-set the US military presence in East Asia, which has so far dissuaded China from taking assertive military action in the region. The military actions that China has taken in the region are described as anti-access and area-denial (A2/AD) efforts by US security experts.

In an annual report to Congress in 2009, the US Department of Defense stated that since 2000, “China has expanded its arsenal of anti-access and area-denial weapons, presenting and projecting increasingly credible, layered offensive combat power across its borders and into the Western Pacific”. This capability was built by acquiring military resources such as large surface ships, denying use of shore-based airfields, securing bastions and regional logistics hubs and placing foreign aircraft at risk when flying over or near Chinese territory or forces.⁷ In particular, the US assumes that China is seeking to deny the US military access to the First Island Chain, which is composed of the Kuril Islands, Japanese Archipelago, Ryukyu Islands, Taiwan, the northern Philippines, and Borneo.

The US considers the USFJ’s location within the First Island Chain as a strategic asset. An assessment by CSIS, an independent thinktank in the US, points out that the “US basing arrangements in Japan, particularly in Okinawa, are centrally located at the seam between deterrence missions in Northeast Asia and shaping missions in maritime Southeast Asia”, and this can be considered an asset for Japan in the eyes of the US. Moreover, “These forces are also positioned to fight tactically within the A2AD envelope in higher intensity scenarios that could involve strikes against strategic lifts or reinforcements coming across the Pacific Ocean”.⁸

3. Host Nation Support of the US Forces in Japan (USFJ) and Interoperability with the

⁷ Office of the Secretary of Defense, “Annual Report to Congress: Military Power of the People’s Republic of China 2009”, p.vii. http://www.andrewerickson.com/wp-content/uploads/2015/11/DoD_China-Report_2009.pdf (accessed September 1, 2018).

⁸ Gregory T. Kiley & Nicholas F. Szechenyi et al. “U.S. Force Posture Strategy in the Asia Pacific Region: An Independent Assessment”, August 2012, Center for Strategic & International Studies.

Japan Self-Defense Forces

The role of the USFJ and its interoperability with the Japanese Self-Defense Forces are essential to US security operations in the region as well as US territorial defense because of the above-mentioned advantageous geopolitical situation of Japan and the long history of mutual confidence and common security interests between Japan and the US. The hosting of the US Forces, which is strategically essential to the US regional and global strategy, is an asset for Japan on the balance sheet of the Japan-US alliance. Japan hosts the USFJ (comprising the Army, Marine Corps, Navy, and Air Force), which consists of approximately 54,000 military personnel, 42,000 dependents, 8,000 DoD civilian employees, and 25,000 Japanese workers.⁹ USFJ facilities such as command centers, airfields, ports, communication facilities, maneuvering ranges, military personnel houses and other facilities including those jointly used with Japan's Self-Defense Forces are to be found in 130 locations in Japan, and occupy an area of 979,888 km².¹⁰

In reality, the mission of the USFJ is not only to defend Japan from adversaries but also to secure regional and global security. In this sense, the role of the USFJ is different from that of the US Forces in Korea (USFK), whose mission is mainly to defend South Korea from North Korea and deter any possible attack.

For example, one headquarters of the III Marine Expeditionary Force (III MEF) is located in a US base in Okinawa, Japan. It has supported major global military operations by the US, such as Operation Desert Shield in the Gulf War (1990-91), Operation Enduring Freedom (2001-2014) and Operation Iraqi Freedom (2003-2011) in the Middle East, and Operation Restore Hope and Operation Continue Hope, in Somalia (1992 -1994).¹¹

In addition, the US Navy in Japan is essential for the operation of the US 7th Fleet, whose “area of operation spans more than 124 million square kilometers, stretching from the International Date Line to the India/Pakistan border; and from the Kuril Islands in the North to the Antarctic in the South”.¹²

It is important that the JSDF is fully capable of defending its own territory in close coordination

⁹ US Forces in Japan, “About USFJ, <http://www.usfj.mil/About-USFJ/> (accessed January 11, 2019)

¹⁰ Ministry of Defense of Japan, “Zainichibeigun Shisetsu Kuikibetsu Ichiran”(A List of the Facilities of the US Forces in Japan in Regions), as of March 31, 2018, http://www.mod.go.jp/j/approach/zaibeigun/us_sisetsu/pdf/ichiran_h300331_2.pdf (accessed January 11, 2019)

¹¹ “III Marine Expeditionary Force: Forward, Faithful, Focused” in the Official Website of the US Marine Corps, <https://www.iiimef.marines.mil/> (accessed September 2, 2018).

¹² US 7th Fleets, “Fact Sheets”, <http://www.c7f.navy.mil/Portals/8/documents/7thFleetTwoPagerFactsheet.pdf?ver=2017-09-20-040335-223> (accessed September 2, 2018).

with the USFJ and the US Indo-Pacific Command, although the JSDF is dependent on the US offensive capability including its nuclear deterrence capability due to constitutional restraints. As a result, the USFJ can fully utilize its military resources for regional and global operations beyond Japan's territorial defense.

In addition, the JSDF has increased its interoperability with the USFJ and the US Indo-Pacific Command since the Cold War era. A US expert points out that the US 7th Fleet cannot operate without the JSDF's complementary role, which ties in with the close interoperability between the two forces.¹³ Such relations have been accumulated through past military operations such as the anti-submarine operation against the USSR in the Pacific during the Cold War.

Having such interoperability with the USFJ, the JSDF is ready to provide logistic support for US contingency operations in the area surrounding Japan. The JSDF mainly prepare logistic support missions for contingencies in the Korean Peninsula. Potentially, Japan could provide logistic support for a contingency in the Taiwan Strait, although both the US and Japanese government take a cautious approach to such contingency planning given the sensitivity of the political situation regarding China.

Japan's contribution to the financial burden of the USFJ is an important asset for Japan. Japan's contribution has alleviated the financial cost to the US of the permanent forward deployment in East Asia. The Japanese government is responsible for more than 70% of the cost of the US Forces stationed in Japan, including the cost of the Marine Corps' partial relocation to Guam from Okinawa.¹⁴ The annual amount of the support for the USFJ is approximately 5.5 billion dollars, based on the 2017 Operation and Maintenance Overview by the Office of the U.S. Undersecretary of Defense.¹⁵ On the topic of Japan's contribution to the Alliance, Defense Secretary Mattis stated, "I believe that Japan has been a model of cost-sharing and burden-sharing" during his visit to Japan in February 2017.¹⁶

¹³ Author's interview of Sheila Smith, Senior Fellow of the Council on Foreign Relations, August 8, 2018.

¹⁴ Ministry of Foreign Affairs of Japan, "Host Nation Support" in the Japan-US Security Arrangements, <https://www.mofa.go.jp/region/n-america/us/security/hns.html> (accessed September 2, 2018).

¹⁵ Ayako Mie, "How Much Does Japan Pay to Host U.S. Forces? Depends on Who You Ask", *The Japan Times*, January 31, 2017, <https://www.japantimes.co.jp/news/2017/01/31/national/much-japan-pay-host-u-s-forces-depends-ask/#.XDjSLPZul2w>(accessed on January 11, 2019).

¹⁶ Ayako Mie, "Mattis Clarifies U.S. Defense Pledge, Stays Mum on Host-Nation Support", *The Japan Times*, February 4, 2017, https://www.japantimes.co.jp/news/2017/02/04/national/politics-diplomacy/mattis-clarifies-u-s-defense-pledge-stays-mum-host-nation-support/#.W4ssj_Zul5s (accessed September 2, 2018).

4. Japan's Non-Military Cooperation with the US

In addition to its military and security roles, Japan is regarded as a significant partner to the US in the context of non-military cooperation in fields such as science and technology. This too is an asset on the balance sheet of the Japan-US alliance.

Certainly, science and technology cooperation is a key factor for the US if it is to maintain its long term military advantage over its potential challengers. During the time of the Obama administration, the Department of Defense adopted the “Third Offset Strategy”, which encouraged technological innovation in order to preserve and revitalize conventional deterrence capability by countermeasures against the key challengers.¹⁷

In the NSS 2017, the Trump administration again stressed the importance of defending the National Security Innovation Base (NSIB) against competitors such as China. The NSS 2017 states that “The NSIB is the American network of knowledge, capabilities, and people—including academia, National Laboratories, and the private sector—that turns ideas into innovations, transforms discoveries into successful commercial products and companies, and protects and enhances the American way of life”.¹⁸

It is notable that the joint statement of the first Abe-Trump summit in February 2017 stressed that “The United States and Japan will strengthen their bilateral technological cooperation on defense innovation to meet the evolving security challenges. The United States and Japan will also expand bilateral security cooperation in the fields of space and cyberspace”.¹⁹

US expectations on bilateral technology cooperation with Japan continue to be high, as US experts are worried whether the US can fund its advantageous military technology in the future while in competition with China. David Ignatius, an influential columnist, recently wrote an essay entitled “The Chinese threat that an aircraft carrier can't stop”. He wrote that speakers at the influential Aspen Strategy Group Summer Workshop in 2018 feared a Sputnik moment in US military technology, given that America is still wedded to legacy weapons such as aircraft carriers and fighter jets whereas China appears determined to seize future-oriented technology such as Artificial Intelligence (AI).²⁰

¹⁷ Jesse Ellman, Lisa Samp & Gabriel Coll, “Assessing the Third Off-set Strategy”, March 2017, Center for Strategic & International Studies, https://csis-prod.s3.amazonaws.com/s3fs-public/publication/170302_Ellman_ThirdOffsetStrategySummary_Web.pdf?EXO1GwjFU22_Bkd5A.nx.fJXTKRDkVR (accessed September 2, 2018).

¹⁸ *NSS 2017*, p.21.

¹⁹ “Joint Statement from President Donald J. Trump and Prime Minister Shinzo Abe”, February 10, 2017, <https://www.whitehouse.gov/briefings-statements/joint-statement-president-donald-j-trump-prime-minister-shinzo-abe/> (accessed September 2, 2018).

²⁰ David Ignatius, “The Chinese Threat that an Aircraft Carrier Can't Stop”, *The Washington Post*, August 8, 2018, <https://www.washingtonpost.com/opinions/the-chinese-threat-that-an-aircraft-carrier-cant-stop/2018/08/07/0d3426d4-9a58-11e8-b60b->

In addition to science and technology cooperation, Japan has the capability to provide capacity building opportunities to South East and South Asian countries such as Vietnam, the Philippines and India. Japan has been a major donor of economic development aid to ASEAN countries. At the Japan-ASEAN Summit in 2017, Japan agreed to proceed with expediting the process of the Japanese ODA loan projects with the Agreement in Technical Cooperation and the development of quality infrastructure.

In the security sector, Japan is determined to provide capacity building support to coastal ASEAN countries, which face a territorial challenge from China's para-military vessels in the South China Sea. Japan will also provide coast guard ships and the training necessary to manage them.

Such efforts are welcomed by US experts, who are worried about China's increasing influence in the region.²¹ In the joint statement at the Japan-US summit in February 2017, "The United States and Japan reaffirmed the importance of both deepening their trade and investment relations and of their continued efforts in promoting trade, economic growth, and high standards throughout the Asia-Pacific region".²²

5. Japan's Political Willingness to Work with the US

Japan's administrations over the past 10 years, above all the current Abe administration, have showed a steady political willingness to work with the US for its territorial and regional security, with a clear framework such as the creation of the "National Security Strategy in 2013", the change of the interpretation of collective defense rights in the Constitution in 2014, and the "Legislation for Peace and Security" in 2015.

A US expert points out that this political willingness changed the dynamics of Japan-US bilateral relations, as the US had up to that point been frustrated with its junior partner's reluctant attitude.²³ This political willingness is an asset for Japan on the balance sheet.²⁴ After the end of World War II, the Japanese leaders chose to form an alliance with the United States despite the occasional popularity of the anti-US movement, who sympathized with the communist bloc and felt nationalistic emotional frustration due to the permanent presence of a foreign military in Japan. Realizing the geopolitical risk surrounding Japan, however, Japanese

1c897f17e185_story.html?utm_term=.4c5cf6ea202d (accessed September 2, 2018).

²¹ Author's interview of James. L. Schoff, Senior Fellow of the Carnegie Endowment for Peace, August 9, 2018.

²² "Joint Statement from President Donald J. Trump and Prime Minister Shinzo Abe"

²³ Michael J. Green, *Japan's Reluctant Realism*, Palgrave MacMillan, 2003.

²⁴ Author's interview of Nicholas Szechenyi, Senior Fellow of the Center for Strategic & International Studies, on August 8, 2018.

voters have to date supported the administrations of the Liberal Democratic Party, which is determined to maintain a closer alliance with the United States.

The second Abe administration, which started in 2013, became popular by showing skillful management with regard to the US government. Abe's policy and stance have been supported by his constituency, which was disappointed with his predecessor, Prime Minister Yukio Hatoyama of the Democratic Party of Japan. The Japanese people believed that PM Hatoyama weakened the bilateral alliance by his immature handling of the US military base controversy in Okinawa.

Strong support for the alliance with the US comes from the fact that Japan does not have any realistic alternative for its survival other than an alliance with the United States. In terms of Japan's national grand strategy, this may be a source of vulnerability. However, as long as the US maintains its supremacy in both military and economic areas and shows willingness to engage in East Asian security, it could be the most rational choice.

The fact that Japan has few alternatives to the US as an alliance partner is the source of Japan's political willingness to work with the United States. Such a heavy dependency could potentially result in Japan having a weaker bargaining position vis-à-vis the US. At the current moment, however, Japan's willingness has created confidence on the US side, given the fact that the US is facing a continuous challenge from the rise of China and the fact that Japan has a useful geopolitical location and is a generous host nation.

III. Japan's Liabilities on the Balance Sheet of the Japan-US Alliance

1. The US Fear of Entanglement

Generally, the closer the alliance coordination mechanism, the greater the fear of entanglement of the allied partner. A potential liability for Japan on the Japan-US balance sheet is the reluctance of the US to enter into unnecessary military conflict with an adversary of Japan due to the fear of entanglement. In 2012, Japan irritated China by purchasing the disputed Senkaku Islands from their Japanese landowner. Claiming its sovereignty over the Senkakus, China started to send massive para-military vessels and fishery boats to the area, which resulted in daily tensions between Japan Coast Guard vessels and Chinese para-military vessels. The Japanese government is having difficulties dealing with the tension since the situation is regarded as a "grey zone" case existing somewhere between the definitions of peacetime and wartime. The case is comparable to Russia's "hybrid warfare" operation in Crimea Peninsula in 2014. The major concern at the time was that an accidental clash between Japan and China could lead to a military conflict.

At the beginning of the tensions, US public opinion appeared to be neutral, given the danger

that the US could become entangled in an unnecessary military conflict with China over tiny unpopulated islands in the East China Sea. For example, a New York Times article in 2012 described the Japan-China territorial tension as a conflict between two nationalist governments.²⁵ However, the US fear of entanglement has diminished as it has witnessed a series of assertive and expansive actions by China in the South China Sea—not in the East China Sea, where the Senkaku Islands are located. For the leaders and citizens of the US, the rise of China is a large challenge today, even though it appeared to be a mere existential challenge as recently as the early 2010s.²⁶

The US also fears entanglement in a conflict between North Korea and Japan. North Korea launched many test missiles over Japan's territory in 2017 and early 2018, resulting in extreme tension. If a North Korean missile were to hit Japanese territory and result in the death or injury of a Japanese citizen, the Japanese government would expect the US to retaliate by taking action against North Korea. This would in turn risk a military clash on the Korean Peninsula by inviting retaliatory military action by North Korea.

However, this has not become a serious wedge between Japan and US as the North Korean case concerns not only bilateral issues but rather a more complex game involving South Korea, China and Russia. If the US did not carry out a counter strike against North Korea due to the fear of entanglement, issues of trust could arise between Japan and the US, however this does not represent a serious liability on the balance sheet for Japan. In the future, fear of entanglement could be a more pressing issue if Japan acquired the offensive capability to strike back against North Korea, and the Japanese government has indeed vowed to conduct a feasibility study into this very matter. Still, although any such retaliatory strike by Japan would be dependent on the targeting capabilities of the US, it is unlikely that the US would fear entanglement since Japan cannot conduct a strike-back operation without targeting assistance from the US, thus the US actions would be seen as the US fulfilling its obligations to an ally rather than striking against North Korea *per se*. As a matter of fact, US experts think that if Japan were to have strike-back capability it would be good for the US as it would contribute to more effective alliance interoperability and enhance deterrence as a supplement to the US forces if deterrence solely from the US side were to fail.²⁷

Ironically, Japan's lack of offensive capability due to constitutional and political restrictions

²⁵ Martin Fackler, "In Shark-Infested Waters, Resolve of Two Giants Is Tested", *The New York Times*, September 22, 2018, <https://www.nytimes.com/2012/09/23/world/asia/islands-dispute-tests-resolve-of-china-and-japan.html> (accessed September 2, 2018).

²⁶ Interview by author to Daniel Kliman, Senior Fellow of the Center for New American Century, August 9, 2018.

²⁷ James L. Schoff and David Song, "Five Things to Know About Japan's Possible Acquisition of Strike Capability", Carnegie Endowment for Peace website, August 14, 2017, <https://carnegieendowment.org/2017/08/14/five-things-to-know-about-japan-s-possible-acquisition-of-strike-capability-pub-72710> (accessed September 2, 2018).

lessens the US fear of entanglement, as Japan does not have the offensive capability to entangle the US in a military conflict.

2. Limitations on the Use of Force Due to Constitutional and Political Restraints

Although Japan has shown political willingness to increase its pro-active stance toward the alliance and regional security, Japan's slowness in making policy decisions due to its bureaucratic structure and political constraints is still a liability on the balance sheet of the Japan-US alliance. The political constraints derive from Japan's Constitution, which renounces "the threat or use of force as means of settling international disputes" in Article 9.²⁸ The Abe administration has implemented pro-active measures toward the Japan-US alliance and regional security through stable political support. However, there is no guarantee that any post-Abe administration would display such a commitment to the alliance.

Although the majority of Japanese citizens support the Abe administration's pro-active security commitment, some of the Japanese population is still reluctant to change Japan's "pacifist" legacy, which has been the country's mainstream foreign and defense policy for some time. The traditional mainstream follows what has been called the Yoshida Doctrine, which, in the post-World War II period in Japan, advocated avoiding a military burden where possible and rather concentrating on economic development. If any future administration in Japan returned to the old Yoshida Doctrine, that would be a big liability for Japan on the Japan-US alliance balance sheet.

For example, even the Abe administration decided to withdraw Japan's Self-Defense Forces from the UN Peacekeeping Operation in South Sudan, fearing criticism from the opposition and potential JSDF casualties. Even the determined Abe administration needed to consider criticism from the "pacifists" in order to ensure its survival. Thus, Japan's proactive cooperation in the field of regional and global security is not a fixed, straight path.

3. Japan's Generous Host Nation Support to the USFJ Could be Challenged by Okinawan Regionalism

²⁸ Japanese Constitution, Article 9: Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.
http://japan.kantei.go.jp/constitution_and_government_of_japan/constitution_e.html (accessed on January 12, 2019).

As the legacy of the final battle between Japan and the US in the Pacific War, more than 70% of the US military facilities in Japan are located on the island of Okinawa, which is a small island of about 1200 km². US military facilities take up 18.4% of the total land area of Okinawa.²⁹ The citizens of Okinawa are not happy with the heavy burden of the US military, especially as other prefectures in Japan have fewer US military bases but higher economic growth. In 1995, the rape of an elementary school girl by US Marine Corps soldiers heightened the frustration of the Okinawan people and led to the largest protest against US military bases and the Japanese central government to date. This kind of political trouble could reoccur in the event of an unexpected incident such as a clash involving US aircraft and resulting in casualties among the citizens of Okinawa. An accident such as this would delay the Japan-US agreement to relocate the Futenma Air Station from center of the island of Okinawa to Guam, which is US territory. Such a political incident would cause political difficulties for both Japan and the US government, and would frustrate both Japanese citizens and the US military, which would in turn decrease mutual confidence in the bilateral alliance. The controversy surrounding the US military bases in Okinawa is therefore a major liability on the Japan-US alliance balance sheet.

4. Economic and Budgetary Constraints on Japan's Defense Spending

Another liability for Japan is its budgetary constraint on military spending in the mid- and long-term. The Japanese government's fiscal situation is far from healthy. Japan's government ratio of debt to GDP was 236% in 2017, more than double that of the US, 108%.³⁰ There are several plausible explanations why such a high debt has not led to a crisis in the global financial market like the crisis that happened in Greece. However, the inconvenient truth is that the Japanese government will not be able to spend lavishly on the military, considering the social security costs that will surely arise in the near future from Japan's rapidly aging society. Budgetary constraints would reduce Japan's assets on the balance sheet, for example by reducing the current generous host-nation support budget for the USFJ, as well as the investment in technology and science research and economic development and capacity building efforts in ASEAN countries.

In this study, there are fewer liabilities identified than assets. However, some of these assets could easily become liabilities. For example, Japan's host nation support could potentially be

²⁹ Okinawa Prefectural Government, "US Military Base Issues in Okinawa", September 2011, p.2.

<https://www.pref.okinawa.jp/site/chijiko/kichitai/documents/us%20military%20base%20issues%20in%20okinawa.pdf> (accessed January 12, 2019).

³⁰ Sunny Or, "Here's a Lesson from Japan about the Threat of a U.S. Debt Crisis", *Market Watch*, May 14, 2018, <https://www.marketwatch.com/story/heres-a-lesson-from-japan-about-the-threat-of-a-us-debt-crisis-2018-05-14> (accessed September 2, 2018).

lost over the controversy regarding the US military bases in Okinawa. Or Japan's future budgetary constraints caused by the impending fiscal crisis could cast doubt over the long-term alliance with Japan from the US perspective.

IV. How does the Trump Factor Affect the Japan-US Balance Sheet?

US President Donald Trump is a transactional character who expects his allied partners to reciprocate in exact measure for any support given by the US. As a result, he tends to pursue short-term political goals such as reducing the trade deficit with allied partners even though this may sacrifice the long-term value of the alliance. As discussed in the Introduction, Trump seems to believe that the allied partners are free riders and exploiters of the US military, and that the trade deficit is a major problem. However, this runs contrary to orthodox economic theory, which holds that a trade deficit is not a suitable index for a state's economic health and wealth.

At the current moment, nobody knows whether the idiosyncratic decisions of President Trump will continue to be the driver of fundamental US policy even in post-Trump administrations. What we do know is that President Trump's approach attracts a certain part of the US constituency as core supporters, who show around a steady 35% approval rate despite of the huge opposition from other quarters against his attitude and policies.

A US security expert suggests that the growing income gap will continue to create frustration among low and middle-income US citizens while pleasing high-income citizens. Theoretically, it would be rational to narrow the gap by some means of fairer income distribution or by providing labor education to alleviate the negative effects of the global economy. However, the current US government will not adopt these policies as they run contrary to conservative values. Given that the Trump administration will not adopt such policies, they will have to rely on populism, which blames the trade deficit on trade partners, and economic globalism, in order to get instant support from frustrated low-to-middle income voters in the future.

Besides, Trump's lack of knowledge about geopolitics and the international power balance contributes to his dim view of the allied partners. In addition, Trump refuses to listen to his advisors precisely due to his lack of knowledge and intellectual patience.

So far, however, President Trump's respect for the military and military leaders has brought him respect from the allied partners of the US military and the Department of Defense. Secretary of Defense Mattis was regarded as a last defender of the US alliance, in regard to both the Pacific and Atlantic alliances. In 2019, resignation of the Secretary Mattis at the end of 2018 could change the course. At this moment, we never know the consequence yet. Simply, another concern is added among all US allies.

For Japan, the personal chemistry between Prime Minister Abe and President Trump is an asset on the balance sheet. Abe created a close personal relationship with Trump by showing him respect immediately after his election. A US expert has evaluated that Prime Minister Abe has been successful in his dealings with Trump as he has stayed a step ahead of Trump's deal-oriented demands. Their good chemistry does not come from only Abe's skillful flattery.

At the same time, there is no guarantee that the leaders of Japan after Abe will move so quickly and proactively. And the most difficult task they face is to create good chemistry with Trump. Japan's political complexity is beyond Trump's understanding. For example, Trump said Abe should have shot down the missiles that North Korea launched over Japan's territory. In reality, however, shooting down a missile is difficult when the complex political liability is taken into account, especially when combined with the factors of the interpretation of Article 9 and the possible domestic political reaction. The complex nature of the politics in Japan is beyond President Trump's comprehension and is thus a liability for Japan.

Still, the common threat perception Japan shares with the US and the geopolitical status of Japan remain assets for Japan as long as the US continues to engage in global issues. President Trump may well upset the allied partners for some time through his idiosyncratic views on the alliance. However, it is very difficult to imagine that Trump could destroy the US military and its worldwide network through his actions alone. In fact, the Trump administration has increased the military budget and showed that it has great respect for the US military. In addition, the Trump administration started a trade war with China, which is mixed with rivalry on high-tech hegemony in the commercial and security areas.

Japan's trade deficit with the US may be a liability while Trump is in power. However, it is not a liability from the perspective of other US elites. For example, US security experts appreciated Japan's initiative to maintain free trade regimes such as the TPP (Trans-Pacific Partnership)-11 without the US and the Japan-EU EPA (Economic Partnership Agreement), and they also appreciated PM Abe's repeated demands to President Trump to come back to the TPP, as they believe that free trade is a source of the US economic advantage and military strength.

The history of the US shows that the country has survived and prospered despite its mistakes. It is too early to judge the US based solely on the actions and attitudes of President Trump.

V. Conclusion

Based on the above, it appears that Japan has more assets than liabilities on the balance sheet of the Japan-US Alliance. Japan enjoys fundamental assets such as a common threat perception with the US, advantage in geopolitical location and a generous host nation support for the USFJ. These assets cannot be easily substituted with other allies as long as the current

geopolitical situation in East Asia continues.

In addition to the fundamental assets, Japan's non-military cooperation, such as research and development capability in science and technology and capacity-building assistance to South East and South Asian Countries, is attractive to the United States, whose military costs are limited compared to those of China, whose rising economy enables them to spend more in economic development assistance in the region and on their own research and development in science and technology. In addition, Japan's political willingness to work with the US is critical factor that gives the US confidence and makes them reliable in terms of long-term security cooperation with Japan.

Japan has liabilities such as the US fear of entanglement, limitations on the use of force due to constitutional limitations, Okinawan regionalism against the stationed US forces and economic and budgetary constraints on defense spending. However, these are not fundamental shortcomings. All are dependent on the decisions taken by the Japanese government's management. For example, Japan is a skillful communicator, and this could ease the US fear of entanglement. Japan is also relentlessly removing its constitutional limitations on the use of force. Japan could wisely allocate its security budget by managing other expenses if necessary. All these actions depend on Japan's political will. As we saw above, Japan's political will to maintain the alliance with the US is strong, as Japan has few realistic alternatives for securing its territory.

Even the Trump factor does not negatively affect the balance sheet to any considerable degree. When the author interviewed American experts on Asian security issues, almost all were optimistic on the Japan-US alliance although they shared negative views on the policies of President Trump. They appreciated the pro-active track record of Japanese leaders regarding the alliance with the US. They also saw PM Abe's leadership as increasing Japan's assets, which acts as a hedge against the volatility of Trump, which could reduce the assets of the US in terms of its global leadership.

Despite the fact that American experts hold PM Abe in high regard, the Japanese support for Abe's leadership is mixed due to deep-rooted skepticism on Japan's expanding military and security role in the Indo-Pacific region. In this context, both leadership and public wisdom in Japan will matter for management of the alliance with the US in the future.

Japan's future leaders and public should know that political stability and a prosperous economy in Japan are essential not only for the happiness of Japanese citizens but also for the maintenance of a robust and stable alliance with the US, which is critical to regional and global stability and to Japan's survival as an independent and prosperous state.

This attempt to present Japan's assets and liabilities in terms of alliance management may help Japan's future leaders to decide whether Japan's recent strategic moves were appropriate.

Moreover, it may indicate the urgency with which they need to act regarding alliance management and regional security. And finally, any lessons learned in the course of presenting Japan's situation in terms of assets and liabilities will continue to be true beyond the time of the current transactional and volatile US president.

Poland – The “Center of Gravity” in the CEE Region and a “Poster Child” of the Trump Administration

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I. Introduction: Nature and Areas of the US-Poland Cooperation

Poland is one of the most committed and loyal US allies in Europe. Since 1999, Poland and the US have been tied by membership in the North Atlantic Treaty Organization. Moreover, the Polish Armed Forces participated alongside their US counterparts in several “out of area” operations, such as in Afghanistan, and were a part of the “coalition of the willing” during the operation Iraqi Freedom in 2003. Poland traditionally shares the US point of view concerning the importance of NATO, as well as American skepticism about a tighter defense cooperation within the European Union, which could potentially undermine the dominant security role of the Alliance. Significance of Poland in the US foreign and security policy seems to have increased considerably after Russian Federation’s illegal annexation of Crimea in 2014 and the general deterioration in relations between Russia and the West following Kremlin’s military engagement in Eastern Ukraine. Nevertheless, the US-Polish relations are still highly asymmetric, with Poland tying its security policy strictly with the United States. Such a strategy might be considered risky in the times of a volatile Trump administration.

The paper is aimed at identifying what assets Poland would have in potential negotiations with the United States concerning their alliance (or make Poland an important ally for the US) as well as what Polish liabilities can undermine its relations with Washington. The author also tries to explore ways to ensure US commitment to the security of Poland.

The US-Polish Relations Since the End of the Cold War

The collapse of communism in Poland and dissolution of the Warsaw Pact brought significant momentum for a renewal in the US-Polish relations. Right from the start, Washington supported Polish reforms, for example by establishing special US funds and remitting part of the Polish foreign debt. The US also sided with Warsaw in regard to entrenching the shape of Polish-German border, which was a key Polish foreign policy issue at that time.¹ All this was fostered by the establishment of US-Polish security cooperation in the early 1990’s. The Polish government provided political support to the US during the First Gulf War, while the Polish intelligence organized secret evacuation of US citizens from Kuwait. The latter fact was highly

¹ Roman Kuźniar, *Polityka Zagraniczna III Rzeczypospolitej*, Wydawnictwo Scholar, 2012, p. 53.

appreciated by Washington, prompting the US administration to ask to be represented in Iraq by the Polish Embassy.² At the same time, Poland also officially declared its intention to join the North Atlantic Treaty Organization. The statement was initially met with a skeptical response from the Clinton administration, which prioritized good relations with Russia. Nevertheless, thanks to the consistent pro-Atlantic orientation in foreign policy and lobbying by the Polish Americans, the US finally backed Polish attempts. Poland became a NATO member state in March of 1999.³

Poland joined NATO at the time of a general reorientation (so-called *transformation*) of the Alliance. With the Cold War over, the focus shifted from territorial defense to crisis management, best embodiment by operations in Kosovo and Afghanistan.⁴ After the September 11 attacks the Polish government joined the “Global War on Terror”. This entailed both supporting US efforts through NATO structures (mission in Afghanistan) and as a part of the coalition of the willing against Saddam Hussain in Iraq. Noteworthy is the fact that while Poland’s engagement in Iraq enhanced Warsaw’s relations with the US, it weakened the Polish position in the European Union.⁵ Roman Kuźniar, a career diplomat, professor at the University of Warsaw and former advisor to the President of Poland, described the operations in Afghanistan and Iraq as the beginning of “Americanization” of the Polish security and defense policy. Henceforth, Polish ruling elites began considering the US as the main guarantor of the security of Poland.⁶ Warsaw contributed to the Iraq campaign with a military contingent of 2,300 soldiers. Poles also took command of the multinational division, which was tasked with stabilizing a significant part of Iraqi territory. Concurrently, Polish government decided to procure US-made F-16 multirole jet fighters. The acquisition, at the time the largest and most expensive in the history of the Polish Armed Forces, was considered a political choice. Poland also agreed to host Ground-Based Midcourse Defense (GMD) installations, which were designed as a part of a global US Ballistic Missile Defense system. The Polish authorities appeared to be heavily lobbying for this installation, despite the fact that the system was designed to defend primarily the US mainland.

The dawn of President Obama’s presidency brought about a significant shift in the US-Polish relations. The new administration attempted to improve relations with Russia, implementing the so-called “reset” policy.⁷ However, with Russia’s illegal annexation of Crimea and its active

² *Ibid.*, p. 101.

³ *Ibid.*, pp. 122-134.

⁴ *Ibid.*, pp. 228-231.

⁵ Western Europe saw the invasion as lacking a solid basis in international law, prompting condemnation by key EU’s member states such as France and Germany. Overall, the EU’s position stressed the necessity of respecting the UN Security Council resolution, which did not allow the US to intervene.

⁶ *Ibid.*, p. 313.

⁷ The policy was announced in March 2009 by US Secretary of State Hilary Clinton and

military support for pro-Russian separatist in Eastern Ukraine, the US-Russian rapprochement did not last long. Consequently, Washington took several steps to reassure allies of its commitment to the security of Central and Eastern Europe. For example, the \$1 billion European Reassurance Initiative (ERI) funds the increase of US Armed Forces activity in Europe and enhances capabilities of the allies in the region. Within the ERI framework, Washington deployed a heavy brigade (Armored Brigade Combat Team, ABCT) and an aviation brigade (Combat Aviation Brigade: CAB), albeit on a rotational basis. The US also assumed the role of a framework country for NATO's Enhanced Forward Presence (EFP) multinational battlegroup in Poland. Finally, despite several controversial comments made early in his tenure, Donald Trump seems to uphold the fundamentals of policy formulated under Obama's administration vis-à-vis Russia and the CEE region. Noteworthy is also Trump's recent decision to increase funding available for the ERI.⁸

The US-Polish relations today embrace four major dimensions: foreign policy, security policy, economic cooperation and people-to-people ties. According to the Department of State website, "Poland is a stalwart ally in Central Europe and one of the United States' strongest partners on the continent in fostering security and prosperity regionally, throughout Europe, and the world. The United States and Poland partner closely on NATO capabilities, counterterrorism, nonproliferation, missile defense, human rights, economic growth and innovation, energy security, and regional cooperation in Central and Eastern Europe".⁹

Washington and Warsaw cooperate very closely especially on foreign policy and security. Poland shares the US assessment of international order and supports US leadership worldwide. As the Foreign Minister of Poland Jacek Czaputowicz stated in his parliamentary address on foreign policy tasks for 2018: "The military presence of the United States in Europe and its strong position in NATO has fundamental significance for military security of Poland and the region as a whole. Permanent engagement of the United States and the North Atlantic Alliance in this part of the globe is in the vital interest of Poland and East-Central Europe".¹⁰

Russian Minister of Foreign Affairs Sergey Lavrov. One of the results of this policy was the New Strategic Arms Reduction Treaty, which imposed further limits on deployed and non-deployed strategic launchers and the deployed strategic nuclear warheads. Charles Grant, "The US-Russia Reset Is Over", Center for European Reform, <https://www.cer.eu/insights/us-russia-reset-over> (accessed January 27, 2019).

⁸ The US Congress authorized funds for the ERI at the level of \$985 million in 2015, \$789 million in 2016 and \$3.4 billion in 2017. The Defense Department's request for fiscal year 2018 in regard to the ERI was \$4.8 billion. "2018 Budget Request for European Reassurance Initiative Grows to \$4.7 Billion", The US Department of Defense, <https://www.defense.gov/News/Article/Article/1199828/2018-budget-request-for-european-reassurance-initiative-grows-to-47-billion/> (accessed September 15, 2018).

⁹ "U.S. Relations with Poland", The U.S. Department of State, <https://www.state.gov/r/pa/ei/bgn/2875.htm> (accessed September 17, 2018).

¹⁰ "Information of the Minister of Foreign Affairs on Polish Foreign Policy Tasks in 2018", the Ministry of Foreign Affairs of the Republic of Poland,

Minister Czaputowicz also added: “Our goal is to further deepen our security ties with the United States. We will continue to develop our bilateral cooperation and we will work together on different multilateral fora, primarily in NATO. We are against any steps that could provoke transatlantic divisions”.¹¹ The Polish Ministry of Foreign Affairs lists the following areas in the context of security cooperation with the US: the North Atlantic Treaty Alliance, international military missions, missile defense and enhanced cooperation between the air forces.¹²

II. Poland’s Assets: Significance of Poland in the US Foreign and Security Policy

As under the Trump’s administration the US foreign policy seems to be less predictable, the Polish decision makers need to analyze the Polish assets making Poland significant partner for the US, which they can use in talks with the American side. Among them there are: geopolitical position, support for the US overseas military operations, the status of a new backbone of US presence in Europe as well as the of an exemplary ally.

1. Geopolitical Position and Status of the Biggest Country of the CEE Region

Poland remains the most important US security partner in Central and Eastern Europe. As Gen. Ben Hodges, US Army Commanding General Lt. of US Army Europe said in 2017 “Poland will become the center of gravity for US [Army] operations in Europe”.¹³ Country’s population (over 38 million) and area (over 300 000 km²) set Poland apart from smaller countries of CEE region. Only Romania has comparable general population and economic indicators. Also, the size and potential of the Poland’s Armed Forces stand out on the so-called Eastern Flank: 120,000 troops, around 750 Main Battle Tanks, 1500 Infantry Fighting Vehicles and 100 combat fighters. Finally, Poland is the largest defense spender in the region, and one of only a few NATO states to meet its commitment of spending at least 2% of the GDP on defense.¹⁴

The strategic significance of Poland increased considerably after the annexation of Crimea

https://www.msz.gov.pl/en/p/msz_en/news/minister_jacek_czaputowicz_on_polish_diplomacy_priorities_in_2018 (accessed September 15, 2018).

¹¹ *Ibid.*

¹² “Poland-US Bilateral Relations”, the Ministry of Foreign Affairs of the Republic of Poland, https://www.msz.gov.pl/en/foreign_policy/other_continents/north_america/bilateral_relations/tst3 (accessed September 15, 2018).

¹³ “Tank Drills Turn Poland into Army’s New ‘Center of Gravity,’” *Stars and Stripes*, January 30, 2017, <https://www.stripes.com/news/tank-drills-turn-poland-into-army-s-new-center-of-gravity-1.451606> (accessed September 17, 2018).

¹⁴ During the NATO summit in Newport the NATO member states declared to increase defense spending and reach the level of GDP’s 2% for defense by 2020. 20% of this sum should be spent on weapon systems’ acquisition and development of capabilities.

and Russian aggressive actions in Eastern Ukraine. From the US perspective, Poland is indispensable to defend the Baltic States, which are considered to be NATO's underbelly and the next target for the Kremlin.¹⁵ In 2016 abovementioned General Hodges admitted that "Russia could take over the Baltic states faster than we would be able to defend them".¹⁶ Meanwhile, failing to defend even a small part of the Baltic States' territory would render NATO's article 5 worthless and demolish the entire European security system. Arguably, should the US accept the new status quo, Washington's network of alliances worldwide could also be put in question. Therefore, Poland is vital to maintain US credibility in the region and beyond.

Because of the unfavorable balance of military power with Russia, the Baltic states will undoubtedly need the support of the Polish Armed Forces to hold off invasion until larger NATO forces arrive. In Western Military District, Russia has at its disposal at least 4 armored and mechanized divisions, 3 airborne and air assault divisions, 8 independent armored and mechanized brigades and several other brigades (combat support, Spetsnaz, naval infantry etc.). Meanwhile, the combined potential of the Baltic states is comprised of just 1 mechanized and 3-4 light brigades, while the capabilities of the Enhanced Forward Presence are equivalent to 1-2 combat brigades. Poland is therefore the only NATO country with significant firepower in the area, with 2 mechanized divisions (3th one is planned), 1 armored division, and 4 independent combat brigades.¹⁷ Considering the above, Washington recognizes that it would be not able to defend the Baltic States and other Eastern Flank countries without Poland's engagement.

Moreover, the Baltic states are connected to the rest of NATO by a small piece of land wedged between Russian Kaliningrad Oblast and Belarus, called the "Suwalki Gap". In case of conflict, this would be the sole land corridor for allied support to the Baltic states, making it prone to be one of the first targets of a Russian attack. The gap lays on the Polish-Lithuania border, putting responsibility for maintaining communication with the Baltic states on Warsaw. Thus, they will be mainly Polish Armed Forces (supported by the EFP battalion in Poland), which defend the

¹⁵ Lithuania, Latvia and Estonia are all relatively small countries, with significant Russian minorities and weak armed forces, making them particularly vulnerable to provocations and hybrid warfare. Moreover, their land border with Russia and Belarus as well as geographical distance from the main allied bases in Germany, hinder potential defense measures by NATO forces. According to a war gaming analysis by RAND Corporation, in case of a full-fledged conflict the Russian Armed Forces would reach the outskirts of Tallinn and Riga in less than 60 hours. David A. Shlapak, Michael Johnson, *Reinforcing Deterrence on NATO's Eastern Flank*, RAND Corporation, https://www.rand.org/pubs/research_reports/RR1253.html.

¹⁶ "US Commander: NATO Couldn't Stop Russian Attack on Baltics", *Baltic Times*, 23 June, 2016 (accessed September 17, 2018).

¹⁷ Tomasz Smura, *Od Newport do Brukseli - adaptacja Sojuszu Północnoatlantyckiego do zagrożenia rosyjskiego*, Fundacja im. Kazimierza Pułaskiego, <https://pulaski.pl/wp-content/uploads/2018/07/f56037fe3ab634a6a0743575d9c01538.pdf>.

“Suwalki Corridor” until significant NATO forces enter into the theater.

Poland’s position in the center of Eastern Flank also plays a role. It is the reason why the US deployed to Poland the main part of its ABCT forces and the Mission Command Element and conduct from this country operations across the whole Eastern Flank. As Poland is in the middle of CEE region the US can move the troops from there both northwards to the Baltic States and southwards to Romania. This factor will become even more important, when major infrastructural projects like the Via Baltica (express road from Tallinn to Warsaw) and Via Carpathia (over 700-kilometers long road from Klaipeda in Lithuania to Thessaloniki in Greece connecting the transport systems of Lithuania, Poland, Slovakia, Hungary, Romania, Bulgaria and Greece) are finished. What is more Poland is implementing the Solidarity Transport Hub program or multimodal hub, which will allow for receiving troops and equipment airlifted by military transport aircraft or transported via roads and railways. Likewise, the multimodal hub will enable to switch the modes of transportation if necessary, simplifying fast movement of forces throughout the whole Eastern Flank, from Estonian capital of Tallinn to Constanța in Romania.¹⁸ Thus, Polish key assets vis-à-vis the US are a “center of gravity” in Central Eastern Europe and a distinguishing factor in the regional landscape.

The geopolitical significance of Poland for the US probably will even rise in the future. As the UK leaves the European Union (so-called “Brexit”) and the relations of Washington under Trump’s administration with the European capitals become increasingly tense over trade, relations with Iran, and defense expenditures, Poland emerges as the biggest clearly pro-US country within the EU. Last but not least, the emerging competition between the United States and China becomes a significant factor in the CEE region. As China pursues its huge “One Belt, One Road” project it increases its interest and activity in CEE states, what reflects in Chinese investments in the countries of the region and such formats of cooperation as “16+1”. In this context the US administration understands that as a result of decreasing its presence in the CEE region, it might lose the influences in one the most pro-American part of the world in favor of China.

2. Polish Support for the US Overseas Military Operations

As it was mentioned, the US-Polish cooperation within the framework of NATO evolved from out of area operations into efforts aimed at enhancing NATO’s Eastern Flank. Nevertheless, Warsaw still supports the US in many overseas operations. Poland formally concluded the

¹⁸ Tomasz Smura, *Political and Military Significance of the Central Transportation Hub Project in Poland*, “Pulaski Policy Paper”, No. 15, November 2018, <https://pulaski.pl/en/pulaski-policy-paper-t-smura-political-and-military-significance-of-the-central-transportation-hub-project-in-poland/>.

NATO accession process less than two weeks before the Alliance launched Operation Allied Force against the Federal Republic of Yugoslavia. Poland did not take part in the air operation against Yugoslavia, however it did send an 800-strong military contingent to Kosovo as a part of the NATO Kosovo Force (KFOR) mission.¹⁹ Poland has continued its contribution to KFOR since then, currently running the 37th rotation composed of approximately 260 troops.²⁰

After the terrorist attacks on the World Trade Center and the Pentagon, Article 5 of NATO was invoked for the first time in alliance's history. Poland responded by joining the US-led operation against Taliban regime in Afghanistan, and thus helping to overthrow what was a safe haven for Al-Qaeda. The Polish contribution to Enduring Freedom was a contingent of 300 troops, mainly from military logistics units, and a logistical support ship. In December 2001 the International Security Assistance Force (ISAF) was established. The ISAF primary goal was to "enable the Afghan government to provide effective security across the country and develop new Afghan security forces".²¹ NATO took command over the mission in August of 2003. Poland increased its presence in Afghanistan in 2006, just as it reduced its involvement in Iraq. Between 2010 and 2012 the Polish contingent totaled 2500 soldiers.²² In January 2015, the ISAF mission was replaced by the NATO-led Operation Resolute Support, which was intended to train, advise and assist Afghan forces. Poland also contributes to this mission with a contingent of around 300 troops.

Poland supported the US also outside of the NATO structures. Most notably, Poland was a member of the coalition of the willing against the regime of Saddam Hussein. Less than 200 Polish troops took part in the first part of invasion, including the elite special force unit "Grom". However, Poland increased its contribution significantly during the stability operation, after Iraqi Armed Forces were defeated. Warsaw sent nearly 2500 troops and took command of Multi-National Division Central-South, responsible for stabilization of several Iraqi provinces. Starting in 2006 Warsaw began reducing the engagement of Polish Armed Forces, concluding the Iraqi mission in 2008. Polish soldiers came back to Iraq a couple of years later, when Poland joined the US-lead global coalition to defeat ISIS. In this case Polish contribution to the operation is

¹⁹ Mirosław Smolarek, „Udział Wojska Polskiego w operacjach pokojowych na Bałkanach”, in *Międzynarodowe operacje pokojowe i stabilizacyjne w polskiej polityce bezpieczeństwa w XX i XXI wieku*, ed. Dariusz Kozerawski (Warszawa: AON, 2016). From 1996 to 2004 Poland contributed also to the SFOR operation in Bosnia and Herzegovina.

²⁰ “Kosovo Force Key Facts and Figures”, NATO, https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2018_07/20180706_2018-07-KFOR_Placemat.pdf.

²¹ “ISAF's mission in Afghanistan (2001-2014)”, NATO, https://www.nato.int/cps/en/natohq/topics_69366.htm.

²² “International Security Assistance Force (ISAF): Key Facts and Figures”, NATO, https://www.nato.int/isaf/placemats_archive/2010-04-16-ISAF-Placemat.pdf; “International Security Assistance Force (ISAF): Key Facts and Figures”, NATO, https://www.nato.int/isaf/placemats_archive/2012-09-10-ISAF-Placemat.pdf (accessed September 20, 2018).

comprised of 4 F-16 jet fighters, 150 ground personnel (PKW Kuwejt)²³ and a special force group deployed to train and advise the Iraqi Armed Forces (PKW Irak).

Polish contribution to the US-lead overseas missions is highly appreciated by Washington. The representatives of the US administration at almost every meeting with Polish officials describe Poland as one of the most loyal and committed allies and emphasize the Polish-American brotherhood of arms forged on the deserts of Afghanistan and Iraq. As e.g. the US President Donald Trump stated in his speech during visit to Poland in July 2017: “Polish heroes and American patriots fought side by side in our War of Independence and in many wars that followed. Our soldiers still serve together today in Afghanistan and Iraq, combatting the enemies of all civilization”.²⁴ In turn, Secretary of Defense Jim Mattis said during the meeting with the Polish Minister of Defense Mariusz Błaszczak “Today, the bond between our two nations' militaries and our people remain strong. And we thank you for Poland's continued hosting of US and NATO forces, and for your contribution to the Defeat ISIS campaign and Resolute Support Mission in Afghanistan”.²⁵

Although Poland's contribution to the US-lead operations in Iraq and Afghanistan in military terms has not been of course such substantial as e.g. the UK's one, it relieved to some extent the US Armed Forces – in Iraq the multinational division led by Poland took control over 5 provinces or 15% of the Iraqi territory. Moreover, especially in case of Iraq, it was significant from the political point of view as Poland was one of the very few European countries, which supported the US policy in 2003, undermining the relations of Warsaw with major European capitals like Berlin or Paris. Thus, in terms of the global policy and overseas operations the significance of Poland for the US seems to come from, first of all, the status of backer of the US policy within the European Union. The lack of such support, especially today as many European leaders seem to be cautious vis-à-vis the Trump administration, could be noticeable for Washington.

3. Status of a New Backbone of US Presence in Europe

²³ „Kolejni żołnierze lecą do Kuwejtu”, *Polska Zbrojna*, January 4, 2017 <http://polska-zbrojna.pl/home/articleshow/21498?t=Kolejni-zolnierze-leca-do-Kuwejtu> (accessed September 21, 2018).

²⁴ “Remarks by President Trump to the People of Poland”, White House, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-people-poland/> (accessed January 27, 2019).

²⁵ “Secretary Mattis Hosts an Honor Cordon Welcoming Poland Defense Minister Mariusz Błaszczak to the Pentagon”, Department of Defense, <https://dod.defense.gov/News/Transcripts/Transcript-View/Article/1505983/secretary-mattis-hosts-an-honor-cordon-welcoming-poland-defense-minister-marius/> (accessed January 27, 2019).

Another Poland's asset is high and rising US presence on the Polish soil as now Poland is the emerging backbone of the US presence in CEE. For almost 20 years Washington and Warsaw have worked together to enhance US presence in the region and interoperability between the US and Poland as well as missile defense and security of NATO's Eastern Flank.

Obama administration's decision to cancel the deployment of GBI interceptors in Poland and a radar in the Czech Republic and to replace both with EPAA (European Phased Adaptive Approach) gave a new momentum to bilateral cooperation. The EPAA foresees placing an Aegis Ashore installation in the city of Redzikowo. Armed with state-of-the-art SM-3 IIA interceptors and AN/SPY-1 radars, the site will be activated by 2020.²⁶ This installation will eventually be integrated into NATO's Ballistic Missile Defense System. Other elements of this system include one more Aegis Ashore site in Romania, US Arleigh Burke destroyers operating from Naval Station in Rota, Spain, a command center in Germany, a radar site in Turkey as well as equipment contributions from other member states. Concurrently with EPAA, Poland and the US launched bilateral cooperation in the field of air and missile defense. At the time, Polish Armed Forces were planning to develop its own capabilities in this area. Within the framework of the agreement, signed in 2008, American fire units of the Patriot surface-to-air missile system were deployed to Poland several times for training purposes.²⁷ In 2011 the program was replaced by an Aviation Detachment and common US-Polish rotational trainings for the F-16 and C-130 pilots in Poland.²⁸

In recent years, the US-Polish cooperation has concentrated on enhancing security of NATO's Eastern Flank as NATO reduced its involvement in out of area operations and Russia's increasingly assertive foreign policy distressed European allies. The US responded to the illegal annexation of Crimea and Russian military involvement in Eastern Ukraine by sending additional F-15C fighter aircraft to Baltic States as part of the Baltic Air Policing Mission.²⁹ Concurrently with the Aviation Detachment rotations, United States sent groups of combat aircraft – including A-10, F-35 and F-22 – for joint training in Poland. The US and Poland also significantly increased the number of both bilateral and multinational joint exercises (see: table

²⁶ "MSZ: baza w Redzikowie z opóźnieniem", *Defence24*, March 22, 2018, <https://www.defence24.pl/msz-baza-w-redzikowie-z-opoznieniem> (accessed September 23, 2018).

²⁷ The Polish side was, however, quite unsatisfied with the project as the Polish government rather sought for permanent deployment of combat fire unit which could support Polish air defense system. Tomasz Pugcewicz, „Polityka zagraniczna Polski wobec Stanów Zjednoczonych”, *Academia*, https://www.academia.edu/1823218/Polityka_zagraniczna_Polski_wobec_Stan%C3%B3w_Zjednoczonych.

²⁸ *Ibid.*; *U.S. Air Force Aviation Detachment*, Ministerstwo Obrony Narodowej, <http://archiwalny.mon.gov.pl/pl/strona/435/> (accessed September 23, 2018).

²⁹ "NATO Increases Baltic Air Cover", *Stratfor*, <https://worldview.stratfor.com/article/nato-increases-baltic-air-cover> (accessed September 23, 2018).

1). The US deployed a heavy brigade (ABCT) as part of the ERI on NATO's Eastern Flank.

The core elements of the brigade, such as the headquarters and combat support units, operate from bases in Skwierzyna, Świętoszów, Żagań (brigade headquarters) and Bolesławiec in Western Poland.³⁰ Thus, Poland is now the new backbone for the US to deploy its troops to the region. The ABCT is supported by elements of the CAB including AH-64, UH-60L and CH-47 Chinook helicopters, operating from an air base in Powidz.³¹ Moreover, during NATO's Warsaw Summit in 2016, member states agreed to establish an EFP comprised of four multinational reinforced-battalion-level battlegroups in Poland and the Baltic States and the Head Quarter of Multinational Corps North-East is in Szczecin, Poland. The US assumed the role of a framework nation of the battlegroup in Poland, sending 800 American soldiers from the 2nd Cavalry Regiment (Stryker Brigade Combat Team), which play a role of "tripwire" to show US will to defend Poland and other CEE countries.³²

The US presence on the Polish soil has increased in twenty years and now Poland is the hub of US presence in North-Eastern part of NATO. Thus, without Polish support, the US cannot make enough commitment to this area. Moreover, one needs to remember that the US has also invested a lot of resources in the Polish military infrastructure. The cost of only Aegis Ashore installation is around \$300 million, and it is totally paid by the US side.³³ Poland and the US have also put a lot of time and effort into negotiations on the status of the US Armed Forces in the Republic of Poland (Status of Forces Agreement, SOFA). Moreover, the Polish authorities have implemented many laws and regulations simplifying bilateral military cooperation, while the US presence is seen positively by the Polish people.³⁴ Thus, abandoning military relations with Poland will mean for the US the loss of bases to fulfill its commitment, resources invested in the Polish infrastructure and interoperability with the Polish Armed Forces and resignation from the most important military hub for its army eastward from Germany.

³⁰ "American Armored Brigade Combat Team in Poland", US Embassy to Poland, <https://pl.usembassy.gov/abct/> (accessed January 31, 2019).

³¹ "10th Combat Aviation Brigade Deploys to Poland in Support of Operation Atlantic Resolve", US Army, https://www.army.mil/article/187301/10th_combat_aviation_brigade_deploys_to_poland_in_support_of_operation_atlantic_resolve (accessed September 25, 2018).

³² They will be replaced in late summer 2018 by a combat battalion and supporting elements of the 278th Armored Cavalry Regiment of the Tennessee Army National Guard.

³³ „Początek budowy bazy w Redzikowie. 'Te pociski będą ukierunkowane na bezpieczeństwo", *Defence24*, <https://www.defence24.pl/poczatek-budowy-bazy-w-redzikowie-te-pociski-beda-ukierunkowane-na-bezpieczenstwo> (accessed January 13, 2019).

³⁴ According to survey ordered by Polish Ministry of Defense 55% of the Poles support a permanent presence of the US Armed Forces on the Polish soil, as 27 % is against. *Polacy popierają stałą obecność wojsk USA w naszym kraju*, Ministerstwo Obrony, <https://www.mon.gov.pl/aktualnosci/artukul/najnowsze/polacy-popieraja-stala-obecnosc-wojsk-usa-w-naszym-kraju-82018-10-27/> (accessed January 13, 2019).

Table 1. Most Important Military Exercises with Polish and US Participation, Data Starting in 2014.

Name of the exercise	Date	Place	Details
Anakonda 14	September – October 2014	Poland	Poland-led; 12,500 troops, including 750 from other NATO and partner countries (also USA.)
Dragoon Ride	20 March – 1 April 2015	Czech Republic, Estonia, Germany, Latvia, Lithuania, Poland	US-led exercise involving transfer of military equipment and thousands of personnel through territories of eastern NATO member states.
Joint Warrior	11-23 April 2015	The North Atlantic	Major naval exercise led by the United Kingdom. Tested demining, defence against air attacks and maritime interdiction. NATO participated with 14 ships alongside 40 other warships and submarines and 70 aircraft. 13,000 troops from Poland, the US and other.
Steadfast Javelin	4-15 May 2015	Estonia	The biggest land exercise in the Baltic region in 2015. More than 13,000 troops practiced ground and air operations.
Sabre Strike 15	8 – 19 June 2015	Estonia, Latvia, Lithuania, Poland	Multinational land exercise focused on interoperability between NATO and partner states. Preparation of troops for participation in the NATO Response Force. 6,000 troops from Poland, the US and other countries.
BALTOPS 2015	5 – 20 June 2015	Baltic Sea and the coast of Poland	The largest-ever naval exercise of the Alliance in the Baltic Sea. Trained marine interdiction, anti-submarine warfare, mine warfare, anti-air warfare, amphibious landings. Around 5,600 troops.
SWIFT RESPONSE	27 May - 26 June 2016	Poland, Germany	This US-led land and air exercise focused on crisis response training and Increasing interoperability between NATO and partners. Around 9,000 troops participated.

BALTOPS 16	3 – 15 June 2016	Poland and Baltic Sea	A US-led multinational exercise focused on interoperability with regional partner nations in the maritime, air, and land domains. It involved around 5,800 troops from the member states and partner nations.
IRON WOLF	06-19 June 2016	Lithuania	A Lithuanian-led land training exercise. With participation of Lithuania, Germany, Poland, Denmark, France, Luxembourg and the United States, a total of around 5,000 troops.
SABER STRIKE 2016	02-14 June 2016	Estonia, Latvia and Lithuania	A US-led land exercise focused on interoperability between NATO and partners. Participating NATO nations included Canada, Latvia, Lithuania, Poland, United States, and the United Kingdom. Around 9,000 troops participated.
Anakonda 16	7-17 June 2016	Poland	The largest Allied exercise that year. A Polish-led exercise tested the readiness and interoperability of Polish Armed Forces with participating Allies and partners. 31,000 troops, including air and land forces from 18 Allied states and 5 partnering states.
BALTOPS 17	5 – 24 June 2017	Poland and Baltic Sea	Annual US-led maritime exercise.
SABER STRIKE 17	6 – 23 June 2017	Estonia, Latvia, Lithuania and Poland	Annual US-led field training exercise.

BALTOPS 18	3 – 15 June	Lithuania, Poland, Denmark, Germany, Sweden, and Baltic Sea	US annual maritime-led exercise, with 22 Nations (20 Members and 2 Partners). The exercise involved more than 4700 personnel, 44 ships and submarines, and over 60 air platforms.
SABER STRIKE 18	6 – 23 June 2018	Estonia, Latvia, Lithuania and Poland	Annual US-led field training exercise. Included around 18,000 troops from 19 NATO nations.
ANAKONDA 18	8 – 17 November	Poland	A Polish exercise which will involve approximately 10,000 troops from around ten Member states.

Table: Paweł Kamiński, Tomasz Smura, Source: <https://www.nato.int/cps/en/natohq/144032.htm>

4. Status of an Exemplary Ally

Last but not least Poland is presented recently by the US as an exemplary ally, so it would look at least strange if the Trump administration limited its commitments to Warsaw. Historically, the US demands towards European partners have been quite clear military-wise. In exchange for security guarantees, Washington expected a general support for the US foreign policy and tangible contributions to out of area operations, such as in Afghanistan. However, in recent years the relative US power vis-a-vis the so-called emerging powers began to diminish. American global leadership is no longer undisputed and regional powers such as Russia and Iran are attempting to reestablish their spheres of influence. With resources becoming increasing more scarce, Washington now demands that allies take more responsibility for their own security, particularly in the form of military investments.

In this context, Poland is often shown as an exemplary ally. Poland contributed significantly to operations in Afghanistan and Iraq, and recently sent an air contingent to support the global coalition against Daesh. Warsaw also supports the idea that NATO, with the leading role of the US, should remain the pivotal guarantor of the European security. Any European defense structures, such as the European Security and Defense Policy, should play only a supportive role. For this reason, Warsaw is sometimes described within EU as the US “Trojan Horse”, blocking European integration in the dimension of security.³⁵

³⁵ “Is Poland America's Donkey or Could it Become NATO's Horse?”, *The Economist*, <https://www.economist.com/europe/2003/05/08/is-poland-americas-donkey-or-could-it-become-natos-horse> (accessed September 27, 2018).

Poland meets the US expectations in terms of military spending and investing in military capabilities. Between 2001 and 2015 the Polish government pledged to spend at least 1,95% GDP on defense annually, one of the highest factors in NATO. Starting in 2016, this rate was raised to 2% of its GDP. Poland fulfills its NATO obligations³⁶ concerning allocation of 20% of the defense budget for the modernization of the armed forces and development of new capabilities. Moreover, in an amendment to the Development, Modernization and Financing Act, the Polish parliament pledged to increase the MoD budget to 2,5% of GDP in 2030. The US applauded this action, with US Secretary of Defense James N. Mattis stating during his meeting with the Polish Minister of Defense Mariusz Błaszczak: “I also salute your commitment to reach 2.5 percent of defense spending by 2030, surpassing NATO's Wales pledge, and an example for other nations as well”.³⁷

Poland constantly undertakes efforts to show that is not only a security taker but also a security provider for the NATO's Eastern Flank. The Polish Air Force regularly sends aircraft (usually MiG-29, recently F-16) with ground handling personnel for NATO Baltic Air Policing – the Alliance's mission aimed at protecting skies over the Baltic states. Within the framework of EFP, Poland hosts NATO troops in Orzysz and Bemowo Piskie and sent an armored company to Latvia (14 tanks and 170 soldiers.) Moreover, in April 2017 the Polish President approved the deployment of a motorized company to Romania. This is a contribution to the Multinational Division South East, a part of the Tailored Forward Presence in the Black Sea initiative, established during NATO's Warsaw Summit. The Polish contingent in Romania is composed of 14 Rosomak Infantry Fighting Vehicles and around 250 troops.

The status of the US “poster child” can be considered as important asset in relations with Washington. For the US it would be very difficult to explain weakening the ties with Poland as this country fulfills its NATO obligations and meet the US expectations. Limiting commitments to Poland would mean for other allies that the US is unreliable, and it is not worthy to support Washington policy and follow its lead.

III. Polish Liabilities

1. Drawn-Out Process of Armed Forces' Modernization

Despite the fact that the US-Polish and security cooperation is very robust, some controversial

³⁶ See footnote 14.

³⁷ “Secretary Mattis Hosts an Honor Cordon Welcoming Poland Defense Minister Mariusz Błaszczak to the Pentagon”, US Department of Defense, <https://dod.defense.gov/News/Transcripts/Transcript-View/Article/1505983/secretary-mattis-hosts-an-honor-cordon-welcoming-poland-defense-minister-marius/> (accessed September 27, 2018).

issues still stand. For example, Washington has quietly criticized the drawn-out modernization process of the Polish Armed Forces and general controversies related to acquisition of the US weapon systems.

After the fall of communism and dissolution of the Warsaw Pact, Polish authorities launched a program of the complex military doctrine reform and began the process of Armed Forces modernization. Both were accelerated as the country joined NATO in 1999. The end goal was to scale down military and create a fully professionalized, well-trained and well-equipped army, capable of defending Polish territory as well as participating in out of area operations with the allies. The Polish Armed Forces were reduced to 120,000, all-professional soldiers (including 20,000 troops in the Reserve National Forces). In 2001 the Development, Modernization and Financing of the Armed Forces Act was signed into law. The Act established a stable financing framework for the Polish Armed Forces and accelerated replacement of obsolete Soviet military equipment with Western weapon systems. Examples include the F-16 multirole fighters, C-295 military transport aircraft, Spike anti-tank missiles, and Rosomak IFVs.

Two documents outlined successive steps for this process. The Armed Forces Development Program for 2013-2022 and the Armed Forces Technical Modernization Program for 2013-2022 list key capabilities required by the Polish army. Based on these, in September 2013, the Council of Ministers adopted a resolution establishing a multiannual “Priorities of the Technical Modernization of the Armed Forces” program. The latter document consists of 14 multiannual operational programs expected to be pursued between 2014 and 2022, with a total value of PLN 91.5 billion (around \$25 billion).

The US and its defense industry take particular interest in programs such as the medium range air defense system “Wisła”, long range artillery rocket systems “Homar”, attack helicopters “Kruk” or the medium-altitude long-endurance UAVs “Zefir”. US companies, including Raytheon, Lockheed Martin, Boeing, Bell and General Atomics, compete against each other and against entities from Western Europe and Israel.

The Polish Armed Forces Modernization Plan is an ambitious undertaking. However, due to institutional shortages and political incompetence, several initiatives experience significant delays. Changes in technical requirements continue to frustrate foreign contractors, including US companies and government officials responsible for the Foreign Military Sales procedure. A case in point is the “Wisła” program, where 3 years passed between the announcement of Raytheon as the solution provider to signing initial contracts.

Similarly, in the “Homar”, after lengthy negotiations between the state-owned Polish Armament Group (PGZ) and Lockheed Martin, the Polish government cancelled the procedure and decided to procure HIMARS system via FMS procedure. The “Kruk” attack helicopter has had even less luck, with a four-year delay and no prospects of finalizing. While the representatives

of the Polish government emphasize that accomplishing complicated programs in accordance with Polish interests needs to take time, the American side complains about long and blurred procedures within the Polish MoD.³⁸

The obstacles and delays can possibly frustrate the US side and lead to deterioration in bilateral relations. Especially under the business-oriented Trump administration, which have pressed the allies to buy the US armament it can be the case. The US side can use an argument that when it has been investing significant amount of money in the US Armed Forces' presence in Poland and bolstering Polish defense capabilities it should be privileged in Polish military tenders. Of course, such demand would bring at least some distrust to the US-Polish cooperation. Also, from the military point of view the US would prefer to cooperate with the allies having at disposal modern and capable defense systems interoperable with the US ones as it simplifies collaboration on the battlefield. To put it simply: more modern armed forces you have, higher is your significance for the US.

2. Weak Economic Ties

The longstanding challenge in the Polish-US relations is the fact that the vibrant security and defense cooperation outpaces economic ties between the two states. The trade exchange between Poland and the US in 2016 amounted to about \$10 billion, while e.g. trade exchange between Poland and Germany was ten times larger, surpassing \$100 billion.³⁹ Poland is the 40th import partner and 47th export for the US. The goods exported to the US by Polish companies include predominantly electromechanical and automotive products as well as aircraft and optical instruments. US foreign direct investment in Poland totaled \$40 billion, placing the country on the top of the list in Central and Eastern Europe.⁴⁰

In recent years, Polish authorities have tried to boost the economic cooperation with the US. Defense and energy are considered to be the most promising sectors. This is due to the modernization of Polish Armed Forces and energy diversification efforts (LNG port and possible imports from the US).⁴¹ Warsaw also considers the US as a potential strategic

³⁸ Interviews by author with the representatives of the US armament industry under the condition of anonymity made in September 2018.

³⁹ *Rocznik Statystyczny handlu zagranicznego*, Otwarte dane, <https://danepubliczne.gov.pl/dataset/eea68e82-c92f-4e11-a2a8-b48ee9eb2a6e/resource/25abafbc-6563-4bb1-adde-731b76ba827d/download/rocznikstatystycznyhandluzagranicznego2017.pdf>.

⁴⁰ *Wymiana handlowa między Polską a Stanami Zjednoczonymi w 2016 roku*, Portal Promocji Eksportu, <https://usa.trade.gov.pl/pl/usa/analizy-rynkowe/237098,wymiana-handlowa-miedzy-polska-a-stanami-zjednoczonymi-w-2016-roku.html> (accessed September 30, 2018).

⁴¹ Wojciech Krzyczkowski, „Kwieciński: Obroty handlowe między Polską a USA 'nie rzucają na kolana'”, *PAP*, February 10, 2018, <http://www.pap.pl/aktualnosci/news,1282809,kwiecinski->

investor in large infrastructure projects planned as part of Tree Seas Initiative, the platform designed for regional cooperation of the CEE and Balkan countries. The current US administration seems to be interested in this initiative, best proved by the presence of President Donald Trump in the Tree Seas summit in July 2017.

What is worrisome for the Polish side is that the weak economy ties can possibly influence the US-Polish security cooperation. The US would have smaller motivation to defend Poland in case of conflict than e.g. Japan or Germany, which are also among the biggest US trade partners and their problems would influence also the American economy. Poland has also fewer negotiation chips in comparison with Japan or Germany since it doesn't buy lot of products from US (it can not "make a deal").

IV. The Trump Factor and Alternatives for the US- Polish Alliance

Donald Trump's victory in the US presidential election was received with skepticism by experts worldwide. Most commentators pointed to Trump's lack of political experience and controversial statements during the presidential campaign. On NATO's Eastern Flank Trump's comments describing NATO as "obsolete" or linking the defense of the Baltic states to their defense spending were especially worrisome. Moreover, during the campaign Trump made several positive comments about Russian president Vladimir Putin, while people from his close circle were accused of having illegal contacts with the Russians connected to Kremlin. Both factors prompted federal investigation into Russia's interference in the US election of 2016.

To say the least, these factors raised considerable concerns for the European countries. It also gave momentum to the idea of European strategic autonomy, just as the EU enhanced Common Security and Defense Policy by launching Permanent Structured Cooperation and European Defense Fund. Simultaneously, key members of the EU are seeking more advanced military cooperation out of NATO. The best example in this context is France, which came forward with the European Intervention Initiative, a cooperation of 9 countries ready on military operations beyond the EU's borders (mainly in Africa).

Poland adopted very different approach toward Trump's administration. According to Paul Tylor, Senior Fellow at Friends of Europe think tank, "while some Western Europe countries try to hedge their bets enhancing military cooperation with each other, other states, including Poland, want to keep the US even closer not to let Transatlantic relations loosen".⁴² To this backdrop, Trump's victory was received quite well by Polish right-wing media and politicians.

obroty-handlowe-miedzy-polska-a-usa-nie-rzucaja-na-kolana.html (accessed September 30, 2018).

⁴² Author's conversation with Paul Tylor, September 10 2018.

Poles appreciated that Warsaw was one of Trump's first foreign destinations, as well as the well-prepared speech he delivered at the Krasiński Square in 2017. The visit was scheduled to coincide with the Three Seas Initiative summit, which focuses on enhancing regional cooperation in terms of energy and infrastructure. In Trump's words: "President Duda and I have just come from an incredibly successful meeting with the leaders participating in the Three Seas Initiative. To the citizens of this great region, America is eager to expand our partnership with you. We welcome stronger ties of trade and commerce as you grow your economies. And we are committed to securing your access to alternate sources of energy, so Poland and its neighbors are never again held hostage to a single supplier of energy".⁴³ Finally, the Polish commentators welcomed Trump's strong rebuke of Germany's engagement in North Stream II project, expressed during NATO summit in Brussels.

Poland fulfils NATO defense spending pledge, sharing US stance on the necessity of increasing defense spending by European allies. Some commentators see this as a chance to bolster Polish position vis-à-vis the US, considering the relations between Washington and Western European capitals, especially Berlin. Warsaw heavily promotes the idea of changing US' rotational presence into permanent one and deploying US bases and new division-level units to Poland. According to a document prepared by the Polish Ministry of Defense, and delivered to the US administration, Poland wants to invest \$2 billion in preparing the infrastructure for American units.⁴⁴

The US permanent military presence in Poland was on top of the agenda during the first visit of president Andrzej Duda to the White House. Trump welcomed the idea, declaring that this issue is seriously considered: "Well, we're looking at it very seriously. I know Poland likes the idea very much. And it's something that we are considering".⁴⁵

Poland is not interested in alternatives to NATO or the bilateral alliance with the US. As one senior Polish diplomat observed in conversation with the author, Polish security policy has been based on 3 pillars: NATO, the bilateral alliance with the US and our membership in the EU. "We don't want to choose who we like better, mommy or daddy" – he emphasized.⁴⁶ Nevertheless, should the US lose its interest in NATO and the European security, the EU could become the main guarantor of Polish security. Some framework for this idea is already in place, in the form of Lisbon Treaty's mutual defense clause (Article 42.7 of the Treaty of the European

⁴³ "Remarks by President Trump to the People of Poland", The White House, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-people-poland/> (accessed September 27, 2018).

⁴⁴ *Proposal for a U.S. Permanent Presence in Poland*, Ministry of Defense of Poland, 2018

⁴⁵ "Remarks by President Trump and President Duda of the Republic of Poland Before Bilateral Meeting", <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-president-duda-republic-poland-bilateral-meeting/> (accessed September 27, 2018).

⁴⁶ Interview by author with senior Polish diplomat on condition of anonymity on September 12, 2018.

Union.)⁴⁷ In this case, the military cooperation within the EU would probably accelerate significantly.

Another alternative to the alliance with the US for Poland is a bilateral defense cooperation with Germany. Polish scholar Andrzej Dybczyński, expert in theory of alliances, noticed that “Our dependence on United States is a derivative of available alternative alliances. Poland should build very close, strong and bilateral – not multilateral – relations with Germany, as a temporarily potential – and ultimately real – alternative for the alliance with the US. It is a strong military alliance with Germany, being crowning of close relations in other dimensions, that should be the longstanding bedrock of the Polish security. It is caused by the potential of both countries (and their complementariness), geographic proximity, range of common interest as well as cultural, historical, demographic and cultural relations. Building and enhancing such an alliance extends a leeway of Poland over the US”.⁴⁸ Nevertheless, this is a minority view in Poland. The alliance with the US, forming a pillar of Polish security, dominates political discourse.

V. Conclusions

Poland becomes the center of gravity for US operation in Europe and it is indispensable for defending the Baltic States, which may be the next target of Kremlin. As it seems, without Polish support the US cannot make enough commitment to the region. Poland can also serve as exemplary ally in regard to contributions to allied operations, sharing the view of NATO and US’ leading role in the alliance or fulfilling NATO’s defense spending pledges. Although, some controversial issues persist, such as the drawn-out process of the Polish Armed Forces modernization and controversies related to acquisition of the US weapon systems, the Poland’s assets in relations with the US exceed its liabilities.

Poland is one of the most committed, capable and loyal US allies in Europe. It seriously treats its security and shares the US assessment regarding the major role of NATO in terms of European defense. After the end of the Cold War the significance of Poland in the US foreign policy was initially negligible. Following the accession to NATO, the bilateral cooperation expanded to include Warsaw’s support for out of area US operations. Finally, Poland’s strategic significance has risen after the annexation of Crimea and aggressive actions the Russian Federation took in Eastern Ukraine.

⁴⁷ Art. 42.7 states that: “If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with article 51 of the United Nations charter”.

⁴⁸ Andrzej Dybczyński, „Dwutorowa asymetria – Sojusze Rzeczypospolitej Polskiej w XXI wieku”, *Polski Przegląd Dyplomatyczny*, No. 2 (2017).

In Poland, the victory of Donald Trump in the US election was received with mixed feelings, with the right-wing media and politicians being very optimistic. The fact that Trump chose Poland as one of the first foreign destinations, as well as his well-prepared speech, were appreciated by the Poles. Poland shares Trump's assessment concerning the necessity to increase European defense spending, a view rejected by some European states. At least some commentators see the deteriorating relations between Washington and some Western European capitals – notably Berlin – as a chance to bolster the Polish position vis-à-vis the US. Poland advocates for changing US' military presence from rotational to permanent, and for deployment of new US bases and division-level units. Overall, Warsaw is not interested in any alternatives to NATO or the bilateral alliance with the US. However, should this become necessary, one alternative would be to turn to the EU and focus on a bilateral cooperation with Germany.

Australia and the US Alliance: Balancing “Loyalty” against “Dependence”

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I. Introduction

Australia’s alliance with the United States was codified through the ANZUS Treaty in 1951 at the foundation of what would become known as the “hub-and-spokes” or “San Francisco system”: a network of bilateral alliances in Asia radiating from Washington.¹ But with the later exclusion of New Zealand from what was originally a trilateral alliance arrangement in 1986, as result of its hardline non-nuclear policy, the relationship has become de facto if not de jure a bilateral Australia-US alliance. Since the beginning of the Cold War, Australia has played the role of a “major non-NATO ally” in upholding the US alliance system in Asia and the broader American-led liberal international world order upon which it is predicated. It is viewed by Washington as a steadfast ally in Asia and a contributor to multilateral military coalitions in the region, and in the Middle East, in support of the “war on terror”.

But this long-standing alliance system in Asia is now under duress, even as its scope has expanded under the umbrella term of the “Indo-Pacific” (formerly labelled “Asia Pacific”).² Indeed, according to Michael Wesley “[t]he frequency of US allies’ and partners’ recent exhortations on the need to defend the liberal order is a compelling sign that they are increasingly worried about its integrity”.³ America’s primacy in Asia is now receding in the face of rising powers such as China (and India), who, alongside other “disruptive actors”, such as a provocative North Korea and resurgent Russia, seek to exploit its growing weakness and revise the extant regional order in their favour. This transformed strategic environment has sparked animated debates in Australia about its almost 70-year old alliance relationship with the US. According to James Curran “questions of America’s future, its role in Asia and the nature of the US alliance has once again taken centre stage in Australian public debate”.⁴

¹ Victor Cha, *Powerplay: The Origins of the American Alliance System in Asia*, Princeton University Press, 2016; Kent Calder, “Securing Security through Prosperity: The San Francisco System in Comparative Perspective”, *The Pacific Review*, vol. 17, no. 1, 2004, pp. 135-157.

² Thomas Wilkins, “Australia and the ‘Indo Pacific’ Concept – Disambiguating the ‘Idea’ and the ‘Region’ from Quadrilateral ‘Strategy’”, *Policy Brief*, The Japan Institute of International Affairs, 19 July, 2018, pp. 1-6; Thomas Wilkins, “The New ‘Pacific Century’ and the Rise of China: An International Relations Perspective”, *Australian Journal of International Affairs*, vol. 64, no. 4, 2010, pp. 381-405.

³ Michael Wesley, “Global Allies in a Changing World”, in Michael Wesley, ed., *Global Allies: Comparing US Alliances in the 21st Century*, ANU Press, 2017, p. 9.

⁴ James Curran, “Fighting with America: Why Washington Needs a More Discerning Ally”,

Such debates have not gone unnoticed inside the DC Beltway, with Michael Green observing that “in no other US-allied capital do former [Australian political] leaders engage in such blatant questioning of the alliance with the United States”.⁵ Recent high profile commentators such as the late Prime Minister Malcolm Fraser, plus former Foreign Minister Bob Carr and ANU Professor Hugh White have been influential in critical reappraisal of Australia’s alliance with Washington.

Such debates have frequently taken the form of weighing the balance of “costs and benefits” of Canberra’s alliance commitments with Washington. Wesley notes “[t]he long history of regarding alliances in accounting terms, weighing up the costs and risks against the benefits and assurances they provide, is deeply embedded in political logics and the public mind”.⁶ In the 1980s, then Australian Prime Minister Bob Hawke completed an official net assessment of the alliance, which delivered a positive verdict on its continued value to Australia.⁷ Indeed, almost invariably such debates conclude that despite liabilities the alliance itself entails, its benefits have outweighed the costs. But the range and nuance of the alliance-debate has expanded in recent years, provoked by the systemic changes in regional power dynamics noted above.

There are two major catalysts for this reappraisal of Australia-US alliance relations, which are intertwined. First, the phenomenal rise of China has ended the period of unipolarity, and undermined the primacy in Asia, that the US enjoyed after the Cold War.⁸ China’s displacement of the US as Australia’s leading economic partner by a substantial margin has created an unprecedented level of economic interdependence between Australia and America’s great power rival (a predicament shared by all US allies in Asia). Moreover, Paul Dibb identifies “China wants to be acknowledged as the natural hegemon of Asia and to see an end to America’s alliance system in the region, including ANZUS”.⁹ This means that Australia’s policy choices are now carefully scrutinised as much in Beijing as Washington with each looking at “Australia’s actions and statements primarily as an index of Canberra’s relationship with the other and its positioning between them”, according to White.¹⁰ What is

The Interpreter, Lowy Institute, <https://www.lowyinstitute.org/the-interpreter/fighting-america-why-washington-needs-more-discerning-ally>, 9 December, 2016 (accessed September 15, 2018).

⁵ Michael Green, et al., eds., *The ANZUS Alliance in an Ascending Asia*, Strategic and Defence Studies Centre, 2015, p. 11.

⁶ Wesley, “Global Allies in a Changing World”, p. 10.

⁷ Bob Hawke, “The Way Ahead”, John Curtin Memorial Lecture, 28 September, 1983, <https://pmtranscripts.pmc.gov.au/sites/default/files/original/00006213.pdf>, p. 18, (accessed October 1, 2018).

⁸ Hugh White, *Without America: Australia in the New Asia*, Quarterly Essay, Black Inc., 2017.

⁹ Paul Dibb, “New Security Reality Demands New Australian Policy”, *The Strategist*, Australian Strategic Policy Institute, 23 July, 2018.

¹⁰ Hugh White, “The United States or China: ‘We Don’t Have to Choose’”, in Mark Beeson

more, the current Republican Administration in the US, led by President Trump, has undermined confidence in Washington's continued commitment to its regional allies, at the very time that the system needs reinforcing to meet the challenge of China and other revisionist powers. Dibb observes that "America's belief in the system and willingness to invest in it with an effective network of alliances are now in doubt".¹¹ Indeed, Wesley notes that "Trump [himself] sees American alliances and security partnerships not in terms of threats or promotion of a world order, but as direct cost-benefit equations".¹²

Rather than replicate the typical cost/benefit analysis of the Australia-US alliance found in the extensive literature elsewhere, this paper takes a different approach. Instead, it makes a net assessment of the bargaining strengths and weakness for Australia in managing its alliance relations with Washington. The next two sections investigate the "assets" and "liabilities" that Australian alliance managers/negotiators bring to the bargaining table with the US in order to assess areas where Australia holds advantages and where it is at a disadvantage. The process of creating such a "balance sheet" will assist Australian policy-makers in identifying how to press their advantages and rectify or mitigate their deficiencies. Interestingly, some items could appear on *both sides* of the asset/liability ledger, as they can shift from one side of the ledger to the other depending upon the situational context. In this respect, the paper inverts the usual preoccupation of Australian analyses of why the country values the US-alliance, to show why and how the US values Australia. They are presented in *nominal* order of importance, commencing with the strongest assets (as perceived by Canberra), though many assets are perhaps co-equal in importance, not to mention interactive, or overlapping, so any such "ranking" must be treated with a degree of caution. The same applies to liabilities in the following section.

II. Assets

1. Track Record (Loyalty)

Australia has been a long-term supporter of US policy globally and regionally and has burnished its reputation as a loyal ally. Valedictory statements about the US alliance are frequently issued by Australian Prime Ministers, most recently by Julia Gillard - "an ally for the years to come" - and by Malcolm Turnbull - "joined at the hip". This provides gratification and reassurance to the US. Having fought alongside the US military in WW2, Korea, Vietnam, Afghanistan, Iraq (twice) and the War on Terror (having invoked the ANZUS Treaty for the first

and Shahar Hameiri, eds., *Navigating the New International Disorder: Australia in World Affairs 2011-2015*, Oxford University Press, 2017, p. 94.

¹¹ Dibb, "New Security Reality Demands New Australian Policy".

¹² Michael Wesley, "The Pivot to Chaos", *Australian Foreign Affairs*, no. 2, 2018, p. 13.

time after the 2001 attacks), Washington perceives Australia as an ally that can be counted on the “pay the blood price” when called upon. Such steadfast loyalty and shared sacrifices were recently illustrated by the Australian Embassy’s “100 years of mateship” campaign that highlighted a range of Australian and American figures who had played key roles in the alliance’s history.

Thus, Washington is assured that it can “count” on Australian support in the eventuality of a North Korea crisis (where assistance has already been promised), and more arguably, over a Taiwan Strait crisis (see “Convergent Threat Perceptions” below). As an adjunct to this, Australia’s reputation as a “good international citizen” and high diplomatic profile both globally and regionally can confer much-desired legitimacy to US policies, when Australia participates or endorses them (which Americans consider as valuable, if not more valuable, than military contributions). Such reputational assets also give Australia an edge in alliance management.

Lastly, alliance interaction is facilitated by the absence of national problems that other US allies in Asia bring to the bargaining table. Unlike Japan, the Philippines, or South Korea “Australia is not embroiled in tense and potentially explosive security relationships with its neighbours”,¹³ making it a trouble-free partner. Nor, like Japan, does it have any legal restrictions on the use of its military forces.

2. Military Contribution

Canberra has long recognised that in order to have a seat at the table of alliance bargaining it requires hard power capabilities. Though Australia rates only as a so-called middle power overall, its military capabilities in the Indo-Pacific are ranked 9th in the region.¹⁴ There are two aspects to Australia’s military contribution to the alliance. First, the presence of “joint facilities” on Australian territory is seen as a valuable asset by the US. “Australia is important to the US as it occupies a crucial position on the earth’s surface and in relation to the heavens above and the waters beneath” as former PM Gough Whitlam famously declaimed.¹⁵ Chiefly, the Joint Defence Facility Pine Gap which is engaged in intelligence collection for the *Echelon* (“five eyes”) network, and also able to provide targeting data to US weapons systems. There are approximately 1000 personnel at Pine Gap, with an estimated 90% being US citizens, including the US Army. There are other minor facilities, such as the newly-refurbished Naval

¹³ Bates Gill, “The U.S.-Australia Alliance: A Deepening Partnership in Emerging Asia”, in Ashley Tellis, Abraham Denmark and Greg Chaffin, eds., *Strategic Asia 2014–15: U.S. Alliances and Partnerships at the Center of Global Power*, National Bureau of Asian Research, 2014, p. 92.

¹⁴ Lowy Institute, “Asia Power Index”, <https://power.lowyinstitute.org> (accessed September 15, 2018).

¹⁵ Gough Whitlam, *The Whitlam Government 1972-1975*, Viking, 1985, p. 30.

Communication Station Harold E. Holt, but the “rotational” deployment of US marines and Air Force to Australian facilities in Darwin (eventually to reach c.2,500 personnel), have greatly increased the American military footprint in Australia, supplying it with a perch from which to launch operations in the geo-strategically crucial area to Australian north, where maritime “chokes points” for the crucial Sea Lines of Communication (SLOCS) converge (see “Regional hub” below).

Secondly, Australia’s expeditionary-orientated military forces, supplied predominantly with US weapons platforms, and thus highly-interoperable, ensure that the Australian Defence Force (ADF) can act as a capable coalition partner should the need arise. Regular joint military exercises such as the biannual TALISMAN SABRE maneuvers and joint participation in multilateral exercises, such as RIMPAC, RED FLAG and PITCH BLACK, are indicative of this. Interoperability also extends to both Australian military assets and personnel periodically embedded in US formations in the Pacific (for example the embedding of HMAS *Sydney* in George Washington Carrier Group in 2013). This advantage will be reinforced in the future as Australia boosts its maritime capabilities – through the acquisition of US weapons such as the Triton and P8, in tandem with its amphibious capabilities (*Canberra* class Helicopter Landing Docks) and future submarine programme. Such force posture, capabilities, and willingness to deepen and expand cooperation in this area effectively fulfil American expectations of allied support. As Ashley Tellis affirms “Australia’s capabilities will remain valued in diverse areas, such as protecting the commons, humanitarian assistance, and counter proliferation”.¹⁶

3. Domestic/Ideological Compatibility

As a fellow “Anglo-saxon” dominated culture with the same trappings of liberal democracy and governance, Washington finds it easy to interact with Australian interlocutors, which smooths their quotidian relations, and reduces the chance of miscommunication and misunderstandings. As Bates Gill observes “the strength of the relationship extends far beyond the military alliance”.¹⁷ The US-alliance also enjoys firm bipartisan support among the Liberal (Coalition) and Labor parties of Australia. Whatever their dislike of American policies, the Australian public also remain a resolute supporter of the alliance. As Gill notes “the US-Australia alliance occasionally generates political attention, but overall it enjoys strong domestic support and is not a matter of significant dispute within the country”.¹⁸ An Australian Defence Staff is also

¹⁶ Ashley Tellis, “Overview: Seeking Alliances and Partnerships: The Long Road to Confederationism in U.S. Grand Strategy”, in Ashley Tellis, Abraham Denmark and Greg Chaffin, eds., *Strategic Asia 2014–15: U.S. Alliances and Partnerships at the Center of Global Power*, National Bureau of Asian Research, 2014, p. 27.

¹⁷ Gill, “The U.S.-Australia Alliance”, p. 87.

¹⁸ Gill, *Ibid.*, p. 96.

placed in Washington, among the approximately 580 Defence personnel distributed across in the United States.

Thus, Australia also counts several well-placed “alliance managers” in DC and Canberra, for example former National Security Advisor Andrew Shearer, David Kilcullen, and former Ambassador to the US, Kim Beazley, in addition to powerful lobbies within Australian Department of Foreign Affairs and Trade (DFAT) and the Department of Defence. Additionally, the revived Friends of Australia Congressional Caucus could act as a useful point of contact for a bilateral exchange of alliance views. As Caitlin Gauci argues “with effective leadership from Canberra and the Australian embassy in Washington, it can be a helpful vehicle for Australian interests”.¹⁹ These interlocutors (theoretically) ensure access to Washington policy makers, and an opportunity to keep informed of US policies, and make Australia’s voice heard on Capitol Hill.

4. Threat Perceptions (Convergent)

According to the canonical alliance literature a strong alliance is formed and sustained by mutual perceptions of a (military) threat, usually an opposing state.²⁰ However, as the US worldwide alliance system has become entrenched and institutionalised, the argument has been made that such alliances are “order-based” rather than “threat-based”. Though the ANZUS alliance was designed to guard against a resurgent threat of Japanese militarism at its inception, this “threat” was soon replaced by Communism, and later the USSR in particular, as a hostile enemy state. Since the end of the Cold War, the Australia-US alliance has remained “threatless” in this respect, though Australia has contributed significantly to supporting the US against the shared threat of continued Islamic terrorism (the war on terror). This support has strengthened Australia’s hand in its relationship with Washington, as military deployments in Afghanistan, Iraq and Syria have demonstrated. However, in regards to the focal Indo-Pacific region, Australia’s support for the alliance is manifested in its dedication to the stabilising role that the US plays in upholding the liberal or “rules-based” order upon which peace and prosperity is seen to depend against would-be challengers. Potential “disruptors” of this order include the North Korean nuclear weapons programme, Chinese assertiveness in the East China Sea (ECS) and South China Sea (SCS), and destabilising actions by Russia.²¹

In other words, Canberra is fully committed to continued US power in the Indo-Pacific, and this

¹⁹ Caitlin Gauci, “New Australia Caucus in Congress Needs Australian Leadership”, *The Strategist*, Australian Strategic Policy Institute, 8 December, 2017.

²⁰ Stephen Walt, *The Origins of Alliances*, Cornell University Press, 1987.

²¹ Thomas Wilkins, “Australia and Japan Facing ‘Disruptive’ Challenges to the Rules-Based Order in the Indo-Pacific”, *JIIA Policy Brief*, *Japan Institute for International Affairs* (26 September, 2018), <https://www.jiia-jic.jp/en/policybrief/> (accessed September 26, 2018).

is emblematised by the recent inauguration of the “Free and Open Indo-Pacific” (FOIP) strategy, designed to achieve this purpose. Though, because of the economic factors (indicated below), Australia is less supportive in any direct confrontation with the People's Republic of China (PRC), though has occasionally voiced criticism over Chinese coercive actions there, and its 2013 attempt to establish an air defense identification zone (ADIZ) over these waters. Recent revelations of Chinese “influence operations” however have hardened Australia’s position and brought it closer to US perceptions of a Chinese threat.²² Indeed, many commentators, for example, Benjamin Scheer and Tim Huxley, have pointed out the need to “stand up to China”, and the willingness to do so, will be crucial in how the US perceived Australia as an ally. As is well-recognised in Canberra, White argues that “the United States-Australia alliance would, from Washington’s point of view, be once again seen primarily as a vehicle to cooperate to protect the leading position of the United States in Asia from China’s renewed challenge”.²³

5. Defence Collaborator

Stemming from its military force structure (p. 5, above), Australia is also a significant customer for the defence industry of the United States (which is highly influential in Washington politics). The procurement of key US weapons platforms (and their support systems) such as the A1A *Abrams* MBT, F-18 *Hornet* and *Super Hornet*, *Growler* and especially the F-35 Joint Strike Fighter (in which Australia was a development partner), not only enhance bilateral military interoperability as noted above, but provide influence on US defence contractors – a fact that is recognised through the establishment of branch offices of major corporations, such as Lockheed Martin and Raytheon - in Canberra itself. With a confirmed future defence budget of \$36.4bn for 2018 and a commitment to raise defence spending as a proportion of GDP to 2%, Australia will remain a major customer for US hardware throughout its development, maintenance and replacement well into the future. The symbolic target of 2% GDP on defence (the official NATO-benchmark) is also viewed favourably by the US which has consistently called for allies to share more of the allied “defence burden” (under Trump most vehemently). That Australia is one such ally raises its status in Washington’s eyes. Additionally, the Australian Government has also sought to bolster alliance relations from an economic standpoint through a bilateral Free Trade Agreement (2005). Despite the far greater level of trade with the PRC, the US remains a significant trading partner, and primary investment partner in Australia, and by extending the alliance relationship into the economic realm, Canberra has sought to provide ballast to the defence-heavy relationship. At the time of its promulgation then Trade Minister Mark Vaile characterised it as the “commercial equivalent of

²² Clive Hamilton, *Silent Invasion: China’s Influence in Australia*, Hardie Grant Books, 2018.

²³ White, “The United States or China”, p. 97.

ANZUS treaty”.²⁴

6. Australia-Japan Strategic Partnership (“Networking”)

Australia has increased its value as US ally through its formation of a bilateral strategic partnership with America’s other major ally in the Indo-Pacific: Japan. The 2007 Joint Declaration on Security Cooperation (JDSC) created a direct security alignment between these heretofore “quasi-allies” of the US. This was strongly encouraged at the time by Washington which has been keen to “connect the spokes” of its diffuse Asian alliance network in order to buttress its strength and share the burden of leadership with the allies themselves.²⁵ Anne-Marie Slaughter and Mira Rapp-Hooper advocate that;

“America’s Asian allies should take matters into their own hands and start networking. By building and institutionalizing ties among themselves, US allies in Asia can reshape their regional security network from a US-centric star to a mesh-like pattern, in which they are as connected to one another as they are to the US”.²⁶

This process has been triangulated effectively through the Trilateral Strategic Dialogue (TSD) creating a more integrated “core” of trilateral alliance relations at the centre of the broader hub and spoke system. Some Australian commentators have advocated further efforts toward “federated defence” to reinforce this collaboration at the operational level.²⁷ Not only does Washington view these developments very favourably, but it may supply a further bargaining advantage to Canberra in relations with the US. If Canberra and Tokyo collaborate more closely and align their interests in such a way in combination, they could putatively increase their joint bargaining power with Washington through the Strategic Partnership. Slaughter et al point out the “strength in numbers” advantage:

“if one of America’s relatively small allies tried to confront the US over its actions, it would face high costs and a low chance of success. But if multiple allies worked together, through international institutions and multilateral dialogue, they might be able to persuade Trump’s administration to change course, without harming their own vital interests”.²⁸

²⁴ Sydney Morning Herald, “FTA as Important as ANZUS: Government”, *Sydney Morning Herald*, 20 May, 2004, <https://www.smh.com.au/business/fta-as-important-as-anzus-govt-20040520-gdiyjr.html> (accessed July 1, 2018).

²⁵ Thomas Wilkins, “From Strategic Partnership to Strategic Alliance?: Australia-Japan Security Ties and the Asia-Pacific”, *Asia Policy*, no. 20, 2015, pp. 81-111.

²⁶ Anne-Marie Slaughter and Mira Rapp-Hooper, “How America’s Asian Allies Can Survive Trump”, *Project Syndicate*, 24 January, 2017.

²⁷ Andrew Shearer, “Australia-Japan-U.S. Maritime Cooperation”, Center for Strategic and International Studies, 4 April, 2016, <https://www.csis.org/analysis/australia-japan-us-maritime-cooperation>.

²⁸ Slaughter and Rapp-Hooper, “How America’s Asian Allies Can Survive Trump”.

7. Regional Hub

Australia's geographic position has always been a beneficial asset in relation to its US alliance, but with the unfolding of the "Indo-Pacific" strategy by the US and its allies, of which Australia is a key advocate, its location has increased its value dramatically. Green argues that "Australia's geographic location is more important to the United States today than it has been at any time since the Second World War. Australia serves both as a link between the Indian and Pacific Oceans and as a sanctuary from China's anti-access/area denial capabilities".²⁹ A good example of Australia's commitment to show a presence in the region is the activities of the "Indo-Pacific Endeavor" naval task force "that enhances relationships, builds partner capacity and improves military interoperability throughout the Southwest Pacific" according to the Department of Defence.³⁰

Moreover, the US has always looked to Australia to play a stabilising role in its *immediate* neighbourhood – an "arc of instability" to its north incorporating a range of unstable microstates in the lower South Pacific (once referred to as a "deputy sheriff" role), and this was pronounced in the war on terror. Now as Chinese influence begins to expand into this space, Australian engagement, governance and investment is appreciated more than ever. Australia devotes huge proportion of its ODA budget (\$AUD 1.1bn) to this region,³¹ and has sent police and military forces to intervene in regional crisis (such as the Regional Assistance Mission Solomon Islands (RAMSI), etc.) One key feature of this is capacity-building to help strengthen the governance of individual states and provide them with resources/training (e.g. offshore patrol boats built in Perth/Adelaide) to help them enforce their maritime sovereignty against maritime incursions from external powers.

Such efforts also extend to South East Asia, though they take on a different form of partnership. For example, Canberra's proximity to Indonesia, and its cooperation on counter-terrorism and regional security are a valuable asset, not to mention its close military relations with Singapore and Malaysia under the Fiver Power Defence Arrangement (FPDA). Added to Canberra's active participation in the ASEAN network of regional security architecture, this amounts to an expertise and influence that makes Australia a "hub" for South East Asian engagement. This validates Green's American view that "the Alliance should serve as a central hub for Asian

²⁹ Green, et al., eds., *The ANZUS Alliance in an Ascending Asia*, p. 12.

³⁰ Department of Defence, "Indo-Pacific Endeavour 18 Continues to Build Regional Security and Stability", 1 June, 2018, <https://www.minister.defence.gov.au/minister/marise-payne/media-releases/indo-pacific-endeavour-18-continues-build-regional-security-and> (accessed August 12, 2018).

³¹ Australian Government, "Overview of Australia's Aid Program to the Pacific", <https://dfat.gov.au/geo/pacific/development-assistance> (accessed September 15, 2018).

regional order and architecture”.³²

8. American Fear of “Abandonment”?

Despite the disparagement of US allies in Asia by the current US President, as relative shifts in the global and regional balance of power occur, Washington clearly needs reliable allies more than ever. Indeed, even the 2018 *National Defense Strategy* notes that “our network of alliances and partnerships remain the backbone of global security”.³³ As Green argues “Australia’s importance to US national security is growing, and so are Washington’s hopes and expectations for the contributions that the alliance can make to regional security”.³⁴ Not only are such close allied relationships a multiplier of American aggregate power and the basis for its strategic presence in the Indo-Pacific, but they are vital in sharing the burden of facing down challenges to the US-led order, through solidarity. When the assets that Australia brings to the table in the now pivotal Indo-Pacific region detailed above are considered, the “loss” of Australia as a key supporting ally would be damaging to the overall US position in many respects (though not “fatal” as would the loss of Japan). But as a result of complex economic interdependence with China, and Beijing’s dedicated attempts to dislodge (or at the very least neutralise) Australia from the US alliance system, American commentators have begun to worry about “abandonment” by Canberra. This potentially gives Australia enhanced leverage in alliance negotiations. Though it is risky to exploit such fears (and ultimately Canberra has no realistic intention to “defect” from the US to the PRC), this fear might be subtly and subliminally exploited.

III. Liabilities

1. Asymmetry

Though Australia counts as a significant “middle power”, it remains a “small ally” from the US perspective. On the basis that “power talks” in alliance negotiations, there are limits to the amount of leverage Canberra can exert upon its superpower protector through weight alone. Thus, “while Australia is justifiably proud of its ability to punch above its weight, its role as a middle power is understandably constrained”.³⁵ Also, unlike NATO, where all parties enjoy the unequivocal Article V security guarantee (“an attack upon one is an attack on all”), American

³² Green, et al., eds., *The ANZUS Alliance in an Ascending Asia*, p. 6.

³³ Department of Defense, “Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military’s Competitive Edge”, 2018, p. 2.

³⁴ Green, et al., eds., *The ANZUS Alliance in an Ascending Asia*, p. 12.

³⁵ Gill, “The U.S.-Australia Alliance”, p. 110.

commitment to Australian defence in the original ANZUS treaty is more ambiguous, leaving Canberra to interpret US protection as favourably as it wishes through repeated validation of the sanctity of security ties.³⁶ A typical statement (from former Foreign Minister Julie Bishop) reads: “Ours is a formal alliance, and the ANZUS Treaty of 1951 is the cornerstone of our longstanding relationship”.³⁷ But as been pointed out repeatedly in the literature, and as the history of alliances testifies, *pacta sunt servanda* (“treaties must be obeyed”) is a principle that is “more honoured in the breach than in the observance”, and the concern that Australia may be abandoned by its super power ally has almost become pathology in Australian minds; what Allan Gyngell dubs “fear of abandonment”. This of course is a perennial factor in alliance relations/negotiations that unwittingly undermines Canberra’s position.

Moreover, the lack of formal “infrastructure” of alliance reinforces this weakness, since other than the ANZUS treaty of 1951, the bilateral Australia-United States Ministerial Consultation (AUSMIN) annual consultations, are the only official platform for specific-alliance interaction (notwithstanding well-placed advocates, and military personnel/asset embeddings). There is no combined military/defence planning forum like NATO, for example. Thus, the channels open to Canberra to have its voice heard or influence US policy, outside of the normal diplomatic protocols are quite circumscribed. In other words, the relationship is a great deal more important to Canberra than it is to Washington and this will be reflected in the importance assigned to it, the attention it attracts and the respective bargaining position between a middle power and a super power. American analyst Zack Cooper points out the relative lack of American attention given it its alliance with Australia in Washington:

“One can throw a stone in Washington and find a specialist on American alliances. Experts on Japan, South Korea and NATO are abundant. But American experts on Australia are few and far between. Why? Funding limitations certainly play a part. But I suspect there’s a deeper reason: most Americans think there’s little need to study our alliance with Australia”.³⁸

However, Australia has sought to make up for these power asymmetries and infrastructural deficits by proactively demonstrating its commitment or “loyalty” to the US as an ally (see Assets). This has led to another pathology – “paying the alliance premium” as a natural corollary of the “fear of abandonment”. Canberra willingly, sometimes forcefully, races to support US military adventures in order to reaffirm the alliance (and store up future “reciprocity”,

³⁶ Australian Government Publishing Service, “Security Treaty between Australia, New Zealand and the United States of America (ANZUS), San Francisco, 1 September, 1951”, <https://www.apf.gov.au>.

³⁷ Julie Bishop, “Speech of Minister for Foreign Affairs, Julie Bishop MP: US – Australia Dialogue on Cooperation in the Indo-Pacific”, Los Angeles, 26 January, 2017, https://thailand.embassy.gov.au/bkok/Speech_US_Aus_Cooperation_Indo_Pacific.html.

³⁸ Zack Cooper, “Hard Truths About the US–Australia Alliance”, *The Strategist*, Australian Strategic Policy Institute, 9 July, 2018.

in the absence of treaty surety) by offering military contributions and political legitimacy to American interventions. These are considered advantages (see above), but have now created the expectation in Washington that Canberra will provide support for the US regardless of whether Australian interests are engaged or the wisdom of the American action. As Cooper recounts “superficial closeness is our problem; cultural familiarity and historical affinity have bred complacency”.³⁹

2. Path Dependency (Sunk Costs)

The above pathologies resulting from material asymmetry and Australian insecurity have led to a form of “path dependency”, where Canberra reflexively supports US positions, and American policy-makers take Australian support and military contributions for granted, thus weakening Canberra’s bargaining leverage. It is more difficult to say “no” when you have an unbroken track record of saying “yes”; a factor reinforced by the effusive praise for the alliance (“ally for the years to come”; “joined at the hip”, noted above). As Curran notes, this “sentimentalism” regarding the US-alliance has become a liability for Australian policy-makers in taking a clear-eyed appraisal of the changes that are occurring in the international system and in the US itself, which are not necessarily to Australia’s advantage. He argues “In short, we’ve perhaps become too reliable, and while that might bring some kind of influence and access in Washington, it also means that America doesn’t study us closely enough, and can occasionally take us for granted. It’s a mixed blessing”.⁴⁰ In this respect, some of the advantages above that create cohesion, familiarity and close working relations are potential liabilities for Australia. In an effort to “integrate” ever-more closely into the US alliance by unqualified diplomatic support, unbridled rhetoric, and practical defence, military and intelligence connectivity, Canberra has also constrained its own freedom of action. In his inditement of the alliance Fraser noted for example that “our military and intelligence capabilities [are so] ensconced within the US military infrastructure to such a point the two have become blurred”.⁴¹

Australia’s “dependence” upon not only the presumed defence guarantee, but upon US defence providers to maintain its Revolution in Military Affairs (RMA)-technological edge (at tolerable cost) have not only “locked-in” Australia into the US military-industrial complex, but also increased the risks of “entrapment” in a conflict (e.g. Taiwan) not necessarily in Australia’s national interest (e.g. through embedded deployments and use of joint facilities in war). With the strong presence of US officials, defence personal and defence suppliers/contractors and a

³⁹ Cooper, “Hard Truths About the US–Australia Alliance”.

⁴⁰ Curran, “Fighting with America”.

⁴¹ Malcolm Fraser and Cain Roberts, *Dangerous Allies*, Melbourne University Press, 2014, p. 240.

wide range of advocates both American and Australian close to the centre of political power – *American* “domestic penetration” is a fact of life. Australian commentators are increasingly questioning this pernicious aspect of the relationship. Curran argues that “Australia needs to be clearer about what the obligations of the alliance are, and where its interests coincide or diverge from Washington’s, to strip away the sentimentality that can entrap us and impede our American friends from seeing us clearly”.⁴² Former PM Paul Keating (and others) have shown that the alliance acts as an impediment to a truly independent foreign policy and the national dignity that it affords, arguing that “we need to determine a foreign policy of our own – one that looks after Australia’s interest in the new order; and order which will have China as its centre of gravity”.⁴³ In other words, Curran suggests “America needs a more discerning ally, and sometimes, an ally that can say ‘no’”.⁴⁴ Such debates must be taken into account governments elected to be accountable to public opinion, and this may filter into alliance bargaining, if only in a limited way.

3. Threat Perceptions (Divergence)

While debates among Australians over the need to “choose” between the US alliance and China as an economic partner, initiated by White’s *China Choice* are overblown (Canberra has chosen the US, as its many White Papers clearly indicate), it is accurate to note that Canberra does not perceive the level of “China threat” the same way as Washington.⁴⁵ As a country geographically distant from the Chinese mainland and potential East Asian conflict zones, a direct military threat from Chinese forces to Australian territory is remote. Though Australia cannot inure itself from the dangers of heightened Sino-US rivalry or destabilising actions in the SCS, ECS, or South Pacific, it does not at present play a direct military role, for example through bases in North East Asia, like the US, and thus feels a lesser intensity of threat. As Tellis points out “the dangers posed by China’s ambitions do not affect the United States and its allies symmetrically”.⁴⁶ Australian Ministers have occasionally expressed ambivalence about whether Australia would militarily support US operations in the event of a Taiwan Strait crisis, for example (before being corrected by their PM). This has also resulted in a reluctance to “provoke” China unnecessarily, through for example the conduct of Freedom of Navigation Operations (FONOPS) inside the 12 nautical mile zones of China’s artificial features in the

⁴² Allan Gyngell, “Risk and Reward in the Time of Trump”, *Australian Foreign Affairs*, no. 1, 2017, p. 39.

⁴³ Paul Keating, “In Conversation”, *Australian Foreign Affairs*, no. 1, 2017, p. 25.

⁴⁴ Curran, “Fighting with America”.

⁴⁵ Hugh White, *The China Choice: Why We Should Share Power*, New York: Oxford University Press, 2013; Thomas Wilkins, “The Japan Choice: Reconsidering the Risks and Opportunities of the ‘Special Relationship’ for Australia”, *International Relations of the Asia-Pacific*, vol. 16, no. 3, 2016, pp. 477-520.

⁴⁶ Tellis, “Overview”, p. 19.

SCS. Indeed, the degree of Australian reliance upon the Chinese export market constrains its willingness to confront China over such sensitive issues (and other “core interests” like Tibet, Hong Kong and Xinjiang) due to fear of economic reprisals (such as South Korea faced after the decision to deploy the Terminal High Altitude Area Defense (THAAD) missile defence system).

Such self-restraint is welcomed in Beijing, which is consistently searching for opportunities to drive a “wedge” between the US and its various allies, but it is not approved of in Washington, where it is seen as a sign of appeasement and lack of support for the US.⁴⁷ Moreover, the US is increasingly concerned about the level of “domestic penetration” (partly through dedicated “influence operations”) of the Australian body politic.⁴⁸ A Japanese newspaper records that “China’s influence has penetrated Australian political circles, affecting projects to create and improve such important infrastructure as harbors and communications facilities”.⁴⁹ Combined with economic dependence, a large immigrant, and native “Chinese” population, this means that “China has increasingly become the single most important issue at the domestic level influencing how the US-Australia alliance is viewed”.⁵⁰

IV. The “Trump Factor”

For Australia the inauguration of the Trump Administration in 2016 was marked by a fractious phone call to the then Prime Minister Turnbull, getting bilateral relations off to an unpromising start. It soon became clear that Trump’s attitude toward even its closest allies would be unpredictable and uncompromising, sending a shock through the Australian policy establishment. Thus, from now on, as Curran notes “Expectations of allies will rise accordingly, as will the scrutiny of what America extracts from its alliances. Trump’s transactional approach to these relationships simply demands it”.⁵¹ This has subsequently seriously complicated alliance management for Canberra by undermining or discounting some of its traditionally-held assets, and exacerbating some existing liabilities, necessitating a recalculation of the balance sheet presented above in several ways. In particular, given the transactional approach of President Trump, materially-measurable assets are raised in importance, whilst more intangible (soft power) assets diminished accordingly. For example, it is far from certain that in the President’s mind that “loyalty” is taken into consideration in bilateral dealings – witness his

⁴⁷ Zack Cooper and Andrew Shearer, “Thinking Clearly about China’s Layered Indo-Pacific Strategy”, *Bulletin of the Atomic Scientists*, vol. 73, no. 5, 2017, pp. 305-311.

⁴⁸ Hamilton, *Silent Invasion*.

⁴⁹ Yomiuri Shimbun, “Can Australia Achieve Stable Relations with China, Defend National Interests?”, 2 September, 2018, <http://the-japan-news.com/news/article/0004704232>.

⁵⁰ Gill, “The U.S.-Australia Alliance”, p. 98.

⁵¹ Curran, “Fighting with America”.

quarrels with the heads of practically every traditional NATO ally. Taking the President at his word however, the commitment to both a 2% defence budget and purchases of an array of expensive American weapons systems ought to be highly satisfactory to a President obsessed with “free-riding” allies, that don’t pay their share. In contrast, domestic/ideological compatibility, likely counts for little under a President who appears to have limited commitment to democratic norms and values, and has done much to damage and undermine them both domestically and internationally. On the other hand, it is difficult to assess how much jointly shared threats emanating from China or North Korea figure in the President’s’ calculus, as he has oscillated between engagement and confrontation with these states. Also, it is doubtful that the “America first” mindset admits for the possibility of the loss of a major US ally like Australia, thus neutralizing this minor asset (American fear of being abandoned). Moreover, having to deal with President Trump has drawn the reliance upon personal executive-to-executive relationships, rather than dedicated alliance infrastructure, into sharper relief as a major liability (asymmetry). Indeed, the recent resignation of Secretary of Defense James Mattis, has removed the last capable Cabinet Member, who could be counted upon to uphold US alliance relationships and respect traditional allies.

As a result, Australian policy-makers have attempted to shift the locus of interaction away from the President himself, to place greater emphasis upon the “substructure” of the US foreign and defence policy apparatus. John Lee calls for a “focus on the other institutions and individuals that make up the country and its system of decision making and continue to engage those entities”.⁵² Maintaining and enhancing close ties to the American State Department, US military and intelligence organizations have therefore become increasingly critical to preserving Australian influence in the Trump era. In this respect, Australian assets, particularly its military contribution, and its efforts to act as a regional hub and networking partner come to the fore. In this way Canberra has sought to shield itself from the unpredictable and harmful effects of dealing directly with the President and preserve its portfolio of assets over the longer term. Thus, according to Bill Emmott, one should not underestimate “the gravity of what is at stake from President Trump’s disdainful, or perhaps transactional, attitude to alliances”.⁵³

V. Conclusions

From the “balance-sheet” analysis above, we can determine that Australian bargaining assets, numerically at least, outweigh liabilities (eight to three, as listed here). Several strong assets work to at least partially offset the less numerous, but nonetheless serious, liabilities

⁵² John Lee, “Trump Alone Can’t Dismantle U.S. Leadership of the Free World”, *The Australian*, 25 July, 2018.

⁵³ Bill Emmott, *The Fate of the West*, Profile Books, 2017, p. 201.

(asymmetry; path dependence; divergent threat perceptions). Of course, these assets and liabilities enter into bargaining calculations as an admixture, rather than as separate entities, making it difficult to disaggregate or isolate them. As indicated above, Canberra has sought to preserve and even augment its assets, but this involves a higher degree of investment in the alliance. Yet, it is not certain if this will be acknowledged by the current Executive in any meaningful way, though it will surely be appreciated by the enduring “substructure”. Unless there is a radical rethinking in Australian foreign and defence policy circles however, there is less that can be done to diminish the liabilities (“dependence”; “path dependency”), and like Tokyo, the alternatives are seriously circumscribed due to the overriding centrality of the alliance partnership to their national security. Limited efforts to assume a greater share of the alliance-burden, by acting more proactively to support the overall hub-and-spoke system, and champion the rules based order in tandem, but also independently from the US (under the current Administration), point to some efforts at “hedging”, and in this respect greater co-operation between US allies, such as Australia and Japan, is essential. Examples of this include the championing of the FOIP, in which the US later became involved, and the pursuit of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPATPP) in the absence of American TPP participation. It is hoped that such contributions will assist in upholding US primacy, and ideally a return to renewed American engagement in the Indo-Pacific at a future date.

As Emmott reminds us ‘Since 1945 alliances have proved long-lasting, but that does not make them permanent.’⁵⁴ Indeed, the shifting power dynamics in the Indo-Pacific region that are turning the balance of power toward a rising China and its fellow-travelers, presents a serious challenge to the maintenance of stability in the region predicated upon the US hub-and-spokes system, of which Australia is a core member. Added to this, President Donald Trump has done much to damage the credibility of the US as an alliance leader, including disdaining allies and undermining perceptions of US commitment to their defence. These external and internal factors present a serious challenge for Canberra, which remains highly dependent upon the US for both its ultimate national defence (including extended nuclear deterrence), but also more broadly the maintenance of the US-led rules-based international order in the region, upon which Australia’s and the region’s security is predicated.

⁵⁴ Emmott, *The Fate of the West*, p. 26.

US-German Alliance: Friends on Stormy Waters

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I. Introduction

The United States of America (US) and Germany have been close allies since the end of the World War II. Washington could almost always rely on political and security support from German friends. In turn, Berlin enjoyed defence guarantees from its American partner, both within NATO and on bilateral terms. A systemic German policy change took place after the reunification. On the one hand, the 1990s brought a change of attitude towards use of force abroad. On the other hand, a loosening of relations with the US took place at the beginning of the 21st century. The former was induced by events which took place between 1980 (Iraqi-Iranian war) and 1999 (*Allied Force* operation in Kosovo). As a result, the German government decided to participate in peace-keeping missions to stop violence and ethnic cleansing in the Balkans.¹ At the beginning of the 21st century, Germany started to move away from its traditional acceptance of an asymmetrical relationship with the US, seeking *ad hoc* allies and trying to distance itself from the role of a junior ally.² While President Barack Obama's tenure was a time of improved bilateral relations (the partnership and mutual understanding were clearly visible between the cabinets of Barack Obama and Angela Merkel), the process of further emancipation of Germany continued. This was a consequence of decreasing US activity on the international arena, crisis within the EU, and Russia's aggression in Ukraine (2014). Russian aggression in Ukraine also seems crucial in this regard, as it proved that Germany can play the role of a European leader not only in the economic, but also in political dimension.³ This traditional friendship was put to test when Donald Trump became the 45th President of the US. His self-centred vision of international relations, coined around the "*America First!*" catchphrase, clashed ostensibly with German preference for multilateralism and strong belief in international organizations and institutions. Scratches have begun to appear on the seemingly perfect image of cooperation.

¹ Łukasz Smalec, *Kultura strategiczna Stanów Zjednoczonych po zakończeniu zimnej wojny (ciągłość i zmiana)*, Wydział Dziennikarstwa i Nauk Politycznych, 2015, pp. 52-53.

² Tuomas Forsberg, "German Foreign Policy and the War on Iraq: Anti-Americanism, Pacifism or Emancipation?", *Security Dialogue*, vol. 36, no. 2, June 2005, pp. 217-225.

³ Markus Kaim, "Germany: A Lynchpin Ally?", *Global Allies Comparing US Alliances in the 21st Century*, ed. M. Wesley, Australian National University 2017, pp. 31-34.

This analysis explores current German contribution to the alliance, paying particular attention to both assets and liabilities. In order to achieve the aforementioned goal, the authors present data and analyse various official documents and articles authored by leading experts. Additionally, 7 in-depth interviews on transatlantic relations were conducted with leading German security experts, carefully selected to represent the whole political spectrum (from left to right-wing and from transatlantic enthusiasts to sceptics).

II. Assets: Germany as the Backbone of US Presence in Europe

1. Germany as *Soft Power*

Multidimensional US superiority (political, military and economic) is the least visible in the economic dimension. While the US GDP (\$ 20.4 trillion, 1st place in the world) is almost five times that of Germany's (\$ 4.2 trillion, 4th in the world),⁴ the trade imbalances are much smaller. The US ranks the second, while Germany is third among the largest exporter countries.⁵ The US is the most important trading partner for Germany, whereas Germany is US' principal market in Europe (the value of bilateral trade in 2017 amounted to \$ 238 billion with the US deficit at \$ 68 billion (trade – 65 billion and services – 3 billion)). Moreover, German companies are the fourth-largest foreign employer in the US with 674,000 jobs and are also a key contributor to German export from the US (for example, the BMW is the largest car exporter from the US). Additionally, Germany and the US are important investment locations for each other. The bilateral investment volume amounted to \$ 398 billion at the end of 2016 (German direct investment in the US: \$ 291 billion, US direct investment in Germany: \$ 107 billion).⁶

It is worth to note that in the new multipolar world, Germany has become a great European power with global significance mainly due to its economic prowess. Furthermore, while Germany's economic links make it influential, simultaneously they limit the scope of action whenever trading relationships are at risk. Economic interests play a significant role in German foreign policy. To a large extent, economic prowess dictates the Federal Republic's position in international relations. Export plays a key role, having provided around one third of German GDP and two thirds of its total GDP growth in the last decade.⁷ For this reason, Germany has

⁴ "Projected GDP Ranking (2018-2023)", *Statistic Times*, June 9, 2018 <http://statisticstimes.com/economy/projected-world-gdp-ranking.php> (accessed October 15, 2018).

⁵ "Top 20 Export Countries Worldwide in 2017 (in billion U.S. dollars)", <https://www.statista.com/statistics/264623/leading-export-countries-worldwide/> (accessed October 15, 2018).

⁶ „Beziehungen zu Deutschland“, https://www.auswaertiges-amt.de/de/aussepolitik/laender/usa-node/bilateral/204568#content_1 (accessed October 15, 2018).

⁷ Michael Dauderstädt, *Germany's Economy; Domestic Laggard and Export Miracle*,

even been called a “geo-economic” power as opposed to classic superpower of US.⁸

US-German cultural relations are diverse and encompass a wide range of exchange programs and private initiatives. Every year, hundreds of thousands of people travel across the Atlantic - as participants in numerous exchange programs or as artists, scientists, students and tourists. An important role for the cultural exchange is played by more than 200 German-American town twinning partnerships.⁹

Finally, US- German relationship are based on common set of values (even though the current US president is challenging some of these values), at the forefront of democracy, liberalism and human rights.¹⁰

To sum up, German economic and cultural linkages with the United States as well as the community of values are stronger than Washington’s ties with lion’s share of its allies within NATO as well as with major non-NATO allies. What is more important, German economic power allows increasing defence spending at least to the 2% of GDP level, provided the political will exist. It would eliminate one of the biggest bones of contention in US-German bilateral relations.

2. German Geopolitical Location and Role of a Host Nation to US Forces

Before NATO enlargement in 1999, Germany played the role of the “border” Alliance member state in which the largest US forces were concentrated in Europe. After subsequent enlargements of the Alliance in 1999 and 2004, the geopolitical position of Berlin in NATO has changed, but it has remained very important from the point of view of the Alliance strategy as well as the US geostrategy. Germany hosts two US regional headquarters, United States European Command (US EUCOM) and United States Africa Command (US AFRICOM) in Stuttgart, and over 40 bases.¹¹ Thus, the authors believe that this is the most important German asset as US ally.

Due to convenient geographical location, i.e. in the middle of Europe and close to Russia, but not bordering on it, Germany has remained the biggest US European “garrison” (almost 35,000 US troops are currently stationed in Germany (a decrease of over 10,000 US troops during the

Friedrich-Ebert-Stiftung, 2012, p. 25.

⁸ Hans Kundnani, “Germany as a Geo-Economic Power”, *The Washington Quarterly*, Summer 2011.

⁹ *Beziehungen zu Deutschland*.

¹⁰ “In spite of It All, America”, *New York Times*, October 11, 2017, <https://www.nytimes.com/2017/10/11/world/europe/germany-united-states-trump-manifesto.html> (accessed October 15, 2018).

¹¹ *The Military Balance 2018*, IISS, 2018, p. 59.

last 10 years)) and the second biggest US overseas “base”, with Japan holding the lead (55,043 troops).¹² Moreover, there are plans to send additional 1,500 troops to Germany by 2020, which would be deployed in Grafenwoehr and Ansbach-Katterbach.¹³

Table 1 US troops abroad

	Army	Navy	Marine Corps	Air Force	Coast Guard	Total
Germany	20,435	412	1,236	12,727	11	34,821
Overseas Total	47,790	36,120	31,833	52,843	1,204	169,790
Europe total	25,360	7,711	3,027	26,696	86	62,880
Share Europe (%)	80.58	5.34	40.83	47.67	12.79	55, 38
Share Total (%)	42.76	1.14	3.88	24.08	0.91	20.51

Source: *Number of Military and DoD Appropriated Fund (APF) Civilian Personnel Permanently Assigned by Duty Location and Service/Component (as of March 31, 2018)*, Defense Manpower Data Center.

The US forces are based in 11 large facilities (with more than 1 thousand soldiers):

- US Air Force bases in Ramstein (8,200 soldiers) and Spangdahlem (3,100 soldiers);
- “Bavaria” US Army Garrison composed of US army bases in Grafenwoehr (3,200 soldiers), Hohenfels (1,400 soldiers), Vilseck (5,000 soldiers) and Garmisch-Partenkirchen;
- “Rhineland-Palatinate” Army Garrison located in Wiesbaden, Kaiserslautern (headquarters) and Baumholder;
- The US Army Garrison Stuttgart;
- US Army garrison Ansbach with two military airfields in Ansbach-Katterbach and Illesheim.¹⁴

US bases in Germany provide the ability to respond robustly and quickly to challenges to U.S. economic and security interests in and near Europe (support the NATO command structure,

¹² *Number of Military and DoD Appropriated Fund (APF) Civilian Personnel Permanently Assigned by Duty Location and Service/Component (as of March 31, 2018)*, Defense Manpower Data Center.

¹³ „USA verlegen 1500 Soldaten nach Deutschland“, <https://www.sueddeutsche.de/politik/militaer-usa-verlegen-soldaten-nach-deutschland-1.4121529> (accessed October 15, 2018).

¹⁴ „Umfang und Standorte der in Deutschland stationierten US-Streitkräfte im Überblick, Kurzinformation, Wissenschaftliche Dienste“, Deutscher Bundestag, pp. 1-2, <https://www.bundestag.de/blob/496188/ebfd6dd887eaff9f845e75e5225f275e/wd-2-005-17-pdf-data.pdf> (accessed October 15, 2018).

provide administrative support for the transfer of American units for NATO exercises and a possible mobilization, guarantee back up for NATO and US overseas expeditionary operations in Africa and the Middle East). Germany is a logistics base (not only military, but also civilian, including medical) for US operations in Africa and the Middle East, especially during operations in Iraq and Afghanistan. Moscow's aggressive policy has made Germany's role as the largest US military base in Europe and regional security pillar even more important. In practice Germany has become the defence NATO hub (in Europe, support to the Eastern Flank).¹⁵

As a host nation, Germany guarantees complex contribution to US troops which encompass land, infrastructure, and military installations as well as tax, and duty reliefs. According to cautious estimates, Berlin offsets about 1/3 of the cost of US military personnel.¹⁶ From German perspective, the US bases constitute not only a deterrent factor, but also generate economic benefits to the local communities. Still, it is worth noting that most Germans do not feel threatened by Russia (at least not physically – cyberspace is another matter). The experts stress that the logistical and command support benefits for the US Army outweigh the German benefits. All of the interviewed experts agreed that US bases are welcome in Germany,¹⁷ with only limited protests taking place sporadically.

The most significant controversy arouse around the drone target strikes, which were handled from German territory. In recent years, Germany has experienced a heated debate concerning the usage of unmanned aerial vehicles (UAVs), both armed and unarmed. It has been fuelled by some inherently national factors such as German self-identification as a civilian power and strong adherence to human rights and international law in the political discourse. Germany's stance assumes that the ally is applying international law – so Berlin turns a blind eye on uncomfortable truths. During the interviews, some experts suggested the German public may be content about the fact that the “dirty work” is being done for them.

3. Common Missions and Initiatives

The US and Germany have been close allies since the end of the World War II. The tradition of a tight bilateral cooperation between the US and Germany is as long as fruitful. However, Germany is not a credulous US client, but especially recently a responsible partner, which

¹⁵ Michael J. Lostumbo, Michael J. McNerney, Eric Peltz, Derek Eaton, David R. Frelinger, Victoria A. Greenfield, John Halliday, Patrick Mills, Bruce R. Nardulli, Stacie L. Pettyjohn, Jerry M. Sollinger, Stephen M. Worman, *Overseas Basing of U.S. Military Forces An Assessment of Relative Costs and Strategic Benefits*, RAND 2013, pp. 37-39.

¹⁶ Louis Jacobson, “Do European Allies Pay U.S. \$2.5 billion Yearly to Keep Troops There?”, <https://www.politifact.com/truth-o-meter/staff/louis-jacobson/> (accessed October 15, 2018).

¹⁷ See Appendix: Summary of Interviews on German-US Cooperation.

make decisions based on an analysis of their own national interest.¹⁸

US-German security cooperation covers a wide range of activities, including the aforementioned US permanent presence in Germany and military exercises in the US EUCOM Area of Responsibility (AOR). Furthermore, in 2014 Germany committed to act hand-in-hand with the US to strengthen NATO's Eastern Flank. This is possible by implementing decisions taken at NATO Summit in Newport (2014) and Warsaw (2016). Germany has become the framework state for the Enhanced Forward Battle Groups in Lithuania (the German contingent has 450 soldiers)¹⁹ and it contributes to the Very High Readiness Joint Task Force (VJTF)²⁰ as well as to the Baltic Air Policing. Moreover, Berlin will take over rotating command of the VJTF.²¹

Furthermore, the cooperation within NATO out-of-area missions is very important. Particularly noteworthy is German involvement under the UN-mandated International Security Assistance Force in Afghanistan (ISAF). Germany provided the 3rd largest contingent and commanded the ISAF northern region, conducting the most police training missions. Moreover, after the end of ISAF, Germany has become an integral part of the NATO-led Resolute Support Mission (as the second largest contributor to the RSM).²² At the beginning of 2018, the Bundestag approved the increase of the maximum number of German soldiers within the RSM to 1,300.²³ In addition, Germany is a traditional US ally in the global war on terror, anti-piracy operations around the Horn of Africa, non-proliferation of WMD (including the Proliferation Security Initiative and the Nuclear Suppliers Group), law enforcement and homeland security matters.²⁴

Most interviewed experts assess the day to day cooperation, especially in the security sphere, as very good. They see little change at working relations level. They do take note of the instability caused by decisions taken in the Oval Office. However, security cooperation has been progressing seamlessly, and through predictable channels.

¹⁸ See 3.1. Varying approaches to international security/A different threat perception.

¹⁹ Anita Hawser, Ralph Zwillig, "All NATO Enhanced Forward Battle Groups in the Baltics Are Now in Place", *Defence Procurement International*, June 19, 2017, <https://www.defenceprocurementinternational.com/features/air/natos-enhanced-forward-presence-in-the-baltics> (accessed October 15, 2018).

²¹ Markus Kaim, "Germany: A Lynchpin Ally?", pp. 41-42.

²¹ "Europe. Assessing the Global Operating Environment", <https://www.heritage.org/military-strength/assessing-the-global-operating-environment/europe> (accessed October 15, 2018).

²² "Fact Sheet: U.S.-Germany Security Cooperation", <https://obamawhitehouse.archives.gov/the-press-office/2011/06/07/fact-sheet-us-germany-security-cooperation>.

²³ Radio Free Europe/Radio Liberty, "German Lawmakers Approve Troop Increase for Afghanistan", March 22, 2018.

²⁴ *Fact Sheet: U.S.-Germany Security Cooperation; Beziehungen zu Deutschland*, need to show publisher or source and published year.

III. Liabilities: Values Versus Interests

1. Varying Approaches to International Security/A Different Threat Perception

The US, the only remaining superpower in the international system, is convinced of its key and irreplaceable role in the process of ensuring international security.²⁵ It has both the capabilities and the will to play a pivotal role in the international system.²⁶ Unlike the US, since the WW II Germany has never aspired to play a role of a global power and consistently developed an alliance with Washington.²⁷ German security strategy is embodied in the model of a civilian power (*Zivilmacht*),²⁸ which strives to avoid military conflict and resolve international disputes with soft instruments of power – diplomatic or economic. It seeks to promote universal goals, such as to civilize international relations by encouraging wide acceptance of international norms and institutions, at the expense of narrowly defined national interests.²⁹ This difference of approaches and perception are the greatest liability for Germany that dominate current relations between Germany and the US. They have sometimes brought disputes in 2000s and now they are the major cause of worsening relations with the US.

Different security priorities cast the shadow on the cooperation during preparations to the Iraqi Freedom Operation (2003). When Germany did not just take part in the US-led operation, but openly opposed the operation that it believed was contrary to international law and finally built a quite strange *ad hoc* coalition of the opponents of the Iraqi War composed of Germany, France and Russia. This crisis had proven that US-German alliance is not an automatic mechanism.³⁰ However, Germany not only abstained when expeditionary mission aroused controversy with regard to the international law. Another important disappointment not only from the US, but another NATO key actors perspective too (among others the United Kingdom and France), was delivered by Germany during Libyan war (2011). Germany did not participate in the Libyan air-campaign (2011) and even abstained during Security Council Resolution 1973 voting. However, Russia's aggression against Ukraine revealed that Germany is capable of

²⁵ "In spite of It All".

²⁶ Trevor McCrisken, *American Exceptionalism and the Legacy of Vietnam*, Palgrave Macmillan, 2003, pp. 143-151.

²⁷ "In spite of It All".

²⁸ The term with reference to Germany was first used by Hanns W. Maull from the University of Trier. Hanns W. Maull, "Germany and Japan: The New Civilian Powers", *Foreign Affairs*, no Winter 1990/91; H. Maull, S. Harnisched., *Germany As a Civilian Power?: The Foreign Policy of the Berlin Republic*, Manchester University Press, 2001.

²⁹ Paul Belkin, *German Foreign and Security Policy: Trends and Transatlantic Implications*, CRS Report for Congress, May 20, 2009.

³⁰ To learn more see: Łukasz Smalec, *Dwie wojny z Irakiem. Źródła, przyczyny, preteksty, przygotowanie, skutki*, Wydział Dziennikarstwa i Nauk Politycznych, 2012.

playing a leading role in the EU beyond the economic dimension.³¹

Last two years US-German bilateral relations have been marked by diverging policies and different security priorities. Apart from traditional US postulates concerning the need to increase German defence expenditures,³² the US is increasingly putting pressure on Germany in regard to the Nord Stream 2 project (NS 2) and the future of the Joint Comprehensive Plan of Action (JCPOA).

One of the most notable clashes between Germany and US has been about military expenditures. Germany does not wish to invest more in military capabilities to defend itself and its European allies, which stems from pacifistic sentiments in the society and general distrust towards army (past years marked many scandals related to arms procurement).³³ What is striking, according to a YouGov poll for the DPA News Agency only 15% of Germans agree that military expenditures should be increased to the 2% of GDP level and 36% think that Germany spends too much on its defence. Military expenditure of less than \$ 45.5 billion ranks Germany third among NATO member countries in absolute numbers, however it represents only 1.2% of its GDP. Germany is planning to spend on defence only 1.5% of GDP by 2025 instead of 2% by 2024.³⁴ Therefore, there are fears in Germany that the US would take retaliatory actions, including US troops withdrawal from Germany or “double standards” in US allied guarantees.

Furthermore, significant disagreements between the US and Germany are also generated by the NS2. The US declares its unambiguously negative attitude towards the NS2 as mainly geostrategic, not a business project. President Trump insisted that NS2 is counter-effective when it comes to the European energy independence (it undermines the future European Energy Union) and poses significant threat to its NATO allies’ energy security. For the time being, the US administration has not decided to cover NS2 with direct sanctions as part of the implementation of the Countering America's Adversaries through Sanctions Act (CAATSA Act).³⁵ Meanwhile, when it comes to the NS2 pipeline, despite the initial criticism, Angela Merkel finally supported it, even entertaining the thought of building the third or the forth pipeline,

³¹ Markus Kaim, *Germany*, pp. 31-43.

³² Peter Baker, “Trump Says NATO Allies Don’t Pay Their Share. Is That True?”, <https://www.nytimes.com/2017/05/26/world/europe/nato-trump-spending.html> (accessed October 15, 2018).

³³ Barbara Kunz, “The Real Roots of Germany's Defense Spending Problem”, War on the Rocks, July 24, 2018, <https://warontherocks.com/2018/07/the-real-roots-of-germanys-defense-spending-problem/> (accessed January 16, 2019),

³⁴ Niall McCarthy, “Defense Expenditures of NATO Members Visualized”, Forbes, July 10, 2018, <https://www.forbes.com/sites/niallmccarthy/2018/07/10/defense-expenditure-of-nato-members-visualized-infographic/#6b03cfc514cf> (accessed October 15, 2018).

³⁵ See also: U.S. Department of the Treasury, “Countering America's Adversaries through Sanctions Act”, <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/caatsa.aspx> (accessed September 6, 2018).

should it become economically sensible.³⁶ From US perspective Germany continues to try to enhance its energy security at the cost of its allies and despite clear American criticism thereof.³⁷ Germany's pursuit of close bilateral relations with Russia has brought numerous questions about Berlin's commitment to develop European unity in foreign and security policy matters – also in US, also by Donald Trump.³⁸

After Russia's invasion in Crimea and Eastern Ukraine, Berlin decided to act primarily in the economic dimension (through sanctions), not through strengthening its military capacities (as would be expected by US and some NATO allies). Trump has been heavily criticizing Germany for its actions and inactions.³⁹ He underlined that it was inappropriate that the United States was paying for European defence against Russia while Germany, the biggest European economy, was supporting gas deals with Moscow. Meantime, from the very beginning Merkel played a decisive role in responding to the Crimean crisis. She declared Russia's armed takeover of Ukrainian territory to be unacceptable in Europe's hard-won "peace order" of the past 70 years. To a large degree Chancellor played a leadership role in European efforts to resolve the crisis, leading the Minsk Group composed of Russia, Ukraine and France.⁴⁰

Discrepancies between the US and Germany are visible not only when it comes to security in Europe. One of the most important were a completely different vision of relations with Iran, in particular the future of the nuclear agreement between Iran and P5+1 state. Trump administration expected from Germany and other European JCPOA signatories full acceptance of the US administration's controversial decision about withdrawal from the agreement that had not been consulted with them before and cast doubt on the future of the agreement, and the EU authority.⁴¹ Meanwhile, Germany, like the rest of European signatories of the JCPOA took a critical stance on the president Trump's decision to leave the JCPOA,

³⁶ *Pressekonferenz von Bundeskanzlerin Angela Merkel nach dem Ostseeratsgipfel am 30. und 31. Mai 2012*, 31.05.2012, <http://www.bundestkanzlerin.de/Content/DE/Mitschrift/Pressekonferenzen/2012/05/2012-05-31-merkel-ostseerat.html> (accessed November 23, 2018).

³⁷ Patrick Wintour, "Germany and Russia Gas Links: Trump is not Only One to Ask Questions", *The Guardian*, July 11, 2018 (accessed November 23, 2018).

³⁸ Patrick Donahue, Justin Sink, Margaret Talev, "Trump and Merkel Exchange Barbs in Showdown Over Russia's Pipeline", *Bloomberg*, July 11, 2018 (accessed November 23, 2018).

³⁹ In 2012 unfavorable ratings of Russia were highest in Sweden (68%), France (64%), and Germany (63%). *Transatlantic Trends Key Findings 2012*, German Marshall Fund of the United States, Washington, D.C., <http://trends.gmfus.org/transatlantic-trends/key-findings/> (accessed October 15, 2018).

⁴⁰ Jason Mason, Robin Emmott, Alissa de Carbonnel, "Trump Calls Germany 'Captive' of Russia; Demands Higher Defense Spending", Reuters, July 11, 2018 (accessed November 23, 2018).

⁴¹ *Wir lassen nicht zu, dass die USA über unsere Köpfe hinweg handeln*, <https://www.handelsblatt.com/meinung/gastbeitraege/gastkommentar-wir-lassen-nicht-zu-dass-die-usa-ueber-unsere-koepfe-hinweg-handeln/22933006.html?ticket=ST-7553736-0gs6GuRyyiYYfgvmhjnZ-ap2> (accessed September 10, 2018).

emphasizing the need to maintain the agreement. The decision has provided evidence the rift between the EU and the US in the strategy towards Iran and its influence on the Middle East order.⁴² Moreover, it could lead to the disruption of transatlantic unity in a broader perspective. US chances of negotiating a better comprehensive agreement with Iran as well as a full respect for JCPOA by other signatories appear to be limited.⁴³

Other issues (a different climate or immigration policy) have only complicated the situation further. However, the current divergence between allies is not yet driven by the tensions between Trump and Merkel. Their roots go back to a more distant times, but now they have been emphasized because of Trump's sharp rhetoric.⁴⁴

To summarize, German liabilities express themselves in the following manners in US' view:

- Germany does not sufficiently invest into its own defence capabilities;
- Germany does not participate in US-led international operations;
- Germany undermines US' diplomacy in the sphere of security by advocating multilateral approach and compliance with international law, as well as openly criticizing Trump.

2. Relatively Small and not Capable Enough Armed Forces

Military power is the most distinguishing factor for US position in the international system. The US Armed Forces supremacy is based on their potential (structure and size), and on their presence abroad (now almost 170,000 troops⁴⁵ and about 800 military bases and installations in almost 80 countries) and military expenditure (\$ 610 billion).⁴⁶ Compared to the US, German military capabilities are limited. Germany spent only 1.24 percent of GDP on defence and only 13.75 percent of its defence expenditure on the modernization and equipment. As German Defence Minister Ursula von der Leyen stated: "We [Germany] will need significantly more funds in coming years so the Bundeswehr [armed forces] can accomplish the missions

⁴² See also: "Countering America's Adversaries Through Sanctions Act", US Department of The Treasury, <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/caatsa.aspx> (accessed October 15, 2018).

⁴³ "After the JCPOA, the World Needs Germany. But Where is it?", The European Council on Foreign Relations, 2018, https://www.ecfr.eu/article/commentary_after_the_jcpoa_the_world_needs_germany._but_where_is_it (accessed September 2, 2018).

⁴⁴ *Wir lassen nicht zu.*

⁴⁵ *Number of Military and DoD Appropriated Fund.*

⁴⁶ Luke Vargas, "The Costs and Benefits of U.S. Military Bases Overseas, *Talk Media News*, May 1, 2017, <http://www.talkmedianews.com/world-news/2017/05/01/wake-costs-benefits-us-overseas-bases/> (accessed October 15, 2018).

and assignments that parliament gives it”.⁴⁷ However, actions/decisions on increasing defence expenditure remain lag behind these declarations.

All interviewed experts agree that effective spending of the defence budget is more important than its sheer size. Half of them agree that Germany should spend more – also to reassure their neighbours of the commitment to common European security – but most are sure that the 2% threshold will not be reached in near future. This is due to Germany’s deeply rooted pacifism, which lies at the core of country’s unwillingness towards increased defence spending. Some experts also point out that Germans have a very inefficient procurement process, which needs to be overhauled. Albeit, Germany, as mentioned above, began to take greater responsibility and play larger role within NATO, its armed forces has remained underfunded and underequipped. Pessimistic assessments indicate that only two German battalions are capable enough to serve as a worthy battlefield adversary for Russia.⁴⁸

The Bundeswehr has 178,334 troops⁴⁹, only slightly exceeding the number of US troops abroad. German forces are divided into six types of units: three classic types, that is land forces (*Heer* – 60,000 troops), air forces (*Luftwaffe* – 28,000), navy (*Marine* – 16,000) and three supporting forces: sanitary services (*Sanitätsdienst*), back-up forces (*Back-up für die Streitkräfte*) and cyber units (Cyber- und Informationsraum).⁵⁰ In terms of numbers, German armed forces rank fourth within NATO, after the US, Turkish and French.⁵¹ Around 3,470 Bundeswehr soldiers are currently involved in operations abroad, with the largest contingents in Afghanistan (1,200) and in Mali (800 troops).⁵² With expenditure of less than \$ 45.5 billion (1.2% of GDP) Germany ranks 9th in the world and third among NATO member countries.⁵³

Moreover, German quite small armed forces have to face significant equipment shortages.

⁴⁷ Andrea Shalal, Sabine Siebold, “Less Than Half of German Submarines and Warplanes Ready for Use, Reuters, February 28, 2018, <https://www.reuters.com/article/us-germany-military/less-than-half-of-german-submarines-and-warplanes-ready-for-use-idUSKCN1GB27B> (accessed October 15, 2018).

⁴⁸ John Vandiver, “Report: Europe’s Armies Too Slow for a Baltic Clash,” *Stars and Stripes*, April 13, 2017, <http://www.military.com/daily-news/2017/04/13/report-europes-armies-too-slow-baltic-clash.html> (accessed December 17, 2018).

⁴⁹ Only 0.41% of labour force in Germany, compare to 1.01% in France and 0.83 in the US. The average share of soldiers in the labour force in the EU 0.85%. World Bank, “Armed Forces Personnel (% of total labor force)”, <https://data.worldbank.org/indicator/MS.MIL.TOTL.TF.ZS> (accessed January 15, 2019).

⁵⁰ *Die Bundeswehr auf einen Blick*, <https://www.bundeswehrentdecken.de/aufbau/> (accessed October 15, 2018).

⁵¹ “Number of Military Personnel in NATO Countries in 2018 (in thousands)”, Statista, <https://www.statista.com/statistics/584286/number-of-military-personnel-in-nato-countries/> (accessed October 15, 2018).

⁵² *Einsatzzahlen – die Stärke der deutschen Kontingente*, <https://www.bundeswehr.de/portal/a/bwde/start/einsaetze/ueberblick/zahlen/> (accessed October 15, 2018).

⁵³ McCarthy, “Defense Expenditures of NATO Members Visualized”.

They referred to all main types of armed forces. At the turn of 2017 and 2018, German Navy faced hardware deficiencies. All Type 212 class submarines awaited repairs in dry-dock or were not ready for active service⁵⁴. At the end of 2017 F-125 *Baden-Württemberg*-class frigate failed tests.⁵⁵ Last year German Air Forces faced similar problems: lack of transport aircrafts available to deploy, only one third (39 of 128) Eurofighters were deployable. Moreover, the combat aircrafts have problems with their air defence systems.⁵⁶ When it comes to German Army, they are affected to similar shortages (only 95 of 244 Leopard 2 tanks were in service).⁵⁷ Moreover, the Army is understaffed with more than 20,000 vacancies.⁵⁸ Another important challenges relate to the procurement procedures (understaffed procurement office). German armed forces seek: a replacement for its Tornado aircraft (set to be retired in 2030) which are able to carry both conventional and nuclear missile,⁵⁹ and a replacement of short-range air defence systems, purchase of new naval anti-surface missiles, new corvettes for its Navy. Finally, a new established cyber command is understaffed (consist of less than 500 staff) and not fully operational (it will be fully operational with number of around 13,500 by 2021).⁶⁰ The deficiencies in German arms forces make it less useful as an ally for US in any military operations and also raise interoperability questions.

3. Competing Defence Industries

German companies used to be and still remain important partners for the US defence industry. On the one hand, the US companies are crucial sources of modern technologies and systems. On the other hand, Germany is an important supplier of subassemblies for US entities. For example, the "strategic partnership" between Raytheon and Rheinmetal may raise hopes for expanding US-German cooperation.⁶¹ However, recent decisions and political

⁵⁴ Sean Gallagher, *Das boot Ist Kaputt: German Navy Has Zero Working Subs*, <https://arstechnica.com/tech-policy/2017/12/das-boot-ist-kaputt-german-navy-has-zero-working-subs/> (accessed October 15, 2018).

⁵⁵ Tyler Rogoway, "The German Navy Decided to Return Their Bloated News Frigate to Ship Store This Christmas", *The Drive*, December 23, 2017, <http://www.thedrive.com/the-war-zone/17185/the-german-navy-has-decided-to-return-their-new-frigate-to-the-ship-store-this-christmas> (accessed October 15, 2018).

⁵⁶ Andrea Shalal, Sabine Siebold, "Less Than Half of German Submarines and Warplanes".

⁵⁷ Nicholas Fiorenza, "Bundeswehr Outsources Helicopter Training", *Janes*, October 1, 2018, <http://www.janes.com/article/76919/bundeswehr-outsources-helicopter-training> (accessed October 15, 2018).

⁵⁸ McCarthy, "Defense Expenditures of NATO Members Visualized"

⁵⁹ Gareth Jennings, "ILA 2018: All Industry Bids for German Tornado-Replacement Submitted", *Janes*, April 26, 2018, <http://www.janes.com/article/79599/ila-2018-all-industry-bids-for-german-tornado-replacement-submitted> (accessed October 15, 2018).

⁶⁰ Nina Werkhäuser, "German Army Launches New Cyber Command," *Deutsche Welle*, April 1, 2017, <http://www.dw.com/en/german-army-launches-new-cyber-command/a-38246517> (accessed October 15, 2018).

⁶¹ Jean Belin, Keith Hartley, Sophie Lefeez, Hilmar Linnenkamp, Martin Lundmark, Helene

announcements indicate a different trend. German Finance Minister Olaf Scholz called on the EU to consolidate the defence industry in order to reduce its dependence on the US.⁶² Acting to reduce the dependence on US equipment supplies, France and Germany have taken a number of decisions that may make it possible to create an independent and more competitive defence industry in Europe. Their cooperation covers a wide spectrum of projects: Future Combat Air System (FCAS next-generation fighter jet); multinational KANT, a merger between French and German land warfare equipment producers, and medium-altitude long-endurance unmanned aerial vehicle (MALE UAV).⁶³ The plans also include a joint French-German tank as well as combat helicopters. The decisions can be described as an implementation of the “*Europe first*” principle.⁶⁴

This trend has been fuelled by US protectionist trade policy, demands to take greater responsibility for European security by the allies within NATO as well as existing rules on the sale of weaponry containing US military subsystems (U.S. International Traffic in Arms Regulations, ITAR). The complicated procedures generate a relative high risk of preventing sale of weapons at almost every time.⁶⁵

It is difficult to assess the chances of success of these projects. In the past, many similar attempts have been made, to no avail. Several European countries fear that the German-French cooperation will align the European Defence Technological and Industrial Base to their interests, and not the EU's.⁶⁶ Potential success of this policy would not only increase US trade deficit, but also decrease allies' interoperability with the US Armed Forces (probably largest advantage of a tight US-German defence industry cooperation was an increased the US and German armed forces' interoperability). From the US point of view, Germany's favouring of

Masson, Jean Maulny, Alessandro Ungaro, *Defence Industrial Links between the EU and the US, Report*, Ares September 2017, pp.12-13.

⁶² Martin Greive, Jan Hildebrand, “Scholz Echoes French Call for EU Defense to Cut US Dependency”, *Handelsblatt*, August 30, 2018, <https://global.handelsblatt.com/politics/scholz-echoes-french-call-for-eu-defense-to-cut-us-dependency-trans-atlantic-trump-overhaul-germany-heiko-maas-958825> (accessed October 15, 2018).

⁶³ Douglas Barrie, “Franco-German Defence-Aerospace Cooperation: To the Future and Back”, IISS, May 14, 2018, <https://www.iiss.org/blogs/military-balance/2018/05/franco-german-defence-aerospace-cooperation> (accessed October 15, 2018).

⁶⁴ Claudia Major, “A Franco-German Defense Deal for Europe”, Carnegie Europe, March 23, 2017, <http://carnegieeurope.eu/strategieurope/?fa=68370> (accessed 18 September, 2018);

Claudia Major, Christian Molling, “Franco-German Differences over Defense Make Europe Vulnerable”, Carnegie Europe, March 29, 2018,

<http://carnegieeurope.eu/strategieurope/75937> (accessed October 15, 2018).

⁶⁵ Christopher Woody, “Trump Gives European Countries 'the willies' about Buying US Weapons, but He's not Their Only Concern”, *Business Insider*, August 9, 2018, <https://www.businessinsider.com/europe-looks-at-domestic-defense-industry-due-to-trump-us-regulations-2018-8?IR=T> (accessed October 15, 2018).

⁶⁶ “The Three Dimensions of Europe's Defense Debate”, German Marshall Fund, June 21, 2018, <http://www.gmfus.org/publications/three-dimensions-europes-defense-debate> (accessed October 15, 2018).

national companies in defence articles acquisition may be worrisome.⁶⁷ Nevertheless, the policy is equally detrimental to the interests of other European states and their industries.

It is important to note that Germany remains one of the top arms exporters in the world. Until 1990s, the German defence industry was selling most of its products domestically. However, between the downsizing implemented by the Bundeswehr over the past 25 years, and federal budget cuts, German companies had to start looking for clients abroad. According to SIPRI, since 2005 Germany has ranked in the top five of arms exporters in the world almost every year (with the US consistently ranking as no. 1). This poises German and US arms manufacturers for competition, especially on the European market.⁶⁸

IV. Conclusions

Based on the information presented above, it should be recognized that in the case of US-Germany allied relations, liabilities prevail assets, at least in the short term. Almost all of the interviewed experts agree that US-German relations are the worse they have ever been and they have significant impact on the current shape of the alliance. It is mostly due to the wide range of challenges facing the alliance. In the first place there are discrepancies associated with varying approaches to international security as well as a different threat perceptions of the allies, originating at the beginning of the 21st century. Apart from traditional US postulates concerning the need to increase German defence expenditures, during last two years the US is increasingly putting pressure on Germany in regard to the Nord Stream 2 project and the future of the Joint Comprehensive Plan of Action (JCPOA).

Moreover, compared to the US, German military capabilities are limited. Its relative small armed forces have to face significant equipment shortages. Germany will need to increase its defence expenditure on the modernization and equipment.

Finally, current well-arranged US-German defence industries cooperation will have to face serious challenges in connection with an announced French-German partnership in this dimension. It could be described as an implementation of the “Europe first” principle. Potential success of this policy would not only increase US trade deficit, but also decrease allies’ interoperability with the US Armed Forces.

Although, as mentioned above, liabilities prevail assets, we should not forget about important

⁶⁷ Donata Riedel, “Berlin’s New Defense Policy will Put German Weapons-Makers First”, *Handelsblatt*, September 4, 2018, <https://global.handelsblatt.com/politics/buy-german-berlin-readies-defense-policy-907700> (accessed October 15, 2018).

⁶⁸ SIPRI Arms Transfers Database, <https://www.sipri.org/databases/armstransfers> (accessed October 15, 2018).

advantages on the side of Berlin. They are particularly important given the current situation in Central Europe (threat from Russia). What is more important, German economic and cultural linkages with the United States as well as the community of values are stronger than Washington's ties with lion's share of its allies. German economic power allows increasing defence spending at least to the 2% of GDP level, provided the political will exist. It would eliminate one of the biggest bones of contention in US-German bilateral relations. Interviewed experts do not really see an alternative to the alliance with the US, at least in the foreseeable future. They see the US as an indispensable security partner.

Furthermore, Germany has remained the biggest US European and the second biggest US overseas "base". US bases in Germany provide the ability to respond robustly and quickly to challenges to U.S. economic and security interests. Germany is a logistics base for US abroad operations. As a host nation, Germany guarantees complex contribution to US troops which encompass land, infrastructure, and military installations as well as tax reliefs.

Last but not least, US-German security cooperation covers not only US permanent presence in Germany, but a wide range of different activities, including strengthening NATO's Eastern Flank. Germany has not only become one of the framework state for the Enhanced Forward Battle Groups, but it contributes to the Very High Readiness Joint Task Force (VJTF) and to the Baltic Air Policing too. Furthermore, the cooperation within NATO out-of-area missions is very important.

Appendix.

Interviews Conducted in Berlin, Germany, September 2018

US-German Alliance: Friends on Stormy Waters

Karolina Libront, PhD

Łukasz Smalec, PhD

List of interviewed experts:

4. Emilia Mansfeld
5. Henning Riecke, Phd.
6. Johannes Ahlefeldt, Phd.
7. Marco Overhaus, Phd.
8. Peter Rudolf, Phd.
9. Sascha Lehmann, PhD.
10. Torben Schuetz.

List of questions:

1. How would you assess the state of German-US Alliance today?
2. What are the biggest challenges in day to day cooperation?
3. What are the things that connect Germans and Americans most closely?
4. Do you see a discrepancy between German and US approach to values in security policy?
5. How do you assess current US military presence in Germany, is it guarantee sufficient deterrent potential against Russia?
6. What do you think about the US calls for Germany to spend 2% on defense?
7. Do you believe that tense cooperation right now was exclusively caused by the style of Mr. Trump, or is it a more lasting issue with deeper background having its causes during Bush Walker or Obama presidency?
8. What is the impact of occasional events such as spying scandal on alliance relations?
9. Do the competition of defense industries influence alliance relations?
10. How do you see the alliance in 5-10 year perspective?
11. Do you see any alternatives to the US as an ally or is it indispensable for German security?

1. How would you assess the state of German-US Alliance today?

7/7 Experts believe the US-German relations are as bad as never before.

Reasons: range and scope of conflicting issues, D. Trump's style: unilateral, selfish in pursuing foreign policy goals.

2. What are the biggest challenges in day to day cooperation?

- 4 Experts said that working relations are very good because they happen between highly skilled professionals. This is true especially for military/security channels.
- 1 Expert said it is a style of communication by D. Trump.
- 2 Experts said the most pressing day to day issue is Iran nuclear deal.
- 1 Expert observed the biggest daily pressures come from societal changes (rise of populism).

3. What are the things that connect Germans and Americans most closely?

- 5 Experts said it is common historical background, including common roots.
- 7 Experts said it is culture – Germans are very Americanized.
- 2 Experts said it is close economic ties.
- 2 Experts said it is military alliance, including routinized security cooperation.
- 1 Expert said it has been global liberal order until now.

4. Do you see a discrepancy between German and US approach to values in security policy?

- 7 Experts said that they see a discrepancy, especially with regard to the use of force, multilateralism vs. unilateralism and adherence to international law.

5. How do you assess current US military presence in Germany, is it guarantee sufficient deterrent potential against Russia?

- 7 Experts said that US bases are sufficient deterrent factor.
- 7 Experts expressed that Germans do not feel much physically threatened by Russia.
- 3 Experts believe that US need bases in Germany more than Germans need American soldiers on their territory.
- 5 Experts shared that regions in which the bases are hosted enjoy economic gains.

6. What do you think about the US calls for Germany to spend 2% on defense?

- 2 Experts acquiesced that Germans are not spending enough on defense.
- 6 Experts assessed that the 2% threshold will not be reached in near future.
- 4 Experts shared that there are other areas in which Germany contributes to common security, e.g. foreign aid or through buying American defense goods.

7. Do you believe that tenses cooperation right now was exclusively caused by the

style of Mr. Trump, or is it a more lasting issue with deeper background having its causes during Bush Walker or Obama presidency?

5 Experts observed that there are structural problems that go beyond D. Trump, like imbalance of power or varying political ambitions.

6 Experts underlined that D. Trump's style is unacceptable to the Germans. They feel that their interest is not taken into consideration at all.

2 Experts pointed to transactional way D. Trump is treating politics and allies.

8. What is the impact of occasional events such as spying scandal on alliance relations?

5 Experts agreed that the spying scandal did not have a profound effect. The cooperation of intelligence goes on as before. Furthermore, those Experts acquiesced that Germans were suspecting they are being spied on by the US, perhaps only the scope was surprising (A. Merkel).

2 Experts said that the spying scandal irreparably damaged common trust.

9. Do the competition of defense industries influence alliance relations?

5 Experts believe that the competition plays some role in politics, but it is minor – it is rather left to the business side.

2 Experts indicated that the competition does play some role, especially since US market is closed to Germans, and Germans have it hard to get access to American technology.

2 Experts assured they would rather have Germany develop European military solutions rather than buying off the shelf from US.

10. How do you see the alliance in 5-10 year perspective?

7 Experts immediately shared that it is very hard to make any predictions: as US under D. Trump is very unpredictable.

5 Experts believe the alliance will go into sort of stagnation – it will be there, but less effective as the gaps between allies go bigger. Still, they believe that NATO will be there as always.

3 Experts assume that bilateral relations may play even bigger role than today.

11. Do you see any alternatives to the US as an ally or is it indispensable for German security?

5 Experts said that US is indispensable.

6 Experts said that Germany wishes to have more robust European security presence, but it will be hard to achieve. Still, Germany will strive for some strategic flexibility.

Balance Sheet of US Allies

Balance Sheet of Taiwan-US Alliance

Asset	Liability		
<p>Taiwan’s geopolitical value for the US</p> <p>The specific targets of China’s expansion seem to be the South China Sea and the East China Sea. As China strives to become a major sea power, Taiwan’s geopolitical importance for the US has grown all the more.</p> <p>The US would like to maintain the present order in the Pacific Ocean and its prominent position in this area, and to do so it must maintain the status quo in the Taiwan Strait.</p> <p>Taiwan’s democratic system</p> <p>The US started telling Taiwan to democratize in order for it to receive continued unofficial, but strong, support after the normalization of US-China relations.</p> <p>Democracy is fully established in Taiwan today, evidenced by the fact that regime change has taken place every eight years since 1996 through an electoral process.</p> <p>Taiwan’s respect for democracy is on par with that of the US, and this is one of the largest incentives for the US to protect Taiwan.</p> <p>The Taiwan Relations Act</p> <p>The US has to date supplied defensive weapons to Taiwan based on this act.</p> <p>Although it is a domestic act, it plays the role of the legal basis for the US to reserve the right to protect Taiwan.</p> <p>Support from the US Congress</p> <p>The National Defense Authorization Act for 2018 and the Taiwan Travel Act is a further piece of evidence that the US Congress supports Taiwan.</p>	<p>Limited diplomatic relations</p> <p>Taiwan does not have any substantial allies with powerful states such as the US.</p> <p>Taiwan is limited in practical terms to buying weapons solely from the US.</p> <p>China’s strong pressure on Taiwan</p> <p>Political pressure: China refuses to conduct high level official meetings with the Tsai government.</p> <p>Diplomatic pressure: There are now only 17 countries that maintain formal relations with Taiwan, and Taiwan has been pushed out of many international organizations.</p> <p>Economic pressure (The dependency on mainland China): A large amount of trade still takes place between Taiwan and China.</p> <p>The significant military pressure from the PLA</p> <p>The only “Chinese” area not unified with China is Taiwan and China is becoming increasingly prepared for the PLA to seize Taiwan.</p> <p>Recently, the PLA Air Force and Navy have been repeating “regular” exercises in which they fly or navigate past the so-called First Island Chain—a key entryway into the western Pacific that includes Japan’s Ryukyu Islands and Taiwan.</p> <tr> <td colspan="2" style="background-color: #e0e0e0;">Equity (Evaluation)</td> </tr> <p>Taiwan’s liabilities and assets can be described as two sides of the same coin</p> <p>Taiwan’s liabilities outweigh its assets, not in terms of their number but rather in terms of their importance and influence on Taiwan’s security. China’s expansionism and economic, political, and military pressures on Taiwan were expressed as “Taiwan’s liabilities”. However, it can be said that China’s attitude and behavior have made the US take various countermeasures and the sympathy for Taiwan has in fact grown. As this shows, liabilities and assets can be described as two sides of the same coin.</p>	Equity (Evaluation)	
Equity (Evaluation)			

Balance Sheet of Lithuania-US Alliance

Asset	Liability
<p>Defense Budget</p> <p>Since 2014 Lithuania is increasing its defense budget and it exceeded NATO suggestion of 2% of the GDP. This trend will be maintained for several more years.</p> <p>Lithuania is investing a lot in modernization of its armed forces.</p> <p>Armed Forces assets</p> <p>Lithuanian Armed Forces (LAF) are getting larger, more modern and interperational with NATO forces. In 2022 all goals of this process should be achieved. LAF is able to fulfil NATO's expectations – enable to move and expand its forces on Lithuanian soil.</p> <p>Readiness and rapid mobilization posture of LAF</p> <p>LAF is on high readiness and can react independently against asymmetrical threats. Mobilization of troops is essential to national defense.</p> <p>Host Nation and the Allied training ground for the US Armed Forces</p> <p>Lithuania is investing a lot in infrastructure and training grounds for its own and allied troops. A lot of exercises are happening there already. More are expected as training grounds are being improved to meet US and NATO needs.</p> <p>Lithuanian military and political support for US global actions</p> <p>Lithuania fully supports US in its global endeavors. Its military support is not significant, however it is a valuable political asset.</p> <p>Current security and defense relations with the EU and third states</p> <p>Lithuania is a part of EU and many international political and economic organizations. It is a part of so called “western world” which strengthen Lithuania also gives an alternative to alliance with the US.</p>	<p>Geopolitical position</p> <p>Lithuania is a small country in comparison to its aggressive neighbor Russia, and borders it by land from two sides (including Belarus territory). Lithuania lies on periphery of NATO, far from US and other main allies.</p> <p>Belarus Factor</p> <p>Belarus is a close Russian ally and its territory is considered a place where Russian invasion could come from (with or without approval of Belarusian authorities).</p> <p>Russian minority and demographic trends</p> <p>Lithuanian population is decreasing which can weaken its defense capabilities in the future. Lithuania has a significant Russian minority which could be used as an excuse for Russian aggression.</p>
	<p>Equity (Evaluation)</p> <p>Based on the aforementioned we think that Lithuania’s assets have more prevalence over liabilities. Even difficult geopolitical position of Lithuania cannot weaken nation’s assets, especially high defense expenditure and Armed Forces capabilities. Lithuania has always been a faithful ally of the US, and since 2014 has been doing everything in its power to strengthen defense capabilities, which is in accordance with US expectations. Lithuania tries to further improve its cooperation with the US, while its main liability will always be the same – geographical closeness of Russia and its satellite nation (Belarus). Lithuania is however a part of other global power – EU, which is additional warranty of its safety.</p>

Balance Sheet of Japan-US Alliance

Asset	Liability
<p>A common threat perception</p> <p>Japan shares the common threat perception in the region.</p> <ul style="list-style-type: none"> -North Korea’s nuclear development -Increasing China’s military power and influence -Russia’s assertive military activities <p>Japan’s geopolitical location and role as a host nation to US Forces</p> <p>The Japanese archipelago acts as a blockade to China’s military access to the Pacific Ocean as well as a logistics support base to the Korean Peninsula and the Asia continent.</p> <ul style="list-style-type: none"> -US Force in Japan has global missions <p>Host nation support of the US Forces in Japan (USFJ) and inter-operability with the Japan Self-Defense Forces</p> <p>The Japanese government is responsible for more than 70% of the cost of the US Forces stationed in Japan.</p> <p>The JSDF has increased its inter-operability with the USFJ and the US Indo-Pacific Command.</p> <p>Japan’s non-military cooperation with the US</p> <p>A significant partner to the US in the context of non-military cooperation in fields such as R&D in science and technology.</p> <p>Japan plays a major role to provide capacity building assistance to South East and South Asian countries.</p> <p>Japan’s political willingness to work with the US</p> <p>Japan’s administrations have showed steady political willingness to work with the US for its territorial defense and regional and global security.</p>	<p>US Fear of Entanglement</p> <p>The reluctance of the US to enter into unnecessary military conflict with an adversary of Japan.</p> <ul style="list-style-type: none"> - an accidental clash between Japan and China - a conflict between North Korea and Japan <p>Limitations on the use of the force due to constitutional and political constraint</p> <p>Although Japan has shown political willingness to increase its positive role to the alliance with the US and regional and global security, there are still constraint for Japanese government to use the full set of the military powers due to constitutional and political constraint, which come from the World War II legacy.</p> <p>Japan’s generous host nation support to the USFK could be challenged by Okinawan regionalism</p> <p>The Okinawan, which are burdened 70% of the USFJ are not happy with the situation. Stagnation of implementation of the relocation of the Futenma Air-Station could be the source of frustration of the US government and military.</p> <p>Economic and budgetary constraint on Japan’s defense spending</p> <p>The Japanese government’s fiscal situation is the worst level among advanced industrial nations and not easy solution could be found.</p>
	<p>Equity (Evaluation)</p>
	<p>Japan has more assets than liabilities</p> <p>There are fewer liabilities identified than assets. US experts are were optimistic on the Japan-US alliance and appreciated the pro-active track record of Japanese body politic on the alliance policy toward the US despite of the President Trump’s tendency to depreciate the value of the alliance. At the same time, it should be noted that many assets could be turned to liability if international and domestic landscape are drastically changed.</p>

Balance Sheet of Poland-US Alliance

Asset	Liability
<p>Geopolitical position and status of the biggest country of the CEE region</p> <p>Poland will become the center of gravity for US (Army) operations in Europe”.</p> <p>Country’s population and area set Poland apart from smaller countries of CEE region</p> <p>It has large and capable armed forces.</p> <p>Poland is indispensable to defend the Baltic States (After the “Brexit”) Poland appears to be the biggest clearly pro-US country within the EU.</p> <p>Polish support for the US overseas military operations</p> <p>Poland sent nearly 2500 troops to Iraq (and took command of Multi-National Division Central-South) and to NATO operation in Afghanistan. Now it is a member of US-lead coalition against the ISIS.</p> <p>Warsaw contributes to Baltic Air Policing, EFP battle group in Latvia and multinational brigade in Romania.</p> <p>Status of a new backbone of US presence in Europe</p> <p>The US Aegis Ashore installation is located in the city of Redzikowo.</p> <p>Aviation Detachment</p> <p>The core elements of the ABCT, such as the headquarters and combat support units, operate from bases in Poland.</p> <p>EFP battle group in Orzysz.</p> <p>Poland is the hub of US presence in North-Eastern part of NATO (without Polish support, the US cannot make enough commitment to this area).</p> <p>Status of an exemplary ally</p> <p>Warsaw supports the idea that NATO, with the leading role of the US, should remain the pivotal guarantor of the European security.</p> <p>Poland meets the US expectations in terms of military spending and investing in military capabilities (it spends GDP 2% on defense, 2,5% by 2030).</p>	<p>Drawn-out process of Armed Forces’ modernization</p> <p>Due to institutional shortages and political incompetence, several Polish Armed Forces’ modernizations programs experience significant delays.</p> <p>Changes in technical requirements continue to frustrate foreign contractors, including US companies and government officials responsible for the Foreign Military Sales procedure.</p> <p>Weak economic ties</p> <p>Trade exchange between Poland and the US (amounts to \$10 billion, while e.g. trade exchange between Poland and Germany was ten times larger)</p> <p>The US would have smaller motivation to defend Poland in case of conflict than e.g. Japan or Germany, which are also among the biggest US trade partners.</p>
	Equity (Evaluation)
	<p>Poland has more assets than liabilities</p> <p>From the US perspective, Poland is indispensable in defending the Baltic States. For the US Poland is exemplary ally in regard to contributions to allied operations, sharing the view of NATO and US’ leading role in the alliance or fulfilling NATO’s defense spending pledges. Although, some controversial issues persist, such as the drawn-out process of the Polish Armed Forces modernization and controversies related to acquisition of the US weapon systems, the Poland’s assets in relations with the US definitely exceed its liabilities.</p>

Balance Sheet of Australia-US Alliance

Asset	Liability		
<p>Track record (loyalty) Long history of diplomatic and military support for US, and regional order Rhetorical validations: longstanding “friendship”</p> <p>Military contribution Support for military interventions in Asia, Middle East, “War on terror” Joint Facilities such as Pine Gap crucial asset for intelligence activities; US Marine deployment in Darwin Highly capable and interoperable forces and equipment</p> <p>Domestic/ideological compatibility Similar culture, liberal democratic domestic systems</p> <p>Threat perceptions (convergent) Uphold “rules based” international order (through “Free and Open Indo-Pacific”) Shared fears of Chinese assertiveness, expansion, and influence operations</p> <p>Defence collaborator Major defence customer with US suppliers Joint programs and defence collaboration</p> <p>Australia-Japan strategic partnership (“networking”) Reinforces US hub-and-spoke system Interaction with ASEAN institutions</p> <p>Regional hub Geographical location and policy engagement allows for cooperation in crucial Indo-Pacific and South Pacific regions</p> <p>American fear of abandonment? US needs allies more than ever to sustain its primacy in Asia</p>	<p>Asymmetry Australia only a middle power, needs to constantly seek attention in Washington “Fear of abandonment” – ANZUS Treaty is weak commitment Lack of alliance “infrastructure” results in over-reliance on personal relationships at Executive level</p> <p>Path dependency (sunk costs) Australia has over-invested in the US-alliance, it has no “Plan B”</p> <p>Threat perceptions (divergence) Complex economic interdependence with PRC and Chinese political influence in Australia undermines its support for US and raises doubts about Australian reliability in Washington</p> <tr> <th style="background-color: #e0e0e0;">Equity (Evaluation)</th> <td> <p>Australia has more assets than liabilities (7:3) Although Australia has typically held a strong portfolio of assets, especially loyalty and military contribution, and threat perceptions have been aligned until recently, these assets have been affected by the Trump Administration. The current Presidency puts little stock in loyalty and cares little for Australia’s crucial role in upholding the liberal international order. However, it does place strong emphasis on military and economic contributions to the alliance. Since Australia has raised its defence budget to 2% of GDP and placed orders with US defence contractors, these aspects give it some leverage. For the “deep-state” of security specialists, the assets of networking and regional hub are highly-valued. Liabilities have deepened as Australia has sought to integrate more deeply with the US, even as US power and commitment have diminished. Its “equity” has shifted and is arguably weaker than previously, under Trump.</p> </td> </tr>	Equity (Evaluation)	<p>Australia has more assets than liabilities (7:3) Although Australia has typically held a strong portfolio of assets, especially loyalty and military contribution, and threat perceptions have been aligned until recently, these assets have been affected by the Trump Administration. The current Presidency puts little stock in loyalty and cares little for Australia’s crucial role in upholding the liberal international order. However, it does place strong emphasis on military and economic contributions to the alliance. Since Australia has raised its defence budget to 2% of GDP and placed orders with US defence contractors, these aspects give it some leverage. For the “deep-state” of security specialists, the assets of networking and regional hub are highly-valued. Liabilities have deepened as Australia has sought to integrate more deeply with the US, even as US power and commitment have diminished. Its “equity” has shifted and is arguably weaker than previously, under Trump.</p>
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Balance Sheet of Germany-US Alliance

Asset	Liability				
<p>Germany as soft power</p> <p>US' principal trade partner in Europe and German companies are the fourth-largest foreign employer in the US.</p> <p>Common set of values (democracy, liberalism and human rights).</p> <p>German Geopolitical Location and Role of a Host Nation to US Forces</p> <p>Germany hosts two US regional headquarters in Stuttgart: US EUCOM and US AFRICOM, and over 40 bases (together almost 35,000 US troops). They provide a logistics base for US operations in Africa and the Middle East.</p> <p>Common missions and initiatives</p> <p>US-German security cooperation covers US permanent presence in Germany and military exercises in the US EUCOM Area of Responsibility.</p> <p>Germany strengthens NATO's Eastern Flank as the framework state for the Enhanced Forward Battle Groups in Lithuania, a contributor to the Very High Readiness Joint Task Force (VJTF) and to the Baltic Air Policing.</p> <p>German involvement under the UN-mandated ISAF and in NATO-led Resolute Support Mission.</p>	<p>Varying approaches to international security/ A different threat perception</p> <p>Germany is a pacifist nation, hesitant to back US with their foreign military operations.</p> <p>Different security priority cast the shadow on the cooperation and Germany does not participate in US-led international operations.</p> <p>Germany does not sufficiently invest into its own military capabilities to defend itself and its European allies.</p> <p>Germany undermines US diplomacy in the sphere of security by advocating multilateral approach and compliance with international law including JCPOA.</p> <p>Relatively small and not capable enough armed forces</p> <p>Germany spends only 1.2% of GDP on defence and only 13.75 percent of its defence expenditure on the modernization and equipment.</p> <p>The Bundeswehr has 178,334 troops, fourth largest within NATO but smaller in percentage compared with other allies.</p> <p>Significant equipment shortages.</p> <p>Competing Defence Industries</p> <p>Germany together with France called on the EU to consolidate the defence industry in order to reduce its dependence on the US.</p> <p>Potential success of this policy would not only increase US trade deficit, but also decrease allies' interoperability with the US Armed Forces.</p> <tr> <td colspan="2" style="background-color: #e0e0e0;">Equity (Evaluation)</td> </tr> <tr> <td colspan="2"> <p>Germany has more liabilities than assets</p> <p>In the case of US-Germany allied relations liabilities prevail assets. Apart from traditional US postulates concerning the need to increase German defence expenditures, during last two years the US is increasingly putting pressure on Germany. Moreover, compared to the US, German military capabilities are limited, with no plans to significantly boost investments, and current well-arranged US-German defence industries cooperation will have to face serious challenges. However, we should not forget about US-German ties. Furthermore, Germany has remained the biggest US overseas "base" in Europe. US-German security cooperation covers not only US permanent presence in Germany, but a wide range of different activities, including strengthening NATO's Eastern Flank.</p> </td> </tr>	Equity (Evaluation)		<p>Germany has more liabilities than assets</p> <p>In the case of US-Germany allied relations liabilities prevail assets. Apart from traditional US postulates concerning the need to increase German defence expenditures, during last two years the US is increasingly putting pressure on Germany. Moreover, compared to the US, German military capabilities are limited, with no plans to significantly boost investments, and current well-arranged US-German defence industries cooperation will have to face serious challenges. However, we should not forget about US-German ties. Furthermore, Germany has remained the biggest US overseas "base" in Europe. US-German security cooperation covers not only US permanent presence in Germany, but a wide range of different activities, including strengthening NATO's Eastern Flank.</p>	
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