

# Balance Sheet of U.S. Allies and Implication for Alliance Policy



THE SASAKAWA PEACE FOUNDATION



# **Balance Sheet of U.S. Allies and Implication for Alliance Policy**

Casimir Pulaski Foundation

The Sasakawa Peace Foundation

Warsaw 2018

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Images on the front cover:

Kaijō Jieitai, Japan Maritime Self-Defense Force (Izumo-class);  
Ministerstwo Obrony Narodowej (F-16)

Balance Sheet of U.S. Allies and Implication for Alliance Policy

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ISBN 978-83-61663-16-4

Publisher: Fundacja im. Kazimierza Pułaskiego

ul. Oleandrów 6, 00-629 Warszawa

[www.pulaski.pl](http://www.pulaski.pl)

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# Introduction

According to the *National Security Strategy (NSS)* of the Trump administration published in December 2017, today's world is getting more competitive.<sup>1</sup> The US and its allies are facing growing political, economic, and military competitions 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 competitions.

As shown in the NSS, US allies in Asia and Europe are facing similar threats, namely, the emergences 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 frequently intruded into the waters surrounding these islands and have heightened tension by coercive use of paramilitary means.

In Europe, NATO members are encountering Russian aggressiveness as it seeks 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 to the self-proclaimed republics of South Ossetia and Abkhazia. This was followed by Russian military intervention in Ukraine with "little green men" and its 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 the new environment. Still, Russia raised tensions by showing its force in the Zapad 2017 military exercise and continuing intervention in Ukraine.

In addition to the similarity of situations, it is likely that the US will demand its allies to 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. Under such 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 see 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 its ability to meet the anticipated demands that will be placed upon it by Washington in the future.

## 1. 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 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 alliance preparations or operations.

<sup>1</sup> *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>.

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. Through examining the actual contribution and strategic importance of each ally, we can shed light on the present characteristics of each ally's cooperation through a comparison 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 European allies, facilitating a cross-regional and 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 study 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.

## 2. 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 precise nature and dimensions of each ally's relationship with the US? Each alliance with 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 the ally is essential to the US strategy to commit and defend the 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 it 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 can maintain, the financial contribution they can make, the number and scope of military exercises in which they participate, and the 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 be a great asset for the ally. If its contribution does not meet US expectations, it would be a liability for the ally.
- » What is the nature and degree of cooperation with other allies in their respective 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 for enhancing interoperability, its level of cooperation can be considered high.

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.

To answer 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 evaluate the characteristics of the contribution provided by each ally through a comparative analysis across a range of case studies in Asia and Europe and organized geographically, on the basis of proximity to the threat, i.e., China and Russia.

The following chapters shed light on the present balance sheet of six US allies and compares the Asian and European allies in order to provide each ally with implication that will allow it to overcome its liabilities and employ its assets effectively in order to keep a good relationship with the US.

***Naomi Konda, Ph.D,***

*Research Fellow, The Sasakawa Peace Foundation*

# Chapter I

## Balance Sheet of the Lithuania-US Alliance beyond the Trump Administration

### 1. 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). From the beginning of its modern existence, Lithuanian people and its elites were striving to become a part of the Western liberal-democratic community and a part of its main political and military organizations – the European Union (EU) and NATO. This successful endeavor was crucial for a number of reasons, but arguably the most important is the fact that Lithuania borders on NATO's greatest adversary – the Russian Federation. Historical relations between both nations and the current aggressive posture of the latter have been the main drivers of Vilnius security and defense policy since the nation regained independence. Lithuania, acknowledging its weakness in a possible confrontation with Russia, has followed a steady policy of approachment with the West, especially the United States in order to protect its independence and sovereignty. Seeing Washington as the main guarantor of its independence and the only power that could deter and, in case of a conflict, defeat Russia, Vilnius for years has been one of the staunchest allies of America.

#### 1.1. Political relations between Vilnius and Washington – a short overview

Lithuania is the most populous country among the three Baltic States. It has a population of 2.87 million while Latvia and Estonia have 1.96 million and 1.32 million

respectively (data from 2016).<sup>2</sup> 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. The country's Russian-speaking minority amounts to 5.8% of the population, i.e. about 160 000 inhabitants – a significant number but nowhere near the Russian minorities in Latvia and Estonia where around 25% of the population is Russian (500 000 and 330 000 respectively).<sup>3</sup> The political influence of these minorities varies in each country and there is a constant debate among academics, policy-makers and experts on the level of impact of Russian propaganda and disinformation on these groups. Although it is clear that this influence is the lowest in Lithuania, it cannot be dismissed.

Lithuania as a modern nation state emerged as a result of World War I when Central and Eastern Europe experienced national revival due to the vacuum of power left after the crumbling of the Russian and German empires. The country regained its independence in February 1918, which lasted until the Soviet Union invaded Lithuania in June 1940, and was later incorporated into the communist state as one of its republics – The Lithuanian Soviet Socialist Republic. Another opportunity for independence appeared after half a century and is closely related to another major event in Europe – the collapse of the Soviet Union. Due to political and economic changes in the communist block and the Union of Soviet Socialist Republics (USSR), on 11 March 1990 the Supreme Council of the Republic of Lithuania announced, as the first Soviet Republic to do so, the restoration of the country's independence. After several months of aggressive actions undertaken by the collapsing Soviet Union, which included an economic blockade and a coup d'état attempt, the newly formed state has begun to gain international recognition and adopted a democratic constitution in October 1992. In August 1993 the last units of the former Soviet Army left the country. Following these events Lithuania began its march towards integration with the Western military and political institutions. In March 2004 it became a member

<sup>2</sup> World Bank website, <http://databank.worldbank.org>.

<sup>3</sup> CIA World Factbook, <https://www.cia.gov>.

state of the NATO alliance and in May of the same year – the European Union.

The United States were among the first nations to recognize Lithuanian independence which happened in July 1922. Following annexation of the country by the USSR, the US maintained policy of non-recognition of this event and considered all three Baltic nations as occupied. After the events between 1989-1991, Washington decided to recognize the restoration of Lithuanian independence on 2 September 1991. Four days later US Deputy Assistant Secretary of State Curtis Kamman and the Lithuanian First Deputy Minister of Foreign Affairs, Valdemaras Katkus, signed a memorandum of understanding on diplomatic relations.

During the post-cold war period Lithuania and the US signed a number of cooperation agreements in different fields, such as: the bilateral trade and intellectual property protection agreement of 1994, the bilateral investment treaty of 1997 or the Charter of Partnership signed with Lithuania and other Baltic States in 1998. Several US governments worked closely with Lithuanian authorities to rebuild the nation's institutions, democratic rules and to direct the country on the track of a market economy. Moreover, there was constant US support for Lithuania's membership in NATO and the EU. Since 1992, the United States have committed more than \$ 100 million in Lithuania in terms of economic and humanitarian aid.

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.<sup>4</sup>

## 1.2. Lithuania's security and defense ties

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.

*„We support the development and reform of NATO. The so called “peace dividend” has been taken too far in many Allied countries. The structures and the readiness levels of the Armed Forces in many countries were significantly reduced. Therefore, in the last NATO Summit the so called NATO Readiness Initiative has been launched. It is also called a “4x30 plan”, aiming at establishing 30 ground battalions, 30 aviation squadrons, 30 warships ready to action in 30 days.”*

*Robertas Šapronas, Defence Policy Director, Lithuania MOD*

<sup>4</sup> 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.

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 LAF capabilities and infrastructure.

*"After Russian aggression on Ukraine, the Americans acted very quickly by sending us a company of 140 soldiers. From the military point of view, it was not much, but it was done to demonstrate solidarity and friendship. It was a good political and military signal. During that time the situation was unclear. Nobody knew how Russian will behave in relation to Baltic States. Therefore, this demonstration was crucial and we will never forget it."*

**Jonas Vytautas Žukas, Chief of Defence of the Republic of Lithuania**

Due to the aggressive Russian actions in the last few years (especially the annexation of Crimea and the war in eastern Ukraine), NATO decided to reinforce its collective defense capabilities. Since 2014, rotational forces of the US and several other allies have been deployed on Lithuanian soil. NATO Force Integration Units were established in Lithuania and four NATO Enhanced Forward Presence (eFP) battalion size battlegroups were deployed in the Baltic States and Poland. Lithuania was reinforced by troops from several countries led by Germany. Additionally, the personnel of NATO land forces has been increasingly present in Lithuania during the Alliance's exercises, which are more abundant nowadays than ever. Apart from US/NATO-led initiatives, Lithuania has defense ties with several nations – bilateral and multilateral.

### 1.3. The US expectations towards Lithuania

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 defence.

### Technical modernization and interoperability with US and NATO forces

Lithuania's Armed Forces are limited in size and capabilities and are considered peripheral to the NATO defense system. The proximity to Russia makes them and other Baltic States almost completely dependent on the US and Alliance's support – a fact that is publicly acknowledged. Hence, much of the United States' expectations towards Lithuania is related to bilateral security and activities within NATO.<sup>5</sup> Before the events in Ukraine in 2014, Lithuania was constantly and sharply failing to meet the Alliance's informal commitment of spending at least 2% of its GDP on defense and at least 20% of defense expenditure on technical modernization of armed forces, however, this situation started to change since 2015. This NATO/US expectation towards most of its European allies is being addressed by Lithuania since 2015 and it is estimated that in 2018 the defense budget will rise to € 873 million which is slightly higher than 2% of the countries' GDP.

<sup>5</sup> US Policy towards the Baltic States. A Testimony by: Lisa Sawyer Samp, Statement before the House Foreign Affairs Committee Subcommittee on Europe, Eurasia and Emerging Threats, March 22, 2017.



Apart from defense expenditures, the US expects from Lithuania that its forces will be equipped with relatively modern armaments, but more importantly – that this hardware will be interoperable with forces of other NATO members. No one in Washington is anticipating that LAF will be able to sustain a full scale Russian invasion without allies' support. Vilnius' previous and current actions on that matter, such as the replacement of post-soviet equipment with new or second-hand but western-made hardware are in line with the aforementioned expectations. This conversion allows better coordination with NATO forces already dislocated on Lithuania's territory and possible reinforcements. Much needed interoperability is being upgraded, also through the increasing number of military exercises. In 2016 almost 10 000 NATO troops were in some kind of training in Lithuania, a number almost ten times greater than in 2013. The US would also like Baltic States to cooperate more between each other, thus making more like a one NATO defense subsystem than three separate elements. Although much has been done to meet this demand, Baltic cooperation remains among the least addressed of US expectations in the defense sphere.

## High readiness and rapid mobilization posture

As Lithuanian President Dalia Grybauskaitė expressed during the press conference after her meeting with the US Secretary of Defense James Mattis, all following steps on the matter of security and defense will be discussed with the Americans.<sup>6</sup> This statement and other similar made by high-ranking Lithuanian officials in recent years indicate the existence of a consensus among the country's political elites that Lithuania is completely dependent on the US ally and will try to accommodate its needs as much as possible. Although small in numbers, LAF are expected to be able to quickly respond to incoming threats of both regular and irregular nature. Moreover, it is expected from Lithuania to maintain similar force structure

during peacetime in order to ensure fast preparation and rapid reaction in the time of war. The best example of implementation of this strategy is the high readiness "Iron Wolf" Mechanized Infantry Brigade, the mobility and fire power of which are being enhanced through recent procurement of infantry fighting vehicles, self-propelled artillery, anti-tank weapons, as well as very short range air defense systems.<sup>7</sup> Additionally, in terms of readiness, there have always been expectations towards US allies to support its international military activities. This was also fulfilled by Lithuania on a number of occasions, such as the Operation 'Enduring Freedom' in Afghanistan or by joining the coalition forces in Iraq.

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.

## Assistance to NATO and US troops in terms of infrastructure, training and logistics

Taking into consideration the aforementioned relative weakness of LAF, the US is aware of the fact that the Lithuanian military, even with their defense expenditure of more than 2% of GDP, modernized equipment and thousands of well-trained conscripts, is unable to defend country's territory. Hence, 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

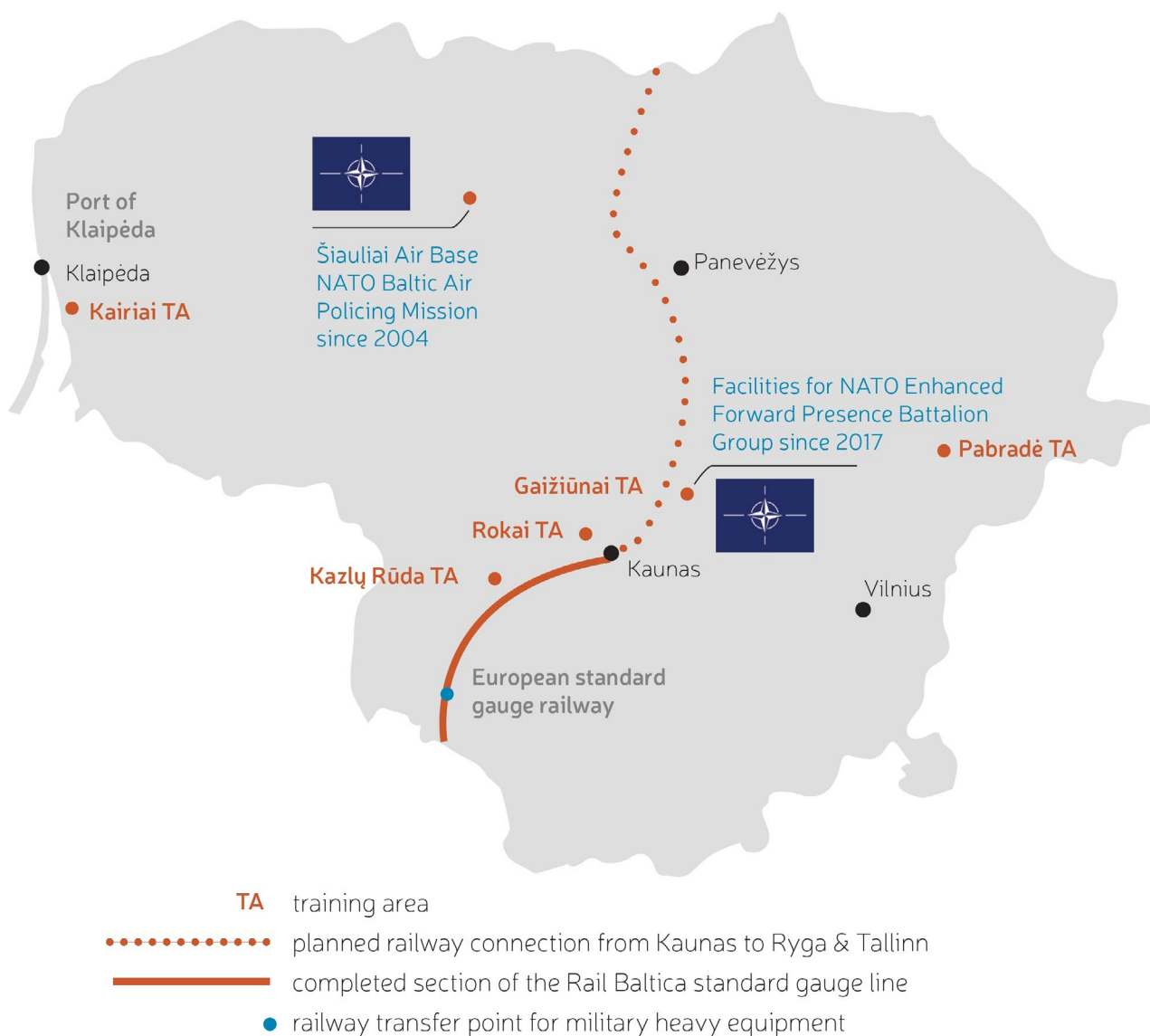
<sup>6</sup> Mattis in Vilnius: Units and equipment to be placed as necessary, 10.05.2017, <https://news.err.ee/594889/mattis-in-vilnius-units-and-equipment-to-be-placed-as-necessary>.

<sup>7</sup> White Paper: Lithuanian Defence Policy, Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 12, 33.

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.<sup>8</sup> 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).

*"If we have an international battle group in Lithuania, we want them to have a productive stay here, to make sure that it is beneficial from the military point of view. We have invested into our training facilities to allow heavy manoeuvre units to conduct live firing and training at a company level."*

**Robertas Šapronas, Defence Policy Director, Lithuania MOD**



**Figure 1.** NATO troops presence in Lithuania and important military railway connections and training grounds. Source: Lithuanian Defence System: Facts and Trends, Ministry of National Defence of Lithuania, 2017, p. 10.

<sup>8</sup> White Paper. Lithuanian Defence Policy, Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 45.

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.

## 2. Lithuania's assets and its contribution to the alliance with the US

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.

### 2.1. High and rising defence spending

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. Since that time defense outlays have been on steady rise and Lithuania is going to break NATO's 2% target in 2018. To meet that end applicable law was approved by Seimas<sup>9</sup> 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 programs.<sup>10</sup> Lithuania has become a country which can be presented by the United States to other NATO member states as an example. It is important given that in 2017 only 6 out of 29 members<sup>11</sup> of the Alliance were fulfilling 2% GDP commitment.<sup>12</sup>

*"It is important to remember that in its national accord Lithuanian political parties agreed to increase our defence spending to 2.5% of the GDP by 2030. Currently the level of defence expenditures is 2% of the GDP. In two years' time we increased the defence spending approximately twice and 25% of the total defence outlays goes to the modernization of our armed forces. In 5 years, until 2022 Lithuania intends to spend approximately 200 million EUR on infrastructure only."*

*Vytautas Bakas, Chair of the Committee on National Security and Defence, Seimas*

<sup>9</sup> Seimas is unicameral parliament of Lithuania.

<sup>10</sup> Lithuania MOD website, [https://kam.lt/en/budget\\_1065.html](https://kam.lt/en/budget_1065.html).

<sup>11</sup> The United States, Greece, Estonia, the United Kingdom, Poland and Romania.

<sup>12</sup> NATO press release *Defence Expenditure of NATO Countries (2010-2017)*, 29 June 2017.

## 2.2. Small but capable 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 3500<sup>13</sup> conscripts performing a 9-month service with an extra of 4900 NDTV 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).<sup>14</sup> 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 NDTV.<sup>15</sup> 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 Union<sup>16</sup> (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 NDTV and to operate behind enemy lines during wartime. In recent years the number of participants of the LRU has increased by 40% (from 4500 to more than 6000 in 2012–2016 period).<sup>17</sup>

*“We have agreement between political parties to reach 2% of GDP on defence expenditures. In par with that, we have 3 large, ongoing modernization programmes: infantry fighting vehicle “Vilkas” for the ‘Iron Wolf’ brigade based on “Boxer” IFV; 155mm self-propelled howitzer in the form of Panzerhaubitze 2000; and medium range air defence system (short range in NATO classification) in the form of NASAMS system.”*

**Jonas Vytautas Žukas, Chief of Defence of the Republic of Lithuania**

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.

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Defence spending as % of GDP	1,1	1,1	0,9	0,8	0,8	0,8	0,9	1,1	1,5	1,7	2,0
In millions of USD	470	354	296	286	286	296	356	474	636	773	812

**Table 1.** Lithuania defence expenditure between 2008 and 2018. Source: SIPRI, <https://www.sipri.org/>.

<sup>13</sup> 4000 in 2018.

<sup>14</sup> *Lithuanian Defence System: Facts and Trends*, Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 8.

<sup>15</sup> *White Paper. Lithuanian Defence Policy*, Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 41.

<sup>16</sup> Original name: Lietuvos šaulių sąjunga.

<sup>17</sup> *White Paper. Lithuanian Defence Policy*, Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 51–52.



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 fulfil 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.<sup>18</sup> 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 aircraft, UAVs. (Table 2.)

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. RFF 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. RFF have 2500 personnel in total, capable of reacting in 2–24 hours.<sup>19</sup> These forces have the priority when it comes to training, supplying, acquisition, and getting the most modern equipment. RFF should give Lithuania a capability to protect its own territory from any danger except full conventional invasion, or a massive cyber attack.

*"Lithuania does have Rapid Response Force and in this context it is important to have rapid decision-making. Maybe the issue of "little green men" will not be that relevant in Lithuania because Baltic States have different environment and societal moods which are out of comparison with those in Crimea and Donbas where Russia abused deep social problems and tensions. However, after the events in Crimea and Donbas we started to talk loudly in various NATO forums about the need to increase the speed of decision-making and to eliminate all the obstacles to respond to the threats fast and efficiently."*

**Vytautas Bakas, Chair of the Committee on National Security and Defence, Seimas**

<sup>18</sup> *White Paper. Lithuanian Defence Policy*, Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 44.

<sup>19</sup> *Ibidem*.

Year of purchase	Subject of purchase	Supplier (country)	Price	Condition
2014	Grom MANPAD systems; 25 launchers and 150 missiles	Poland	\$ 34 million	new
2015	18 (+3 for spare parts) PzH 2000 Panzerhaubitze self-propelled 155 mm howitzers	Germany	~ €15 million + € 10.5 million (modernization)	used
2016	88 (+3 for training purposes) wheeled Armored Fighting Vehicle based on modern Boxer APCs, with a turret armed with 30 mm autocannon and Spike-LR missile launchers called 'Vilkas' (Wolf). These vehicles will replace M113 in 2 out of 4 mechanized infantry battalions of "Iron Wolf" brigade	Germany	€ 385.6 million	new
2016	168 additional M577 command vehicles to use as APCs.	Germany	\$ 1.71 million	used
2016	unknown number of FGM-148 Javelin ATGM systems, more purchases are being discussed.	US	\$ 8 million	new
2017	two batteries of the short range air defense (SHORAD) class NASAMS system	Norway	\$ 110 million	new

**Table 2.** Most important equipment for LAI purchased in the period of 2014-2017\*. Source: Lithuanian Defence System: Facts and Trends.

\* Deliveries of all aforementioned equipment should end by the end of 2022.

## 2.3. Status of the Host Nation and the Allied training ground for the US Armed Forces

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.<sup>20</sup> 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 (2X4).<sup>21</sup>

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.<sup>22</sup> During a 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.<sup>23</sup> 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).<sup>24</sup> 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, including:

- » 5 national exercises;
- » 5 international exercises without the participation of US Armed Forces;
- » 5 exercises with the participation of US Armed Forces;

Those latter 5 exercises were the following:

- » Saber Strike – joint exercise of the Baltic States militaries and the US troops organized by the EUCOM.
- » Operation Open Spirit – joint sea mine countermeasure missions, with the participation troops from 14 NATO members.
- » BALTOPS – interoperability among NATO allies at Baltic Sea. Tactical drills organized by the United States Naval Forces Europe.
- » Baltic Piranha – land forces multinational exercise with participation of troops from: the US, Lithuanian and Belgian.
- » Iron Sword – 4000 soldiers from the US, Canada, Lithuania and 7 other European NATO countries. Defensive and offensive tactics for battalion tactical groups of national and international composition, interoperability.<sup>25</sup>

<sup>20</sup> Valdis Oztulis, Žaneta Ozoliņa; *Shaping Baltic States Defence Strategy: Host Nation Support; Lithuanian Annual Strategic Review 2016-2017*, Volume 15, p. 87.

<sup>21</sup> *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>.

<sup>22</sup> Valdis Oztulis, Žaneta Ozoliņa; *Shaping Baltic States Defence Strategy: Host Nation Support; Lithuanian Annual Strategic Review 2016-2017*, Volume 15, p. 87.

<sup>23</sup> *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.

<sup>24</sup> *NATO Enhanced Forward Presence*, kariuomene.kam.lt.

<sup>25</sup> *Military exercises 2016*, [https://kariuomene.kam.lt/en/international\\_military\\_exercises/military\\_exercises\\_2016.html](https://kariuomene.kam.lt/en/international_military_exercises/military_exercises_2016.html).

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.

Exercises with participation of US forces were the following:

- » Steadfast Cobalt (NATO Exercise) – training of communication units to ensure data exchange and maintenance of communication among NATO Response Force (NRF) tactical units, joint and component headquarters.
- » Saber Strike (International Exercise) – organized by the EUCOM in three Baltic States. The exercise involved the planning and execution of defensive operations and interoperability enhancement in joint Baltic and US military units.
- » Baltops 17 (international maritime Exercise) – organized by the US Navy and attended by NATO and Nordic military units. The goal of the exercise was to enhance and strengthen the cooperation and interaction among the participating forces from different countries while conducting complex operations.
- » Open Spirit – largest international (US, NATO and Partnership for Peace countries) neutralization of undetonated ammunition operation in the Baltic Sea.
- » Northern Coast (international) – enhancing interoperability of multinational forces in order to improve abilities of military units and commanding staffs to act in a joint military unit in case of a crisis.
- » Hunter (international) – over 1,200 soldiers from Lithuania, the US, Canada, Latvia, Poland, and Germany were training anti-armour operations and destroying other targets of hostile forces.
- » Trident Juncture – certification of the NATO Response Force readiness for standby and to respond to a crisis. It was a large-scale exercise involving land, maritime, air, and special forces components.

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 European Reassurance Initiative, and NATO Security Investment Program (NSIP).<sup>26</sup> 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.<sup>27</sup>

*“In my opinion we need more coordination between NATO, the United States European Command and national forces in the region. We already started discussions about incorporating Baltic States troops into NATO divisional structures. Latvian and Estonian units would enter into structures of Danish Division, while our mechanized “Iron Wolf” brigade into structures of the Polish 16th Mechanized Division from Elbląg.”*

*Jonas Vytautas Žukas, Chief of Defence of the Republic of Lithuania*

<sup>26</sup> US funds – for modernisation and reconstruction of Lithuanian military infrastructure and training grounds; [https://kam.lt/en/news\\_1098/current\\_issues/us\\_funds\\_for\\_modernisation\\_and\\_reconstruction\\_of\\_lithuanian\\_military\\_infrastructure\\_and\\_training\\_grounds.html](https://kam.lt/en/news_1098/current_issues/us_funds_for_modernisation_and_reconstruction_of_lithuanian_military_infrastructure_and_training_grounds.html).

<sup>27</sup> Lithuania wants a permanent US troops presence as ‘a game changer’ to counter Russia, Christopher Woody, Business Insider, May. 12, 2017.



## 2.4. Lithuanian military and political 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 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 290 soldiers).<sup>28</sup> 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 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 is 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. ISAF amounted to 140 thousand troops,<sup>29</sup> while the

coalition in Iraq usually amounted to between 200 and 300 thousand troops.<sup>30</sup> Lithuanian involvement was a fraction of a percent. However, 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. Those missions are:

- » NATO-led operation in Afghanistan Resolute Support Mission (RSM) – up to 50 military and civilian personnel members;
- » NATO-led operation in Kosovo - Kosovo Force (KFOR) – up to 5 military and civilian personnel members;
- » EU-led anti-piracy operation ATALANTA – up to 30 military and civilian personnel members;
- » UN-led MINUSMA operation in the Republic of Mali – up to 40 military and civilian personnel members;
- » EU-led EUNAVFOR MED SOPHIA operation – up to 20 military and civilian personnel members;
- » US-led operation in Iraq - Combined Joint Forces Land Component Command (CJFLCC) – up to 40 military and civilian personnel members;
- » NATO programs in Iraq and Jordan – up to 10 military and civilian personnel members;
- » Ukrainian Armed Forces training operation - Joint Multi-National Training Group – up to 60 military and civilian personnel members;
- » EU training mission in Mali (EUTM MALI) – 2 servicemen;
- » EU training mission in Central African Republic (EUTM RCA) – 1 staff officer.<sup>31</sup>

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

<sup>28</sup> NATO website, <https://www.nato.int/cps/en/natolive/107995.htm>.

<sup>29</sup> ISAF Mission in Afghanistan (2001-2014), [https://www.nato.int/cps/en/natohq/topics\\_69366.htm](https://www.nato.int/cps/en/natohq/topics_69366.htm).

<sup>30</sup> Allied Participation in Operation Iraqi Freedom, Stephen A. Carney, Center of Military History United States Army, Washington D.C. 2011.

<sup>31</sup> International operations and training missions, [http://kam.lt/en/international\\_cooperation\\_1089/international\\_operations\\_and\\_training\\_missions](http://kam.lt/en/international_cooperation_1089/international_operations_and_training_missions).

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.

### 3. Lithuania's liabilities

Lithuania is a country which relies on good relations with the US in many ways. Before 2014 Lithuania was one of the weakest and most vulnerable nations in the Alliance, it was not fulfilling the NATO commitment of spending 2% of its GDP on defense and was clearly unprepared to counter any kind of Russian aggression. Even though Lithuania tried to be a solid supporter of the US in international sphere, there was a serious gap between Washington's expectations and reality. Nowadays, the situation has changed and Vilnius is clearly fulfilling the US/NATO recommendations by strengthening its own defense through investments in air defense, the Rapid Response Force, cybersecurity, and the improvement of infrastructure and interoperability with allies. Similar actions are undertaken by other Baltic States, as well as Romania, Slovakia and Poland.

#### 3.1. Lithuania as a minor US defense equipment client

Trying to look out for possible gaps, we can see that Lithuania is not the best possible customer for US military equipment. With the exception of the Javelin ATGM, and

a possible purchase of 200 armored cars, Lithuania has not bought any expensive new US equipment or weaponry. Their main source of recently bought military hardware is Germany. Moreover, Lithuania does not get any weapons from the US through the Foreign Military Fund or Excess Defense Articles.<sup>32</sup> Lithuania is not a rich ally with the ability to possess brand new, modern equipment, however investments are being made, and heavy training with US troops can mean that the quality of LAF is high. Lithuania could spend its defense budget in a more effective way, e.g. by avoiding scandals with equipment purchases for prices drastically higher than necessary.<sup>33</sup> The effectiveness could also be better, if Baltic Nations would purchase in a joint manner, as one large customer. That would decrease prices and increase interoperability between them. However this is rarely a reality. Out of big purchases in recent years all three Baltic States have bought different types of self-propelled artillery, AFV's and anti-tank guided missiles (ATGMs) for infantry (Lithuania and Estonia chose Javelin, while Latvia chose Spike). However, Lithuania is not such a bad team player in the region. For example, the Lithuanian Ministry of Defense claims that 'Poland and Lithuania cooperate closely in the areas of acquisition, air defense, training and exercises. [...] In the future, Lithuania is interested to further develop deeper ties with Poland in the defense area in order to promote interoperability of Polish and Lithuanian armed forces, enhance their preparedness for defense as well as to strengthen NATO collective defense in the region'.<sup>34</sup>

Years ago the US also wanted the Baltic States to invest in a joint fighter squadron to control their airspace by themselves. This also never happened, but taking into account that Russia is able to destroy all airbases in a surprise attack, maybe this money had actually been spent in a smarter way, especially since the US is now advocating „smart investments“ and urges its allies to invest in those areas in which they can really make a difference.

<sup>32</sup> Defense Security Cooperation Agency website, <http://www.dsca.mil>.

<sup>33</sup> *Pirminė virtuvės įrankių kariuomenei tiekėja prisipažino: kaina toli gražu ne tokia, kokia mes pardavėm*, <https://web.archive.org/web/20171107204032/https://www.delfi.lt/news/daily/lithuania/pirmine-virtuves-irankiu-kariuomenei-tiekėja-prisipazino-kaina-toli-grazu-ne-tokia-kokia-mes-pardavem.d?id=72288912>.

<sup>34</sup> *White Paper. Lithuanian Defence Policy*, Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 25.

## 3.2. 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 and EU 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 km<sup>2</sup> which is comparable to other Baltic States. The distance from Klaipėda (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 (see figure 2). 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.<sup>35</sup>

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 km<sup>2</sup> 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.<sup>36</sup>

*"Having in mind the role Belarus had in Zapad exercise and its behaviour we can conclude that Belarus is just a training ground of Russian military. In political terms Belarus is finding its balance between interests of the West, China, Russia and also the wish of the regime to survive. In both economic and defence terms Belarus is dependent on Russia. Therefore, it is hard to identify which values it pursues. Our key task is to make every effort to talk to Belarus."*

**Vytautas Bakas, Chair of the Committee on National Security and Defence, Seimas**

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).<sup>37</sup> The President of Belarus Aleksandr Lukashenko has been holding his office since 1994 and is widely considered as "the last

<sup>35</sup> 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.

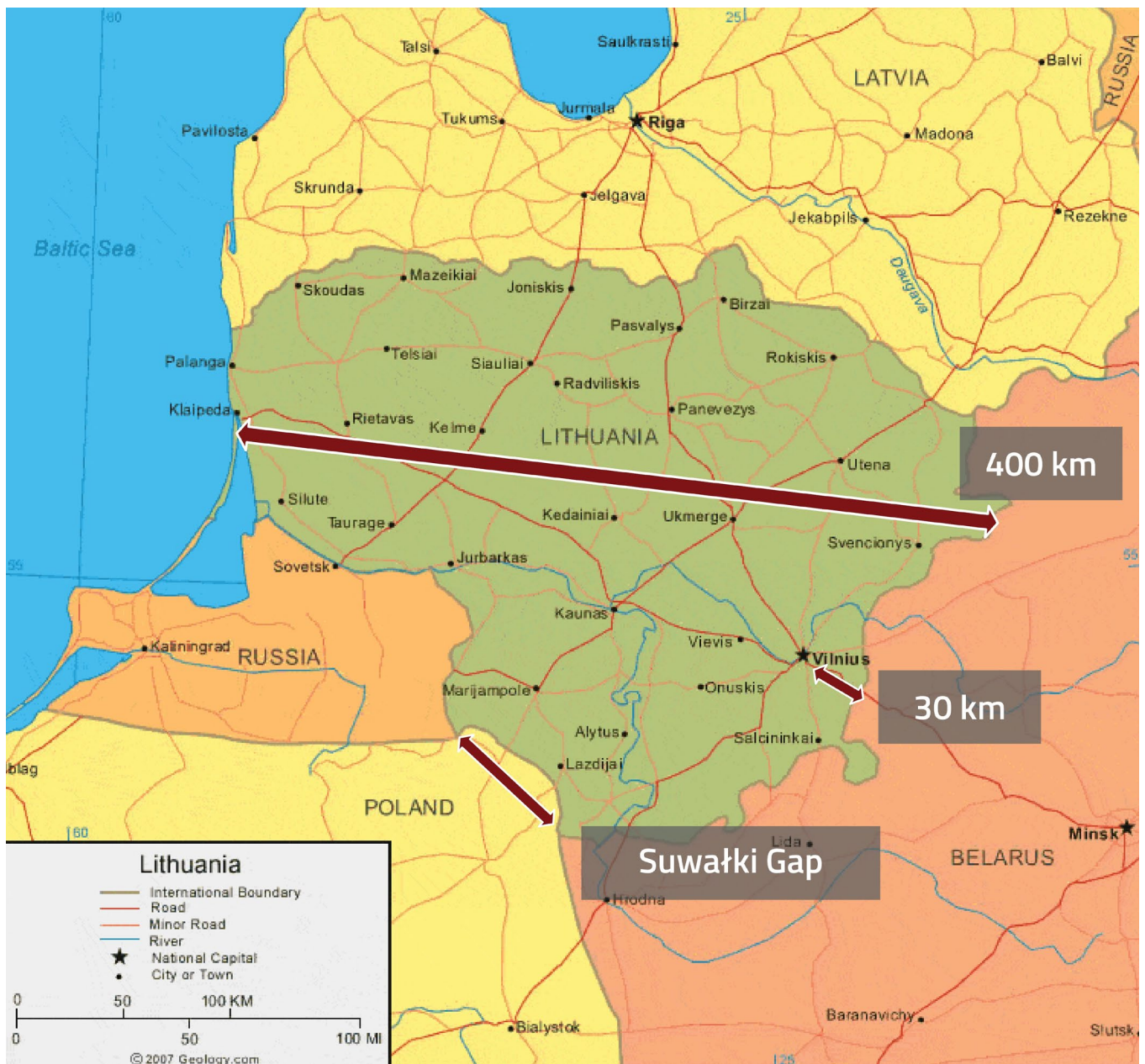
<sup>36</sup> Iwona Wiśniewska, Maria Domańska, Jan Strzelecki, Piotr Żochowski, Andrzej Wilk, Marek Menniszak, *Kaliningrad Oblast 2016. The Society, Economy and Army*, Ośrodek Studiów Wschodnich, 2016, p. 17-19.

<sup>37</sup> 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.



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 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.<sup>38</sup> 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 (see figure 3). 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).<sup>39</sup>



**Figure 2.** Political map of Lithuania and its neighbors. Source: Geology.com.

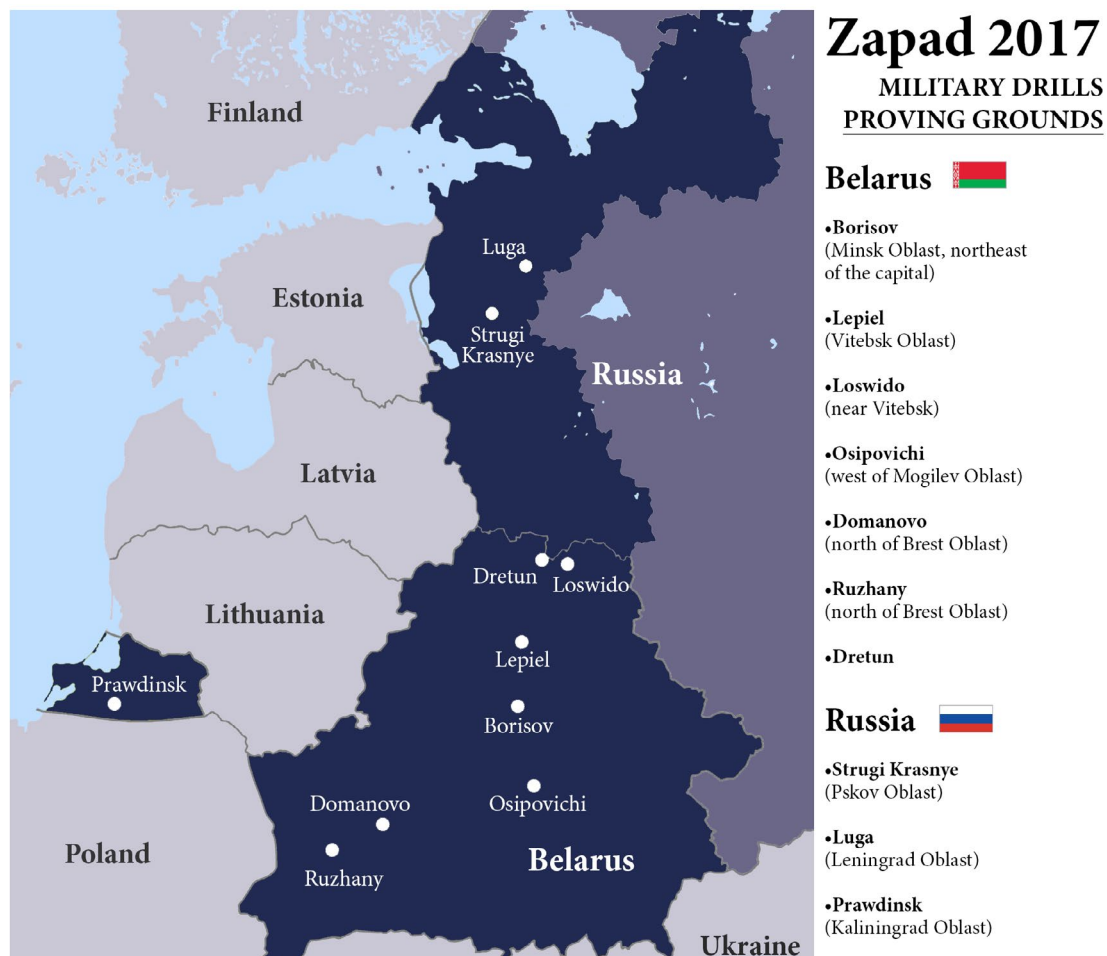
<sup>38</sup> *National Threat Assessment 2018*, State Security Department of the Republic of Lithuania, Second Investigation Department under the Ministry of National Defence, Vilnius 2018, p. 20.

<sup>39</sup> *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.

### 3.3. 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 3,043,429 (in 2011) with the percentage of ethnic minorities unchanged.<sup>40</sup> 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 per year.<sup>41</sup> 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 from NATO. This scenario appears impossible today, however, it might be valid in the next 20 or 30 years. Hence, this constitutes a significant challenge for future generations.



**Figure 3.** Geographical area of Zapad 2017 military exercise. Source: Zapad-2017 Q&A, The Warsaw Institute Foundation, 2017, p. 3.

<sup>40</sup> [www.demoscope.ru](http://www.demoscope.ru).

<sup>41</sup> [countrymeters.info/en/Lithuania](http://countrymeters.info/en/Lithuania).



## 4. Alternatives to the US-Lithuania cooperation

Lithuania does not exist in a geopolitical vacuum, and although the US is a cornerstone of Vilnius defense policies, it does not mean that there are no other countries interested in Lithuania's safety and stability of the region. Among those there are other NATO member states, which are aware that the fall of any NATO country would likely mean the dissolution of the entire Alliance. Neighbors from the region also support the safety of Lithuania for their own particular reasons – stability and commerce. Moreover, the European Union has never lost a member because of military aggression. This could be very painful for Brussels, especially that, since the beginning of 2015, Lithuania is a member of the Eurozone and its fall could have unforeseen effects on European currency.

### 4.1. Current 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.

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.<sup>41</sup> 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 defence sectors;
- » strengthening EU - NATO cooperation.

In addition to NATO and the EU, Lithuania is active also in other forums of multilateral cooperation:

- » Between Baltic States (B3, with Latvia and Estonia). These nations have similar military and economic capabilities, are close to each other and share common threats. Their cooperation encompasses high priority consultations on defense issues. In 2013 the Non-permanent Joint Staff Element was formed to coordinate military policies and doctrines and to provide best possible Host Nation Support.
- » Nordic-Baltic Cooperation (NB8) – collaboration in this forum exists mainly in the form of consultations and coordination of positions in NATO and the EU. This cooperation is still under development and Lithuania wants to strengthen it in areas such as joint exercises and armament acquisitions. Additionally, Lithuania has a special relationship with Denmark, whose sole division is affiliated with the "Iron Wolf" brigade and both units often train together.
- » The Northern Group (NATO's countries from Baltic States and Scandinavia plus Germany and Poland) is cooperating on the political and defense level and performs major joint crisis exercises.

<sup>42</sup> *White Paper. Lithuanian Defence Policy.* Ministry of National Defence of the Republic of Lithuania, Vilnius 2017, p. 21.

#### Bilateral cooperation:

- » Poland is considered by Lithuania as one of the key cooperating nations in defense in a number of areas, such as: weapons acquisition, air defense, training and exercises. Polish and Lithuanian staff officers work together in multinational units – Multinational Corps Northeast (located in Poland) which strengthens regional expertise and adds capacity to develop command and control for collective defense operations and trilateral LITPOLUKR Brigade (4500 troops, initiative to help Ukrainian Armed Forces to reach NATO standards). Poland is viewed by Lithuania as a country which largely contributes to the security of Lithuania and the entire region and is in a similar situation in terms of security (although with far greater capabilities). In the future, Vilnius wants to deepen its defense cooperation with Poland in order to achieve even better interoperability, and enhance preparedness and collective defense.
- » Germany is a strong Lithuanian partner in terms of weapon acquisition, and military exercises. It is also a framework nation for the multinational NATO battalion stationed in Lithuania. In the long term, Lithuania wants to consolidate and possibly enlarge the German involvement in defense of its territory and possibly the whole Baltic region.
- » Cooperation with the United Kingdom and France. is also steadily increasing. The UK is a lead nation for the multinational NATO battlegroup in nearby Estonia, and Lithuania participates in some UK-led military initiatives: the Joint Expeditionary Force, Allied Rapid Reaction Corps, and the NATO Very High Readiness Joint Task Force. This is also the case with France, but this nation is less involved in Baltic States Region. The presence of both countries seems to exist because of the US and NATO policies.
- » Lithuania is also engaged with bilateral security and defense cooperation with Ukraine, Moldova and Georgia. This involvement is to help those nations

to “westernize” their military and make them interoperable with NATO standards.

*“Lithuania does not perceive new European initiatives in defence as a threat to NATO. We believe that if those initiatives compliment the Alliance, our capabilities to respond to threats will increase considerably. This is because as NATO recognise itself, there are certain areas in which it cannot act. So we see that European initiatives such as military mobility and those related to cyber threads are the ones that complement the agenda of NATO. As EU member states will have to increase their defence spending, we will definitely face with more urgent discussions concerning this issue which means that we will have to find solutions but nevertheless NATO is the backbone of security which we must strengthen and preserve.”*

*Vytautas Bakas, Chair of the Committee on National Security and Defence, Seimas*

## 4.2. 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.

*"U.S. presence in Lithuania is more important from political than military point of view. Having our partners on our soil is to send a message to our society that we are secure. As I discussed this issue with our partners, from operational point of view we should not look at Baltic States as sole operational area – NATO is everywhere in Europe, not just in Lithuania or Latvia. Nevertheless, we strongly encourage our allies to come to Lithuania and to use our training infrastructure."*

**Jonas Vytautas Žukas, Chief of Defence of the Republic of Lithuania**

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).<sup>43</sup> Germany is the only large western power which lies close to Lithuania and is seriously interested in Vilnius 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.<sup>44</sup> In comparison, in the same year the Russian Federation spent only \$ 70 billion, which is less than a third of what the Europeans spent.<sup>45</sup> 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.

*"We have significant persistent presence of allied troops in our country. We host German-led NATO enhanced Forward Presence Battle Group on our territory, we have enhanced NATO Baltic air policing mission, and we annually host large international military exercises. This is an enormous challenge for us because it means constant deployment of large number of additional troops."*

**Robertas Šapronas, Defence Policy Director, Lithuania MOD**

<sup>43</sup> World Bank website, <http://databank.worldbank.org>.

<sup>44</sup> Defence Expenditure of NATO Countries (2010-2017), NATO Press Release, Communique PR/CP(2018)16, March 2018, p. 7.

<sup>45</sup> Stockholm International Peace Research Institute (SIPRI) website, <https://www.sipri.org/>.

## 5. Conclusions and recommendations

### 5.1. US-Lithuania cooperation in security and defense from the Lithuanian perspective

As mentioned several times in this paper, Lithuania considers the US as its main ally and guarantor of independence and territorial integrity. Since the Russian annexation of Crimea (2014) and the war in eastern Ukraine, Vilnius has changed its defense posture and tries to fulfil 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.

*"We estimate that Russia can deploy about 50 battalion-size battle groups (about 6 divisions) within one week. NATO presence in the Baltic region is significantly smaller than the Russian military presence. If we take into account troop numbers, equipment, readiness levels, speed of decision-making and a number of other aspects, NATO is in considerable disadvantage vis-a-vis Russia. We need to change this balance in order to deter. That's why the ongoing NATO reform is so important."*

**Robertas Šapronas, Defence Policy Director, Lithuania MOD**

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. 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 fulfil all its needs in the security sphere.

### 5.2. US-Lithuania cooperation in security and defense from the US perspective

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. LAF has, however, limited capabilities in terms of independent countering of full scale conventional warfare, especially against armored units. However, 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. 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.

### 5.3. Overcoming current liabilities

Although Lithuania's liabilities in the security and defense sphere are being constantly addressed and a number of actions have been taken since 2014, much is still to be done. The authors of this paper see the following actions as useful in overcoming some of the existing liabilities of the Lithuanian defense and security system.

- » Considerable investments in the Lithuanian defense were made, but introducing new structures and technical modernization is still ongoing. Desired military capabilities will not be reached before 2022. Hence, 2% GDP level on defense is a bare minimum and, in fact, outlays on this sphere should increase.
- » Although Lithuania is a part of the two most important organizations of the Western civilization – the EU and NATO, as well as, several other international entities, it should not rest on its laurels. Vilnius should focus its efforts on participating in as many as possible NATO and EU defense and security initiatives as possible, including military maneuvers, joint units and modernization programs.
- » Better coordination between NATO, US and national assets in defense sphere should be considered priority. Lithuania need to focus on facilitating

discussions among allies on reforms that would entail rapid decision-making in case of emergency.

- » Further improvement of transport, shipment and energy infrastructure is needed. Initiatives such as Via Baltica or the enlargement of the Klaipeda harbor are examples of this idea.
- » In order to neutralize the threat of the Russian-speaking minority, Lithuania should follow the policy of assimilation of this minority using a plethora of positive incentives.
- » Taking into account the ambiguous position of the current US administration regarding Russia, Vilnius should enhance its cooperation with other allies, especially Germany and Poland.
- » Following the aforementioned ideas, Lithuania should not refrain from a closer partnership with Latvia and Estonia. Although some initiatives in this matter already took place, there is still significant space for improvement, especially in the context of joint exercise and procurement.
- » Lithuania should invest and extend initiatives such as: the Rapid Response Force and non-conventional countermeasures against possible Russian aggression (e.g., cyberdefense).

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**Maciej Szopa**, *Research Fellow of Wargaming Studies and Simulation Program at Casimir Pulski Foundation*



# Chapter II

## A Balance Sheet of US-Taiwan Relations beyond the Trump Administration

### 1. Introduction

For China, which brought Hong Kong and Macau back under its rule during the 1990's, the only remaining territorial problem of any historical significance is the reunification of Taiwan with the mainland. After starting the "Reform and Opening-Up" policy, the People's Republic of China (PRC) advanced its economic development and reinforcement of the People's Liberation Army (PLA). As a result, China now has great political and military power. At the 19th National Congress of the Communist Party of China, the General Secretary of the Chinese Communist Party (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, China 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 Trump on US-Taiwan relations.

### 2. Taiwan's Assets

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, are areas 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, since it sits at the intersection of the East China Sea and South China Sea and is thus China's

gateway to the Western Pacific.<sup>46</sup> 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 through the Miyako Strait (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.

Taiwan's second asset is its democratic system of governance. Taiwan achieved democratization in the period between the 1980's and 2000's. Even after the death of President Chiang Kai-shek in 1975, under the regime of his successor, Yen Chia-kin, and after the accession of his son Chiang Ching-kuo in 1978, Taiwan officially maintained a national policy of anti-Communism.<sup>47</sup> Meanwhile, the Republic of China was maintaining what was essentially a single party control system by the Kuomintang (Chinese Nationalist Party). However, with the rapprochement between the US and China after the People's Republic of China 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.<sup>48</sup> Furthermore, with the normalization of US-China relations in January 1979, the US started demanding the democratization of Taiwan 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,

<sup>46</sup> Rira Momma, "Introduction," in *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship* (National Institute for Defense Studies, February 2017), p.2.

<sup>47</sup> Rira Momma, "Chapter 2, China-Taiwan Relations from Taiwan's Perspective," in *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship* (National Institute for Defense Studies, February 2017), p.29.

<sup>48</sup> Rira Momma, *Ibidem*, p.29.

stressed US support while prodding President Chiang to pursue his goal of democratizing Taiwan.<sup>49</sup>

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.<sup>50</sup> Upon the death of Chiang Ching-kuo in January 1988, Vice President Lee Teng-hui was promoted to President. After that, Taiwan's democratization accelerated.

The first presidential election in Taiwan was held in March 1996. In the second presidential elections in 2000, the first change of government happened peacefully with the election of Chen Shui-bian of DPP as president. Democracy is fully established in Taiwan today as regime change has taken place every eight years through elections since 1996. Moreover, freedom of the press is secured in Taiwan. Because of these facts, Taiwan is regarded as one of the most advanced democratic countries in Asia. Taiwan's respect for democracy is on par with that of the US, and is one of the largest incentives for the US to protect Taiwan.

Taiwan's third 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". The US has been supplying defensive weapons to Taiwan based on this act. Although it is a domestic act, it plays the role of the legal basis for reserving the right of the US to protect Taiwan. These three assets are very important for Taiwan in its competition with China.

### 3. 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 to emerge on the international scene, the Taiwan problem has grown in importance in another sense as well.

Taiwan does not have official diplomatic relations with powerful countries in the world 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. In addition, Taiwan is limited in practical terms to buying weapons solely from the US, and is therefore subject to many restrictions on the kind and the quantity of the weapons that it can purchase.

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

#### 3.1. China's strong pressure on Taiwan

A further liability of Taiwan is that China regards Taiwan as a target for unification and will consider use of military means to this end. China continues to put various kinds of pressure on Taiwan, and Taiwan considers this a major liability.

<sup>49</sup> Shirley A. Kan, *Democratic Reforms in Taiwan*, Congressional Research Service, May 26, 2010, p.4.

<sup>50</sup> Shirley A. Kan, *Ibid.*, p.6.

<sup>51</sup> Rira Momma, "Conclusions," in *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship* (National Institute for Defense Studies, February 2017), p.80.

First of all, there is the 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 17 countries that maintain formal relations with Taiwan. Taiwan has been pushed out of many international organizations. What is more, since 2016 it has not been able to attend the WHA as an observer. Taiwan was able to attend the general assembly of the ICAO in 2013 as a guest, but was not able to do so in 2016.

Thirdly, economic pressure is a big problem for Taiwan. Chinese visitors from mainland China to Taiwan have been declining since 2016. Fortunately, 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.<sup>52</sup> However, Taiwan is expected to struggle to promote the New Southbound Policy because of its relative lack of diplomatic relations with South Asian countries.

### 3.2. 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 Chinese policy has remained unchanged regardless of whether the Kuomintang 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.
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.<sup>53</sup>

<sup>52</sup> H. H. Michael Hsiao, *Strategizing Taiwan's New Southbound Policy*, Taiwan-Asia Exchange Foundation, July, 2018.

<sup>53</sup> Rira Momma, "Chapter 4: Transformation of the China-Taiwan Relationship and Maintaining the Status Quo", in *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship* (National Institute for Defense Studies, February 2017), p.64.

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.<sup>54</sup> 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 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.

All the Mirage-2000 aircraft will probably have to be decommissioned within a few years, and Taiwan wants to have an alternative fighter plane to replace them. There has been no sale of major armaments between Taiwan and the US since the Trump regime was established, but the Tsai Administration seems to be increasingly hopeful that this will take place.

## 4. The Trump Factor

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

### 4.1. 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 how much they can trust the President. For instance, there have been various concerns and criticisms 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. Perhaps I am going too far, 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 election, Taiwan’s 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. Therefore, the basic strategic premise of future US policy toward China is to face up to China that has become powerful.

<sup>54</sup> “Chinese Air Force announces ‘regular’ exercises flying through key entryway into western Pacific”, *The Japan Times*, September 14, 2016.

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. From a short-term perspective, the Trump administration must win the midterm elections, so that the US government can start a trade war against China.

From a long-term perspective, on the other hand, the Trump administration seems to consider that China has a strong hegemonic tendency and therefore the US must oppose the rising China.

## 4.2. Trump's appointment of pro-Taiwan high-ranking 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. The Tsai Ing-wen administration welcomed these personnel selections.

## 4.3. Taiwan Travel Act

While 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.

## 4.4. National Defense Authorization Act for the 2018 Fiscal Year

This act addresses what the US should do with regard to Taiwan. The 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 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.

The above are just subjects for study submitted by the US Congress to the White House and not necessarily 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.



## 4.5. Construction of the AIT new building at Taipei

The new building of the American Institute in Taiwan was completed in June 2018. An official of MOFA Taiwan believes that the US Marine Corps will be garrisoned in the new AIT building.

The new AIT building is akin to a huge fortress on the outskirts of Taipei City, and some Taiwan experts consider that it exists to protect the many American residents in Taiwan in the event of a war between Taiwan and China. If this were to occur, US citizens would be protected by US marines.

## 4.6. 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.<sup>55</sup> 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.<sup>56</sup>

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. 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.<sup>57</sup>

Taiwan has used the submarines that it does possess for a long time, thus it is believed that it excels in submarine maintenance. However, Taiwan needs technical assistance from other countries with construction experience as it takes a great 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.<sup>58</sup> 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 building in Taiwan.

The Tsai Ing-Wen administration is basically satisfied with Trump’s Taiwan policy, but the president herself is not happy with Japan’s security policy toward Taiwan.

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

<sup>56</sup> “First Taiwan-US defense forum held”, *Taipei Times*, May 11, 2018.

<sup>57</sup> *Republic of China National Defense Report 2017*, Ministry of National Defense, ROC, March 2018, p.118.

<sup>58</sup> “US Grants Licenses to Help Taiwan Build Fleet of Attack Subs”, *The Diplomats*, April 11, 2018.

The Tsai Ing-Wen administration has requested comprehensive security dialogue with a number of organizations in Japan; for example, 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.

## 5. Conclusions

China will no doubt continue to plan to exert various kinds of pressure on, and conduct political maneuvers against, Taiwan. One such maneuver would be to support the Kuomintang, 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 in 2015. In 2016, the forum was held for the 10th time under the new name of the “Forum for Peaceful Cross-Strait Development.”<sup>59</sup> However, the forum has not been held since. We should notice that Xi Jinping met the former chairperson of 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 president’s representative for Asia-Pacific Economic Cooperation (APEC) and by blocking Taiwan’s attendance as an observer at the World Health Assembly and at the International Civil Aviation Organization (ICAO) triennial assembly, even though Taiwan has guest status at the assembly, being the current chair. Taiwan was not invited to participate in the 2016 ICAO assembly. China is also looking for ways to sever relations between Taiwan and the countries with which it has friendly relations. As of August 2018, Tsai Ing-wen’s administration has broken formal relations

with five countries since the President’s inauguration. Taiwan now has formal relations with just seventeen countries.

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 seeking to build the Taiwanese people’s sense of insecurity concerning the DPP.<sup>60</sup> Now we must focus on Taiwan’s next local election, to be held in November 2018. Four years ago, the DPP won a landslide victory in the local elections. The DPP used its momentum to win the presidential election in 2016. However, many experts on Taiwan expect that the DPP will fight hard in the next local and presidential elections. The next presidential election is a very 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.<sup>61</sup>

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. Therefore, the Xi Jinping administration will 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

<sup>59</sup> Mitsutoyo Matsumoto, *Observation on KMT chairperson election*, Japan-Taiwan Exchange Association, October 2017, p. 8-10.

<sup>60</sup> Rira Momma, “Conclusions,” in *NIDS China Security Report 2017, Change in Continuity: The Dynamics of the China-Taiwan Relationship* (National Institute for Defense Studies, February 2017), p.82.

<sup>61</sup> *Republic of China National Defense Report 2015*, Ministry of National Defense, ROC, November 2015, p.65.

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. On the other hand, it can be said that China's attitude and behavior made the US take various countermeasures and the sympathy for Taiwan has grown. Similarly, the US itself tried to oppress Taiwan when the Chen Shui-bian government was trying to change the situation in the Taiwan Strait. Taiwan should pay attention to this example from history if China starts to cooperate with international society.

Although it was not possible to discuss the matter in detail in this paper, the role of Taiwan in the US Indo-Pacific Strategy is another relevant issue. While the US has mentioned that Taiwan is an important partner who shares the same values, they have not clearly stated how they will act with regard to Taiwan. This is because the Trump regime, which prefers bilateral relations to multilateral ones, has not stated clearly to what extent it will follow its Indo-Pacific Strategy.

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## Chapter III

# A Balance Sheet of Poland-US Relations beyond the Trump Administration

### 1. 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 and 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.

#### 1.1. History

The history of US-Polish relations goes back to the colonial period, with first Poles settling in Jamestown in 1608. Subsequent generations of Poles fought alongside the colonists in the American War of Independence. Two Polish commanders of that time – Tadeusz Kosciuszko

and Casimir Pulaski – became nationally-recognized American heroes. This amicable start ensured that social relations between two nations have always been characterized by rather positive emotions. The American society cheered Polish attempts to regain independence during the November and January uprisings, in 1830 and in 1863 respectively. Even more importantly, the 28th US President, Thomas Woodrow Wilson – who personally disliked Polish emigrants – is considered as one of the architects of the Polish independence after World War I, thanks to his famous Fourteen Points statement.<sup>62</sup>

During the Cold War Poland and the US found themselves in two hostile blocs, which determined their relations in decades following the World War II. However, such US presidents as John F. Kennedy, Richard Nixon and Jimmy Carter (Carter had even Polish security advisor, Zbigniew Brzezinski) tried to maintain positive relations with Poland, despite the communist puppet government running the country. This fact became even more apparent during the Ronald Reagan administration. Reagan’s strong anti-Soviet attitude made him more inclined to sympathize with the Polish opposition movements after the imposition of the martial law by the communist government in 1982.

The collapse of communism 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.<sup>63</sup> 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 appreciated by Washington, prompting the US administration to ask to be represented in Iraq by the Polish Embassy.<sup>64</sup> At the same time, Poland also officially declared its intention to join the

<sup>62</sup> Longin Pastusiak, *Prezydenci amerykańscy wobec spraw polskich* (Warsaw: Wydawnictwo Bellona, 2003).

<sup>63</sup> Roman Kuźniar, *Polityka zagraniczna III Rzeczypospolitej* (Warszawa: Wydawnictwo Scholar, 2012), p.53.

<sup>64</sup> Ibid., p.101.

North Atlantic Treaty Organization. The statement was initially met with a skeptical response from the Clinton administration, which prioritized good relations with Russia. Consequently, Poland and the other Visegrad countries (the Czech Republic, Hungary and Slovakia) were invited to NATO's Partnership for Peace program. Warsaw saw this as little more than a delay measure, aimed at postponing its accession to the transatlantic structures. 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.<sup>65</sup>

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. Most member states seemed to share the US vision of the Alliance as a global actor and a "toolbox", providing capabilities for coalitions of the willing in particular operations.<sup>66</sup> 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. 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.

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.<sup>67</sup> 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.

Nevertheless, despite the best efforts on the Polish side, some matters turned out to be painfully disillusioning for Warsaw. The blood and treasure expended during the costly Iraqi mission was not compensated by contracts for the reconstruction of country's infrastructure after the operation. At the same time, US companies benefited from most attractive contracts, leaving only the less lucrative for companies from other allied states. Moreover, the less-than-satisfactory implementation of the F-16 offset agreement and US administration's decision to maintain a visa regime for Poles, remained major detriments in bilateral relations.<sup>68</sup>

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

<sup>65</sup> Ibid., p.122-134.

<sup>66</sup> Ibid., p.228-231.

<sup>67</sup> Ibid., p.313.

<sup>68</sup> Ibid., p.314-315.



The Obama administration also decided to cancel the deployment of GMD installations in Poland and the Czech Republic, deeming it too costly and excessive. The system was to be replaced with the European Phased Adaptive Approach (EPAA) program, which was more beneficial for Poland than the previous project.<sup>69</sup> Unfortunately, the decision about the change was announced unexpectedly on September 17th 2009, which was the 70th anniversary of the Soviet invasion during WWII. Poor communication on the US side and a lack of understanding of the technology on the Polish side, prompted some journalist and politicians in Warsaw to draw comparisons between the two events, some even calling the change a “betrayal.”

With Russia’s illegal annexation of Crimea and its active 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 funds the increase activity 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), albeit on a rotational basis. The US also assumed the role of a framework country for NATO’s Enhanced Forward Presence 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.<sup>70</sup>

## 1.2. The Polish-US relations today

The US-Polish relations 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”.

*“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.”*

*Jacek Czaputowicz, Foreign Minister of Poland*

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.”<sup>71</sup>

<sup>69</sup> EPAA program is an American contribution to the NATO’s Ballistic Missile Defense system and, unlike the previous concept based on GBI interceptors and long-range radar in Czech Republic, was designed to protect the US allies and the American troops in Europe from Middle Eastern missile threats.

<sup>70</sup> 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/>.

<sup>71</sup> *Information of the Minister of Foreign Affairs on Polish foreign policy tasks in 2018*, the Ministry of Foreign Affairs of the Republic of Poland [https://www.msz.gov.pl/en/p/msz\\_en/news/minister\\_jacek\\_czaputowicz\\_on\\_polish\\_diplomacy\\_priorities\\_in\\_2018](https://www.msz.gov.pl/en/p/msz_en/news/minister_jacek_czaputowicz_on_polish_diplomacy_priorities_in_2018).

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."<sup>72</sup> 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.<sup>73</sup>

Poland also supports the US efforts in promoting democracy worldwide. Community of Democracies, a global intergovernmental coalition established in 2000, remains the most important platform of cooperation in this dimension. Community's 10th Anniversary Summit, featuring US Secretary of State Hillary Clinton, was held in Cracow, while Permanent Secretariat of the organization operates out of Warsaw. Finally, since 2011, both countries cooperate through the Polish-US Democracy Dialogue, which is a platform for consultations on democratizing authoritarian countries and states where democracy is considered to be at risk.<sup>74</sup>

## 2. Poland's assets: significance of Poland in the US foreign and security policy

### 2.1. 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. Country's population (over 38 million) and area (over 300 000 km<sup>2</sup>) set Poland apart

from smaller countries of CEE region. Only Romania has comparable general population and economic indicators. Also the size and potential of 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, and one of only a few NATO states to meet its commitment of spending at least 2% of the GDP on defense.<sup>75</sup>

*"I talk about Poland as the center of gravity."*

*Gen. Ben Hodges, US Army Commanding General Lt., US Army Europe*

In the first years following the end of the Cold War, the significance of Poland in the US foreign policy was symbolic. Poland was presented as a poster child for a successful social and economic transformation from command economy to liberal democracy. However, the US initially displayed cautious approach towards the idea of Poland's accession to NATO. Even after Poland joined the Alliance, the bilateral cooperation was mostly limited to Warsaw's support for US out of area operations. At the time, the CEE was considered by US administrations as a stable and unthreatened region.

<sup>72</sup> Ibid.

<sup>73</sup> *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/test3](https://www.msz.gov.pl/en/foreign_policy/other_continents/north_america/bilateral_relations/test3).

<sup>74</sup> Ibid.

<sup>75</sup> 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 for weapon systems' acquisition and development of capabilities.

The strategic significance of Poland increased considerably after the annexation of Crimea 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. Lithuania, Latvia and Estonia are all relatively small countries, with significant Russian minorities<sup>76</sup> 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.<sup>77</sup> In 2016 General Ben Hodges, the commander of US Army in Europe at the time, admitted that "Russia could take over the Baltic states faster than we would be able to defend them."<sup>78</sup>

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.

Moreover, 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.<sup>79</sup> 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.

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 maintaining US credibility in the region and beyond. 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.

## 2.2. 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 NATO accession process less than two weeks before NATO 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 a 800-strong military contingent to Kosovo as a part of the NATO KFOR mission.<sup>80</sup> Poland has continued

<sup>76</sup> See chapter I.

<sup>77</sup> David A. Shlapak, Michael Johnson, *Reinforcing Deterrence on NATO's Eastern Flank*, RAND Corporation, [https://www.rand.org/content/dam/rand/pubs/research\\_reports/RR1200/RR1253/RAND\\_RR1253.pdf](https://www.rand.org/content/dam/rand/pubs/research_reports/RR1200/RR1253/RAND_RR1253.pdf).

<sup>78</sup> "US commander: NATO couldn't stop Russian attack on Baltics," *Baltic Times*, 23 June, 2016.

<sup>79</sup> 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>.

<sup>80</sup> 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 Kozerański (Warszawa: AON, 2016).

its contribution to KFOR since then, currently running the 37th rotation composed of approximately 260 troops.<sup>81</sup>

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"<sup>82</sup> and 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.<sup>83</sup> 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 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 comprised of 4 F-16 jet fighters, 150 ground personnel (PKW Kuwejt)<sup>84</sup> and a special force group deployed to train and advise the Iraqi Armed Forces (PKW Irak).

## 2.3. Status of a new backbone of US presence in Europe

Another Poland's asset is high and rising US presence on the Polish soil. For almost 20 years Washington and Warsaw have worked together on the issue of missile defense. 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 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.<sup>85</sup> 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.

<sup>81</sup> *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](https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2018_07/20180706_2018-07-KFOR_Placemat.pdf).

<sup>82</sup> *ISAF's mission in Afghanistan (2001-2014)*, NATO [https://www.nato.int/cps/en/natohq/topics\\_69366.htm](https://www.nato.int/cps/en/natohq/topics_69366.htm).

<sup>83</sup> *International Security Assistance Force (ISAF): Key Facts and Figures*, NATO [https://www.nato.int/isaf/placemats\\_archive/2010-04-16-ISAF-Placemat.pdf](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](https://www.nato.int/isaf/placemats_archive/2012-09-10-ISAF-Placemat.pdf).

<sup>84</sup> „Kolejni żołnierze lecą do Kuwejtu,” *Polska Zbrojna*, January 4, 2017 <http://polska-zbrojna.pl/home/articleshow/21498?t=Kolejni-zolnierze-leca-do-Kuwejtu>.

<sup>85</sup> „MSZ: baza w Redzikowie z opóźnieniem,” *Defence24*, March 22, 2018, <https://www.defence24.pl/msz-baza-w-redzikowie-z-opoznieniem>.

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.<sup>86</sup> 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.<sup>87</sup>

In recent years, as NATO reduced its involvement in out of area operations and Russia's increasingly assertive foreign policy distressed European allies, the US-Polish cooperation concentrated on enhancing security of NATO's Eastern Flank. 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.<sup>88</sup> 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 1). The US deployed a heavy brigade (Armored Brigade Combat Team, 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 Skwierzyzna, Świątoszów, Żagań (brigade headquarters) and Bolesławiec in Western Poland.<sup>89</sup> The ABCT is supported by elements of the Combat Aviation Brigade including AH-64, UH-60L and CH-47 Chinook helicopters, operating from an air base in Powidz.<sup>90</sup> Moreover, during NATO's Warsaw Summit in 2016, member states agreed to establish an Enhanced Forward Presence comprised of four multinational reinforced-battalion-level battlegroups in Poland and the Baltic States. 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).<sup>91</sup> The US is also one of

the most important providers of military equipment for the Polish Armed Forces.

## 2.4. 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's 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.<sup>92</sup>

<sup>86</sup> 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 Pugiewicz, „Polityka zagraniczna Polski wobec Stanów Zjednoczonych,” *Academia*, [https://www.academia.edu/1823218/Polityka\\_zagraniczna\\_Polski\\_wobec\\_Stan%C3%B3w\\_Zjednoczonych](https://www.academia.edu/1823218/Polityka_zagraniczna_Polski_wobec_Stan%C3%B3w_Zjednoczonych).

<sup>87</sup> *Ibid.*, <http://archiwalny.mon.gov.pl/pl/strona/435/>.

<sup>88</sup> "NATO Increases Baltic Air Cover," *Stratfor*, <https://worldview.stratfor.com/article/nato-increases-baltic-air-cover>.

<sup>89</sup> *American Armored Brigade Combat Team in Poland*, US Embassy to Poland, <https://pl.usembassy.gov/abct/>.

<sup>90</sup> *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](https://www.army.mil/article/187301/10th_combat_aviation_brigade_deploys_to_poland_in_support_of_operation_atlantic_resolve).

<sup>91</sup> 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.

<sup>92</sup> "Is Poland America's donkey or could it become NATO's horse?," *The Economist*, May 8, 2003, <https://www.economist.com/europe/2003/05/08/is-poland-americas-donkey-or-could-it-become-natos-horse>.



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 for 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 obligations<sup>93</sup> 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 increasing 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."<sup>94</sup>

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 Enhanced Forward Presence, 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.

## 3. Polish liabilities

### 3.1. Drawn-out process of Armed Forces' modernization

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

<sup>93</sup> See footnote 75.

<sup>94</sup> *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-mariusz/>.

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 focussed 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 3.** Most important military exercises with Polish and US participation (2014-2018).

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

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.<sup>95</sup>

### 3.2. 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.<sup>96</sup> Poland is the 40th import partner 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.<sup>97</sup>

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).<sup>98</sup> Warsaw also considers the US as a potential strategic 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.

## 4. 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

<sup>95</sup> Interviews by author with representatives of US defense industry.

<sup>96</sup> *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>.

<sup>97</sup> *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>.

<sup>98</sup> 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-obroty-handlowe-miedzy-polska-a-usa-nie-rzucaja-na-kolana.html>

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.

Similarly, the beginning of Trump's tenure was marked with controversial decisions, such as recognition of Jerusalem as a capital of Israel, the withdrawal from the Iran nuclear deal (The Joint Comprehensive Plan of Action) and the Paris agreement on climate change or the imposition of duties on European steel and aluminum. Finally, Trump suggested that he would like to rebuild relations with Moscow, prompting Russia's readmission to the G-7 group.<sup>99</sup>

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 Taylor, Senior Fellow at Friends of Europe think tank, "while some Western Europe countries tried to hedge their bets enhancing military cooperation with each other, other states, including Poland, wanted to keep the US even closer not to let Transatlantic relations loosen."<sup>100</sup> To this backdrop, Trump's victory was received quite well by Polish right-wing media and politicians. 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."<sup>101</sup> 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.<sup>102</sup>

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."<sup>103</sup>

<sup>99</sup> Bob Bryan, "Trump wants Russia back in the G7 just 4 years after it was kicked out," *Business Insider*, 8 June, 2017, <https://www.businessinsider.com/trump-g7-summit-russia-back-in-2018-6?IR=T>.

<sup>100</sup> Conversation with the author.

<sup>101</sup> *Remarks by President Trump to the People of Poland*, The White House, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-people-poland/>.

<sup>102</sup> *Proposal for a U.S. Permanent Presence in Poland*, Ministry of Defense of Poland.

<sup>103</sup> <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-president-duda-republic-poland-bilateral-meeting/>.



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.<sup>104</sup> 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 Union.)<sup>105</sup> 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."<sup>106</sup> Nevertheless, this is a minority view in Poland. The alliance with the US, forming a pillar of Polish security, dominates political discourse.

## 5. Conclusions

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.

From the US perspective, Poland is indispensable in defending the Baltic States, which may be the next target of Kremlin. 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. 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.

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.

<sup>104</sup> Interviews by author with senior Polish diplomats.

<sup>105</sup> 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."

<sup>106</sup> Andrzej Dybczyński, „Dwutorowa asymetria – Sojusze Rzeczypospolitej Polskiej w XXI wieku,” *Polski Przegląd Dyplomatyczny*, No. 2 (2017).

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.

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# Chapter IV

## A Balance Sheet of the Japan-US Alliance beyond the Trump Administration

### 1. 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."<sup>107</sup>

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 historical change on 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, the 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."

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.

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

#### 2.1. A common threat perception

The most important Japanese asset on the Japan-US alliance balance sheet 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 the US hegemony.<sup>108</sup>

In 2017, the US National Security Strategy (NSS) was designed to address China's expansion of its power at the

<sup>107</sup> Ilan Ben-Meir, "That Time Trump Spent Nearly \$100,000 On An Ad Criticizing U.S. Foreign Policy In 1987," *BuzzFeed News*, July 15, 2015, <https://www.buzzfeednews.com/article/ilanbenmeir/that-time-trump-spent-nearly-100000-on-an-ad-criticizing-us>.

<sup>108</sup> 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), John's Hopkins University (on August 9).

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.<sup>109</sup> 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 US values and interest.

In 2017, the US National Security Strategy (NSS) was designed to address China’s expansion of 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. 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 US values and interest. In addition to the rising 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 US 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 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 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.<sup>110</sup>

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.”<sup>111</sup>

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.

## 2.2. 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.

<sup>109</sup> *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>.

<sup>110</sup> *Defense of Japan 2018 (Digest)*, p.23.

[http://www.mod.go.jp/e/publ/w\\_paper/pdf/2018/DOJ2018\\_Digest\\_0827.pdf](http://www.mod.go.jp/e/publ/w_paper/pdf/2018/DOJ2018_Digest_0827.pdf).

<sup>111</sup> NSS 2017, p.25.

If China sought to compete with 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.<sup>112</sup>

As an act of self-restraint following its surrender in World War II, Japan adopted Article 9 of its Constitution in 1947, 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 will conduct defense missions and maintain 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, China's free access to the Pacific Ocean means it poses more of a direct threat to its homeland security since there are no obstacles for the Chinese military if they wish 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 actions in the region. The Chinese military efforts 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.<sup>113</sup>

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 think tank 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."<sup>114</sup>

### 2.3. Host nation support of the US Forces in Japan (USFJ) and inter-operability with the Japan Self-Defense Forces

The role of the USFJ and its interoperability with the Japanese Self-Defense Forces are essential to the US security operation 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.

<sup>112</sup> Author's interview of Kent Calder, Vice Dean of the School of Advanced International Studies (SAIS), John's Hopkins University on August 9, 2018.

<sup>113</sup> *Annual Report to Congress: Military Power of the People's Republic of China 2009*, Office of the Secretary of Defense, p.vii. [http://www.andrewerickson.com/wp-content/uploads/2015/11/DoD\\_China-Report\\_2009.pdf](http://www.andrewerickson.com/wp-content/uploads/2015/11/DoD_China-Report_2009.pdf).

<sup>114</sup> Gregory T. Kiley & Nicholas F. Szechenyi et al. *U.S. Force Posture Strategy in the Asia Pacific Region: An Independent Assessment*, Center for Strategic & International Studies. August 2012.



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 (1990-1991), 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).<sup>115</sup>

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."<sup>116</sup>

It is important that the JSDF is fully capable to defend its own territory in close coordination 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 inter-operability 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 inter-operability between the two forces.<sup>117</sup> 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.

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's partial relocation to Guam from Okinawa.<sup>118</sup> 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.<sup>119</sup>

## 2.4. 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 technology innovation in order to preserve and revitalize conventional deterrence capability by countermeasures to the key challengers.<sup>120</sup>

<sup>115</sup> *III Marine Expeditionary Force: Forward, Faithful*, the US Marine Corps, <https://www.iiimef.marines.mil/>

<sup>116</sup> *Fact Sheets*, US 7th Fleets. <http://www.c7f.navy.mil/Portals/8/documents/7thFleetTwoPagerFactsheet.pdf?ver=2017-09-20-040335-223>.

<sup>117</sup> Author's interview of Sheila Smith, Senior Fellow of the Council on Foreign Relations, August 8, 2018.

<sup>118</sup> "Host Nation Support" in *the Japan-US Security Arrangements*, Ministry of Foreign Affairs of Japan, <https://www.mofa.go.jp/region/n-america/us/security/hns.html>.

<sup>119</sup> 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](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)

<sup>120</sup> Jesse Ellman, Lisa Samp & Gabriel Coll, *Assessing the Third Off-set Strategy*, Center for Strategic & International Studies, March 2017, [https://csis-prod.s3.amazonaws.com/s3fs-public/publication/170302\\_Ellman\\_ThirdOffsetStrategySummary\\_Web.pdf?EX01GwjFU22\\_Bkd5A.nx.fJXTRDKbVR](https://csis-prod.s3.amazonaws.com/s3fs-public/publication/170302_Ellman_ThirdOffsetStrategySummary_Web.pdf?EX01GwjFU22_Bkd5A.nx.fJXTRDKbVR)

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.”<sup>121</sup>

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.”<sup>122</sup>

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).<sup>123</sup>

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.<sup>124</sup> 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.”<sup>125</sup>

## 2.5. 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 the Japan-US bilateral relations, as the US had up to that point been frustrated with

<sup>121</sup> NSS 2017, p.21.

<sup>122</sup> “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/>.

<sup>123</sup> 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-1c897f17e185\\_story.html?utm\\_term=.4c5cf6ea202d](https://www.washingtonpost.com/opinions/the-chinese-threat-that-an-aircraft-carrier-cant-stop/2018/08/07/0d3426d4-9a58-11e8-b60b-1c897f17e185_story.html?utm_term=.4c5cf6ea202d).

<sup>124</sup> Author’s interview of James. L. Schoff, Senior Fellow of the Carnegie Endowment for Peace, August 9, 2018.

<sup>125</sup> “Joint Statement from President Donald J. Trump and Prime Minister Shinzo Abe”.

its junior partner's reluctant attitude.<sup>126</sup> This political willingness is an asset for Japan on the balance sheet.<sup>127</sup> 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 sympathize with the communist block and feel nationalistic emotional frustration due to the permanent presence of a foreign military in Japan. Realizing the geopolitical risk surrounding Japan, however, Japanese 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.

Ironically, 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.

## 3. Japan's liabilities on the balance sheet of the Japan-US alliance

### 3.1. 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 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.<sup>128</sup> 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 US leaders and citizens, the rise of China is a large challenge today, even though the rise of China appeared to be a mere existential challenge as recently as the early 2010s.<sup>129</sup>

<sup>126</sup> Michael J. Green, *Japan's Reluctant Realism*, Palgrave MacMillan, 2003.

<sup>127</sup> Author's interview of Nicholas Szechenyi, Senior Fellow of the Center for Strategic & International Studies, on August 8, 2018.

<sup>128</sup> 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>

<sup>129</sup> Interview by author to Daniel Kliman, Senior Fellow of the Center for New American Century, August 9, 2018.

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, issues of trust could arise between Japan and the US, however this does not represent a serious liability on the Japanese side caused by the US fear of entanglement.

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 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. 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.<sup>131</sup>

Ironically, Japan's constitutional and political restrictions on offensive capability lessen the US fear of entanglement, as Japan does not have the offensive capability to entangle the US in a military conflict.

### 3.2. Limitations on the use of the 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 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 Peace Keeping 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.

<sup>130</sup> 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>.

### 3.3. Japan's generous host nation support to the USFK could be challenged by Okinawan regionalism

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 km<sup>2</sup>. 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 corp soldiers heightened the frustration of the Okinawans 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.

### 3.4. 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%.<sup>131</sup> There could be several 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 USFK, 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 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.

## 4. 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.

<sup>131</sup> 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>.



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 is regarded as a last defender of the US alliance, in regard to both the Pacific and Atlantic alliances.

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.

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) 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.

## 5. Conclusions

Based on the above, it appears that Japan has more assets than liabilities on the balance sheet of the Japan-US Alliance. Even the Trump factor does not negatively affect the balance to any considerable degree. When I 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 see 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.

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# Chapter V

## Balance Sheet of the Germany-US Alliance beyond the Trump Administration

### 1. Introduction

The United States of America and Germany have been close allies since the end of the World War II. Washington could almost always rely on friends from Bonn and Berlin for political support and in security issues. In turn, Berlin enjoyed defense guarantees from its American partner, both within NATO and on bilateral terms. The cooperation had its occasional ups and downs (most notably, the two countries had strongly opposing views concerning the intervention in Iraq in 2003), but generally it was one of the closest alliance relations in modern history. The mutual friendliness was clearly visible between the cabinets of Barack Obama and Angela Merkel, who, apart from a good personal rapport, agreed on substance and style in foreign policy.

This traditional friendship was put to test when Donald Trump became the 45th President of the US. His self-centered 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. Cracks began to appear on the seemingly perfect image of cooperation. This analysis will, first and foremost, explore whether the disagreements are a result of a clash in styles and are thus a possibly passing phenomenon, or whether they are rooted in underlying structural problems. Firstly, the fundamentals of US-German alliance will be analyzed. Then, authors will discuss assets and liabilities of Germany in relations with the United States. Next, the analysis will shift to ongoing and intermittent challenges in security cooperation in the latest period. Finally, the paper presents conclusions and discussions about possible alternatives.

In order to present the cooperation foundations, the authors present data and analyze various official documents and articles authored by leading subject

matter experts. Additionally, 7 in-depth interviews on transatlantic relations were conducted with leading German experts. The individuals questioned were carefully selected to represent the whole political spectrum, from left to right-wing and from transatlantic enthusiasts to sceptics.

### 1.1. Historical background of the German-US alliance

After the end of World War II (WW II), Germany was divided into four occupation zones, with the USA controlling one of them. In 1947, the US and British zones were merged, forming the so-called "Bizonia". In 1949, disputes arose between Western powers and the Soviet Union, which led to the creation of the German Federal Republic (FRG, West Germany). The US' decision to establish full diplomatic relations with the FRG in 1955 marked the beginning of an alliance between the two. Germany implicitly agreed to full dependence on the US for security issues, and focused on economic redevelopment. Following the end of the cold War and the "Two Plus Four Agreement" (1990)<sup>132</sup> the communist German Democratic Republic (GDR, East Germany) was incorporated into the FRG.

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.<sup>133</sup> Then, at the beginning of the 21st century, Germany started to move away from its traditional acceptance of an asymmetrical relationship with the USA, seeking ad hoc allies and trying

<sup>132</sup> *A Guide to the United States' History of Recognition, Diplomatic, and Consular Relations, by Country, since 1776: Germany*, <https://history.state.gov/countries/germany>.

<sup>133</sup> Ł. Smalec, *Kultura strategiczna Stanów Zjednoczonych po zakończeniu zimnej wojny (ciągłość i zmiana)*, (Warszawa: Wydział Dziennikarstwa i Nauk Politycznych, 2015), p.52-53.

to distance itself from the role of a junior ally.<sup>134</sup> While President Barack Obama's tenure was a time of improved bilateral relations, 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 political dimension.<sup>135</sup>

## 1.2. Alliance at a glance today.

### Politics

Political asymmetry between the USA and Germany is a consequence of the US global superpower position, and its desire to play a key role in the international system. The difficult lesson of Pearl Harbor (1941) proved that isolationism cannot provide complete security. This gave way to an ambitious policy with the aim of shaping the international system in line with the US interests.<sup>136</sup> In Europe, the USA is treated as a liberal hegemon as well as a natural leader that played a key role in the process of rebuilding Europe and creating NATO. Moreover, the US policy has enabled the peaceful reintegration of Germany with the West, and, consequently, the European integration. After the reunification, the USA was seen as a reassurance power, balancing a more powerful Germany.<sup>137</sup>

After the WW II Germany, unlike the USA, never aspired to play a role of a global power and consistently developed

an alliance with Washington. This assumption remains a pillar of its foreign policy and security strategy.<sup>138</sup> However, Russia's aggression against Ukraine revealed that Germany is capable of playing a leading role in the EU beyond the economic dimension. This is true despite the fact that the ongoing evolution of German foreign policy has not been accepted by the public (according to the TNS Infratest only 37% of Germans support a more active policy, whereas 60% oppose it).<sup>139</sup>

## Economy

Disproportions between the two countries are 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),<sup>140</sup> the trade imbalances are much smaller. The US ranks the second, after the People's Republic of China (PRC), while Germany is third among the largest exporter countries.<sup>141</sup> The US goods export volume in 2016 amounted to \$ 1.45 trillion, whereas import to \$ 2.21 trillion (\$ 760 billion deficit). US trade balance in services is more favourable, with export amounting to \$ 759 billion and import at slightly under \$ 510 billion (\$ 249 billion surplus). Meanwhile, German export amounted to \$ 1.318 trillion, with import at \$ 1.022 trillion (\$ 298 billion surplus). The situation looks less favourable when it comes to trade in services. Germany, has export of \$ 286 billion and import of \$ 308 billion, resulting in a 22 billion deficit.<sup>142</sup> In terms of foreign direct investment, numbers for 2017 show USA ranking first in the world with \$ 348.7 billion, while Germany's inflow was only \$ 78 billion.<sup>143</sup>

<sup>134</sup> T. Forsberg, *German Foreign Policy and the War on Iraq: Anti-Americanism, Pacifism or Emancipation?*, Security Dialogue vol. 36, no. 2, June 2005, p.217-225.

<sup>135</sup> M. Kaim, "Germany: A Lynchpin Ally?," in *Global Allies Comparing US Alliances in the 21st Century*, ed. M. Wesley, (Australian National University 2017), p.31-34.

<sup>136</sup> Ł. Smalec, *Kultura strategiczna*, p.52-54.

<sup>137</sup> "In spite of It All, America," *New York Times*, October 11, 2017, [www.nytimes.com/2017/10/11/world/europe/germany-united-states-trump-manifesto.html](http://www.nytimes.com/2017/10/11/world/europe/germany-united-states-trump-manifesto.html).

<sup>138</sup> Ibidem.

<sup>139</sup> M. Kaim, *Germany*, p.31-43.

<sup>140</sup> *Projected GDP Ranking (2018-2023)*, <http://statisticstimes.com/economy/projected-world-gdp-ranking.php>.

<sup>141</sup> *Top 20 Export Countries Worldwide in 2017 (in billion U.S. dollars)*, [www.statista.com/statistics/264623/leading-export-countries-worldwide/](http://www.statista.com/statistics/264623/leading-export-countries-worldwide/).

<sup>142</sup> *Trade in Goods. OECD Data*, <https://data.oecd.org/trade/trade-in-goods.htm#indicator-chart>, Trade in Services. OECD Data, <https://data.oecd.org/trade/trade-in-services.htm#indicator-chart>.

<sup>143</sup> *Foreign Direct Investment, Net Inflows*, <https://data.worldbank.org/indicator/bx.klt.dinv.cd.wd>.

Finally, the USA is the principal architect of the Bretton Woods (with the most voting power within the International Monetary Fund and the World Bank) and plays a leading role in the World Trade Organization.<sup>144</sup>

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 (US export – 85 billion and import – \$ 153 billion) with the US deficit at \$ 68 billion (trade – 65 billion and services – 3 billion).<sup>145</sup> In contrast, the USA had a surplus in FDI balance with Germany in 2016 (373 billion invested in the USA and almost 108 billion invested in Germany).<sup>146</sup> German companies are the fourth-largest foreign employer in the USA with 674,000 jobs and are also a key contributor to export from the USA.<sup>147</sup>

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. Still, it remains one among many, held back by its own restrictive doctrines on the use of power. Furthermore, while Germany's economic links make it influential, they limit the scope of action whenever trading relationships are at risk. Economic interests play a significant role in German foreign policy. It is fair to say that, to a large extent, economic prowess dictates the Federal Republic's position in international relations. Its economy is world's 4th largest and number one in Europe. These numbers are very unusual for a state of a rather moderate size on a global scale (population of 82 million). The country's international integration is expressed not only through markets but also through institutions – Germany is a member of many global bodies which manage the global

economic governance (WTO, IMF, World Bank) as well as the European Union. 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.<sup>148</sup> For this reason, Germany has even been called a "geo-economic" power.<sup>149</sup>

## Military

Military power is the most distinguishing factor for US position in the international system. American military supremacy serves not only to defend itself, but also to ensure the stability of the international system. The dominance of the US Armed Forces is based on their potential (structure and size) and presence abroad. In addition to the traditional types of armed forces (US Army, US Navy and US Air Force), the US Armed Forces have also special expeditionary units – US Marine Corps and strategic forces responsible for the nuclear arsenal.<sup>150</sup> US Navy and US Air Force have a global reach and the capabilities necessary to achieve domination in any part of the world. Meanwhile, the US Army would be able to defeat any enemy in a short-term confrontation in an open field.<sup>151</sup> Aside from quality, the special position of US Armed Forces is determined by their sheer size (3rd largest in the world by the number of personnel– 1.282 million).<sup>152</sup> Finally, the third pillar of US Armed Forces supremacy is the presence abroad (now almost 170,000 troops<sup>153</sup> and about 800 military bases and installations in almost 80 countries).<sup>154</sup>

<sup>144</sup> *International Bank for Reconstruction and Development Subscriptions and Voting Power Of Member Countries*, <http://siteresources.worldbank.org/BOD-INT/Resources/278027-1215524804501/IBRDCountryVotingTable.pdf>, IMF Members' Quotas and Voting Power, and IMF Board of Governors, [www.imf.org/external/np/sec/memdir/members.aspx](http://www.imf.org/external/np/sec/memdir/members.aspx).

<sup>145</sup> *U.S. Relations with Germany*.

<sup>146</sup> *Select USA: Foreign Direct Investment (FDI): Germany*, [www.selectusa.gov/servlet/servlet.FileDownload?file=015t0000000LKMKG](http://www.selectusa.gov/servlet/servlet.FileDownload?file=015t0000000LKMKG).

<sup>147</sup> *Beziehungen zu Deutschland*, [www.auswaertiges-amt.de/de/ausussenpolitik/laender/usa-node/bilateral/204568#content\\_1](http://www.auswaertiges-amt.de/de/ausussenpolitik/laender/usa-node/bilateral/204568#content_1).

<sup>148</sup> M. Dauderstädt, *Germany's Economy. Domestic Laggard and Export Miracle*, Friedrich-Ebert-Stiftung "Economy of Tomorrow", November 2012, p.25.

<sup>149</sup> H. Kundnani, "Germany as a Geo-Economic Power," *The Washington Quarterly*, Summer 2011.

<sup>150</sup> B. Balcerowicz, *Siły zbrojne w stanie pokoju, kryzysu i wojny*, Wydawnictwo Naukowe „Scholar”, Warszawa 2010, p. 75–76; Active and Reserve U.S. Military Force Personnel Numbers by Service Branch and Reserve Component in 2016, [www.statista.com/statistics/232330/us-military-force-numbers-by-service-branch-and-reserve-component/](http://www.statista.com/statistics/232330/us-military-force-numbers-by-service-branch-and-reserve-component/).

<sup>151</sup> D. Pierson, *Bringing the Hurricane: The American Way of War*, <http://smallwarsjournal.com/jrnl/art/bringing-the-hurricane-the-american-way-of-war>.

<sup>152</sup> *The Largest Armies in The World based on Active Military Personnel in 2018*, <https://www.statista.com/statistics/264443/the-worlds-largest-armies-based-on-active-force-level/>.



US military expenditures (610 billion \$) seem to guarantee country's military supremacy. In 2017 the United States spent 35% of total global military expenditures on defence, more than the next seven biggest spenders (China, Saudi Arabia, Russia, India, France, the UK and Japan) combined.<sup>155</sup> In 2017, US defence spending amounted to over 70% of total budget of all NATO member states. However, at least two issues should be noted. First, US direct spending on European defence was just over 30 billion \$, and second, NATO allies are protected by a wider US security umbrella than just the forces currently committed in Europe.<sup>156</sup>

Compared to the USA, German military capabilities are limited. The Bundeswehr has 178,334 troops, 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).<sup>157</sup> In terms of numbers, German armed forces rank fourth within NATO, after the US, Turkish and French.<sup>158</sup> Around 3,470 Bundeswehr soldiers are currently involved in operations abroad, with the largest contingents in Afghanistan (1,200) and in Mali (800 troops).<sup>159</sup> With expenditure of less than 45.5 billion \$ (1.2% of GDP) Germany ranks 9th in the world and third among NATO member countries.<sup>160</sup>

Type of Armed Forces	Number of personnel
US Army	476.000
US Navy	323.000
US Marine Corps	185.000
US Air Force	321.000

**Table 4.** US Armed Forces 2017. Source: Military Personnel, <https://csbaonline.org/reports/military-personnel>.

<sup>153</sup> *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.

<sup>154</sup> L. Vargas, *The Costs and Benefits of U.S. Military Bases Overseas*, <http://www.talkmedianews.com/world-news/2017/05/01/wake-costs-benefits-us-overseas-bases/>.

<sup>155</sup> N. Tian, A. Fleurant, A. Kuimova, P. Wezeman, S. Wezeman, *Trends in World Military Expenditure 2017*, Sipri Factsheet, May 2018, p.2-3.

<sup>156</sup> L. Béraud-Sudreau, N. Childs, *The US and its NATO Allies: Costs and Value*. *Military Balance Blog* 9th July 2018, [www.iiss.org/blogs/military-balance/2018/07/us-and-nato-allies-costs-and-value](http://www.iiss.org/blogs/military-balance/2018/07/us-and-nato-allies-costs-and-value).

<sup>157</sup> *Die Bundeswehr auf einen Blick*, <https://www.bundeswehrentdecken.de/aufbau/>

<sup>158</sup> *Number of Military Personnel in NATO Countries in 2018 (in thousands)*, [www.statista.com/statistics/584286/number-of-military-personnel-in-nato-countries/](http://www.statista.com/statistics/584286/number-of-military-personnel-in-nato-countries/).

<sup>159</sup> *Einsatzzahlen – die Stärke der deutschen Kontingente*, [www.bundeswehr.de/portal/a/bwde/start/einsaetze/ueberblick/zahlen/](http://www.bundeswehr.de/portal/a/bwde/start/einsaetze/ueberblick/zahlen/).

<sup>160</sup> N. McCarthy, *Defense Expenditures of NATO Members Visualized*, <https://www.forbes.com/sites/niallmccarthy/2018/07/10/defense-expenditure-of-nato-members-visualized-infographic/#6b03cfc514cf>.

## 2. Assets: Germany as the backbone of US presence in Europe

### 2.1. US presence in Germany

Almost 35,000 US troops are currently stationed in Germany (a decrease of over 10,000 US troops in the last 10 years). Germany has remained the second biggest US overseas "base", with Japan holding the lead (55,043 troops).<sup>161</sup> Moreover, there are plans to send additional 1,500 troops to Germany by 2020, that would be deployed in Grafenwoehr and Ansbach-Katterbach.<sup>162</sup>

Germany hosts two US regional headquarters, US EUCOM and US AFRICOM in Stuttgart, and over 40 bases.<sup>163</sup> 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.<sup>164</sup>

All of the interviewed experts agreed that US bases are welcome in Germany, with only limited protests taking place sporadically. 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.

Region / Share	Army	Navy	Marine Corps	Air Force	Coast Guard	Total
Germany	20 435	412	1236	12727	11	34821
Overseas Total	47 791	36 119	31 833	52 843	1 204	169 790
Europe total	25 360	7 711	3 027	26 696	86	62 880
Share Europe (%)	80,57	5,34	40,83	47,67	12,79	55,37
Share Total (%)	42,75	1,14	3,88	24,08	0,91	20,50

**Table 5.** US troops abroad. Source: Number of Military and DoD Appropriated.

<sup>161</sup> *Number of Military and DoD Appropriated.*

<sup>162</sup> *USA verlegen 1500 Soldaten nach Deutschland*, <https://www.sueddeutsche.de/politik/militaer-usa-verlegen-soldaten-nach-deutschland-1.4121529>.

<sup>163</sup> *The Military Balance 2018*, (London: ISS, 2018), p.59.

<sup>164</sup> *Umfang und Standorte der in Deutschland stationierten US-Streitkräfte im Überblick, Kurzinformation*, Wissenschaftliche Dienste, Deutscher Bundestag, p.1-2, <https://www.bundestag.de/blob/496188/ebfd6dd887eaff9f845e75e5225f275e/wd-2-005-17-pdf-data.pdf>.

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 UAVs, both armed and unarmed. It has been fueled 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. All interviewed experts agreed that although the topic of drone strikes is an issue, it has become less important over time. 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.

## 2.2. Common missions and initiatives

US-German security cooperation covers a wide range of activities, including US permanent presence in Germany and military exercises in the US EUCOM 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 becomes the framework state for the Enhanced Forward Battle Groups in Lithuania (the German contingent has 450 soldiers) and it contributes to the Very High Readiness Joint Task Force (VJTF).

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. 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.

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.

## 3. Liabilities: values versus interests

### 3.1. Varying approaches to international security

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.<sup>169</sup> It has both the capabilities and the will to play a pivotal role in the international system. The Japanese attack on Pearl Harbor showed that America's geographical position between the two oceans no longer guaranteed "invulnerability." As a result, isolationism, which had been very influential in foreign policy, lost its importance.<sup>170</sup>

<sup>165</sup> A. Hawser, R. Zwilling, *All NATO Enhanced Forward Battle Groups in the Baltics Are Now in Place*, [www.defenceprocurementinternational.com/features/air/natos-enhanced-forward-presence-in-the-baltics](http://www.defenceprocurementinternational.com/features/air/natos-enhanced-forward-presence-in-the-baltics).

<sup>166</sup> M. Kaim, *Germany: A Lynchpin*, p.41-42.

<sup>167</sup> *Fact Sheet: U.S.-Germany Security Cooperation*, <https://obamawhitehouse.archives.gov/the-press-office/2011/06/07/fact-sheet-us-germany-security-cooperation>; U.S. Relations With...

<sup>168</sup> *Fact Sheet: U.S.-Germany*; *Beziehungen zu Deutschland*.

<sup>169</sup> T. McCrisken, *American Exceptionalism and the Legacy of Vietnam*, (New York: Palgrave Macmillan, 2003), p.143-151.

<sup>170</sup> Ł. Smalec, *Kultura strategiczna*, p.53-54.

This has been reflected in foreign policy goals presented by all American leaders after the WWII, as well as in the "National Security Strategy from December 2017" (NSS 2017).<sup>171</sup> The "America first," slogan exemplifies the classic US security policy goals. Its authors point out that the United States possesses unmatched political, economic, military, and technological advantages. In order to preserve them, they postulate an active foreign policy that will enable maintaining international order in the current shape, which is beneficial for the USA,<sup>172</sup> and European security remains particularly important for the USA. In the NSS 2017 the USA expressed its determination to deepen cooperation with its European allies and crucial importance of NATO and US allied commitment under article 5.<sup>173</sup>

German basic security strategy is embodied in the model of a civilian power. The notion is both descriptive and prescriptive in nature. A *Zivilmacht*<sup>174</sup> 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. It should be noted that the Federal Republic did not adopt the model of a civilian power unselfishly. Rather it was seen as the best method of achieving foreign policy objectives after WWII and preventing the "German question" from re-emerging.

German foreign policy has been driven by a strong commitment to multilateral institutions (the principle of multilateralism) and deep-rooted skepticism towards military power (antimilitarism). Any political goals are to be pursued in strict accordance with international law and with respect for human rights. Historically, strong integration into multilateral structures was crucial for fulfilling Germany's primary interests after WWII: to reconcile with wartime enemies and to become a

legitimate actor on the international stage. After the reunification, the Federal Republic has continued its multilateralist foreign policy, seeking to reform and improve the EU, NATO, and the United Nations and to reinforce international responses to emerging security challenges and threats.<sup>175</sup>

The clash in values between Germany and US under Trump administration is clearly visible, although perhaps not as deep as might initially appear. In fact, it seems to be a difference in style rather than substance. Germany puts emphasis on multilateralism, compliance with international law and cooperating with common institutions, whereas US takes unilateral approach. As most experts observed, those differences stem not only from Mr. Trump's style, but also from both countries geopolitical position and ambitions (moderate in case of Berlin.) Nonetheless, when it comes to goals, it seems the two allies have rather aligning interests.

## 3.2. Divergent security goals

The main goal of the USA is to maintain the global status quo and US world supremacy. This requires the fulfillment of a few sub-objectives.<sup>176</sup> First and foremost, the US ought to concentrate on the protection of the American people, the homeland, and the American way of life. To this end, the USA will strive to reform its immigration system, improve critical infrastructure as well as enhance missile defense system to reduce the risk of an attack. The most serious threat to US borders is posed by weapons of mass destruction (WMD), especially in the hands of non-state actors, and jihad terrorism. The Trump administration is planning to combat threats at their sources, before an attack against the USA or its allies.<sup>177</sup> Furthermore, the US is determined to preserve peace through strength. US military power has to remain preeminent and powerful

<sup>171</sup> R. Kagan, *The World America Made*, (New York: Vintage, 2012), p. 15–17.

<sup>172</sup> *National Security Strategy of the United States of America*, President of the United States, Washington December 2017, p.2–4.

<sup>173</sup> Ibidem. p.47–48.

<sup>174</sup> The term with reference to Germany was first used by Hanns W. Maull from the University of Trier. H. Maull, "Germany and Japan: The New Civilian Powers," *Foreign Affairs*, no Winter 1990/91; H. Maull, S. Harnisch ed., *Germany As a Civilian Power?: The Foreign Policy of the Berlin Republic*, New York 2001.

<sup>175</sup> P. Belkin, *German Foreign and Security Policy: Trends and Transatlantic Implications*, CRS Report for Congress, May 20, 2009

<sup>176</sup> A.G. Stolberg, *How Nation-States Craft National Security Strategy Documents*, Army War College Strategic Studies Institute, Carlisle 2012, p.70; *National Security*, p.3.

<sup>177</sup> *National Security*, pp.7–16.

not only to deter but also to defeat adversaries.<sup>178</sup> According to the “National Defense Strategy 2018” (NSD 2018), the best way to prevent wars is possessing decisive advantages for any likely conflict.<sup>179</sup> Finally, the USA announced measures to expand their influence and promote American prosperity in the international system. However, the USA highlighted that the American way of life is not a universal solution and may not be imposed by force.<sup>180</sup>

Germany has a similar agenda, though with different priorities. In a 2009 research, conducted by Deutsche Gesellschaft für Auswärtige Politik and dimap-Gruppe, about 240 experts in foreign policy were asked about various statements concerning German global politics. For instance, they had to point to the most essential priorities of the German foreign policy's agenda. Half of the respondents answered that it is international economy, followed by climate change (24%) and energy (21%). Furthermore, experts indicated the most important topics in the future. Top three were energy supply, climate change and control over the finance markets. Terrorism came in fourth, Islamic fundamentalism was ranked sixth, and was followed by weapons of mass destruction.<sup>181</sup>

### 3.3. Different position towards Russia

Russia has traditionally been an important topic in Germany, strongly dividing politicians and experts. German policy towards Eastern countries is usually referred to as *Ostpolitik*.<sup>182</sup> In recent years a kind of dualism could be

observed between the Chancellor's Office and the Social Democratic Ministers of Foreign Affairs. For the latter group, Russia clearly took precedence over other Eastern European countries. Angela Merkel however did not develop any friendly personal relations with top Russian leaders; she pursued closer relations with Warsaw rather than Moscow and supported sanctions imposed on Russia in the wake invasion on Crimea. Nonetheless, Merkel endorsed some other common initiatives, such as the controversial Nord Stream 2 pipeline. Despite the initial criticism, she finally supported it, even entertaining the thought of building the third or the forth pipeline, should it become economically sensible.<sup>183</sup> 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.

The German public opinion is divided on the topic of Russia. The general image of the largest Eastern partner is rather negative. The Germans are generally more skeptical towards Russia than most of the other Europeans or Americans. As shown by the Transatlantic Trends – almost two thirds of Germans hold unfavorable opinion of Russia.<sup>184</sup>

With the sole exception of the Meseberg Memorandum, joint German-Russian security initiatives and talks have thus far lacked noteworthy goals with clearly defined benchmarks and roadmaps. Despite significant procedural collaboration there has been no real progress and no vital, tangible cooperation. Current Russian policy with respect to e.g. Ukraine, Transnistria and Nagorno-Karabkh clearly shows that there has been no fundamental change.

<sup>177</sup> *National Security*, pp.7-16.

<sup>178</sup> *Ibidem*, pp.25-33.

<sup>179</sup> *Summary of the 2018*, p.4-6.

<sup>180</sup> *National Security*, pp.17-22, 37-41.

<sup>181</sup> *Trends der deutschen Außenpolitik. Erste außenpolitische Elitestudie*, Die Deutsche Gesellschaft für Auswärtige Politik, DGAP, und die dimap-Gruppe, February 2009.

<sup>182</sup> A term which was coined by Chancellor Willy Brandt, which alludes to the restart of diplomatic relations with the Soviet Union and other Eastern Bloc communist states, marking a turning point in post-war German history. It is based on the assumption that the domestic politics are always preeminent and the direct and purposeful expansion of mutual dependencies will ultimately make Russia a reliable partner for cooperation in energy and security policy. In other words, by keeping the various channels of communication open the Germans wish for the possibility to influence domestic policies. The policy of rapprochement through integration also accommodated the notion that a common Europe cannot be built against Russia or without Russia. There have been various and sundry common initiatives and high-level talks in the security sphere.

<sup>183</sup> *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>.

<sup>184</sup> 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/>.



Moscow still uses the conflicts as a tool to exert influence in the region and does not have a genuine interest in their resolution, prompting Germany to uphold sanctions. However calls for ceasing sanctions increase, since actions hurt German exports and have no tangible effect on Moscow's behavior in the security sphere.

Moreover, 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.

Contrary to earlier announcements made during the campaign, President Trump has not yet introduced a reset in politics towards Russia. Furthermore, bilateral relations are more strained than during Obama's presidency. This is due to a number of factors, including Russia's meddling in the US election process, Russian contacts with Trump's team (Robert Mueller's investigation in progress), conflict in Ukraine and different visions regarding other international problems (Syria and JCPOA). In practice, despite the criticism of the predecessor's strategy, Trump's policy towards Russia is based on a traditional two-pronged approach – cooperation where necessary and possible (reduction of armaments, the fight against terrorism, especially ISIS) and swift responses to Kremlin's provocative actions which affect US interests.<sup>185</sup>

The Trump-Putin summit in Helsinki (July 2017) did not bring a breakthrough.<sup>186</sup> US foreign policy towards Russia is still based on recognizing Russia as a revisionist state and a serious US competitor. The USA is determined

to prevent Russian dominance in the Eurasian area and to strengthen European "front countries."<sup>187</sup> The administration, seeking to impose costs for Russia's aggressive policies, introduced sanctions. These actions are bringing tangible results, with the market value of companies in Russia dropping by 50%, their income decreasing by 25% and employment by 1/3. Despite the restrictive policy towards Russia, the US expresses its readiness for dialogue, provided Kremlin's policy change.<sup>188</sup>

### 3.4. Competing defense industries

German companies are important partners for the US defense 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.<sup>189</sup> However, recent decisions and political announcements indicate a different trend. German Finance Minister Olaf Scholz called on the EU to consolidate the defense industry in order to reduce its dependence on the US.<sup>190</sup> 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 defense 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

<sup>185</sup> C. Welt, *Russia: Background and U.S. Policy*, August 21, 2017, <https://fas.org/sgp/crs/row/R44775.pdf>; Trump Russia Scandal, <https://www.politico.com/news/trump-russia-scandal>.

<sup>186</sup> C. Welt, *The Trump-Putin Summit*, CRS INSIGHT, <https://fas.org/sgp/crs/row/IN10933.pdf>.

<sup>187</sup> *National Security...*, p.2; Summary of the 2018 National Defense Strategy of the United States of America. Sharpening the American Military's Competitive Edge, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>, p.1-4.

<sup>188</sup> *Statement of A. Wess Mitchell Assistant Secretary of State for European and Eurasian Affairs Senate Foreign Relations Committee U.S. Strategy Towards the Russian Federation*, August 21, 2018, [https://www.foreign.senate.gov/imo/media/doc/082118\\_Mitchell\\_Testimony.pdf](https://www.foreign.senate.gov/imo/media/doc/082118_Mitchell_Testimony.pdf)

<sup>189</sup> C. J. Belin, K. Hartley, S. Lefeez, H. Linnenkamp, M. Lundmark, H. Masson, J. Maulny, A. Ungaro, *Defence Industrial Links Between the EU and the US*, Report, Ares September 2017, p.12-13.

<sup>190</sup> M. Greive, J. Hildebrand, *Scholz Echoes French Call for EU Defense to Cut US Dependency*, <https://global.handelsblatt.com/politics/scholz-echoes-french-call-for-eu-defense-to-cut-us-dependency-trans-atlantic-trump-overhaul-germany-heiko-maas-958825>.

UAV).<sup>191</sup> 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.<sup>192</sup> This trend has been fueled 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).<sup>193</sup> 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 Defense Technological and Industrial Base to their interests, and not the EU’s.<sup>194</sup> Potential success of this policy would not only increase US trade deficit, but also decrease allies’ interoperability with the US Armed Forces. From the US point of view, Germany’s favoring of national companies in defense articles acquisition may be worrisome.<sup>195</sup> 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 defense 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 USA consistently ranking as no. 1). This poises German and US arms manufacturers for competition, especially on the European market.<sup>196</sup>

## 4. Trump’s factor

In last two years the bilateral relations have been marked by diverging policies of both states. Apart from traditional postulates concerning the need to increase German defense expenditures and to improve the unfavorable trade balance,<sup>197</sup> the US is increasingly putting pressure in regard to the Nord Stream 2 project (NS 2) and the future of the JCPOA.

Other issues, such as divergent views on climate policy and on immigration policy, have further complicated the situation. However, the roots of these disagreements can be traced back to the pre-Trump era. President’s sharp rhetoric has only exasperated the debate.<sup>198</sup>

First and foremost, Germany as the most powerful European economy, has become the most obvious object of Trump’s criticism. There is no chance for Germany to meet the 2% GDP threshold by 2024. Instead, Germany plans to achieve only 1.5% of GDP by 2025.<sup>199</sup> Therefore, Berlin fears the threat of US retaliatory actions, such as troops withdrawal or imposing “double standards” in US security guarantees. Surprisingly, 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 defense.<sup>200</sup>

<sup>191</sup> D. Barrie, *Franco-German Defence-aerospace Cooperation: to the Future and back*, [www.iiss.org/blogs/military-balance/2018/05/franco-german-defence-aerospace-cooperation](http://www.iiss.org/blogs/military-balance/2018/05/franco-german-defence-aerospace-cooperation).

<sup>192</sup> C. Major, *A Franco-German Defense Deal for Europe*, <http://carnegieeurope.eu/strategieurope/?fa=68370>, access: 18.09.2018; C. Major, Ch. Molling, *Franco-German Differences over Defense Make Europe Vulnerable*, <http://carnegieeurope.eu/strategieurope/75937>.

<sup>193</sup> Ch. Woody, *Trump Gives European Countries 'the willies' about Buying US Weapons, but He's not Their Only Concern*, [www.businessinsider.com/europe-looks-at-domestic-defense-industry-due-to-trump-us-regulations-2018-8?IR=T](http://www.businessinsider.com/europe-looks-at-domestic-defense-industry-due-to-trump-us-regulations-2018-8?IR=T).

<sup>194</sup> *The Three Dimensions of Europe's Defense Debate*, <http://www.gmfus.org/publications/three-dimensions-europes-defense-debate>

<sup>195</sup> D. Riedel, *Berlin's new defense policy will put German weapons-makers first*, <https://global.handelsblatt.com/politics/buy-german-berlin-readies-defense-policy-907700>.

<sup>196</sup> *SIPRI Arms Transfers Database*, <https://www.sipri.org/databases/armstransfers>.

<sup>197</sup> P. Baker, *Trump Says NATO Allies Don't Pay Their Share. Is That True?*, Compare: <https://www.nytimes.com/2017/05/26/world/europe/nato-trump-spending.html>.

<sup>198</sup> *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-Ogs6GuRyyiYfvgvmhjnZ-ap2>.

<sup>199</sup> N. McCarthy, *Defense Expenditures*.

<sup>200</sup> J. Stone, *Germans*.

All interviewed experts agree that effective spending of the defense budget is more important than its sheer size. Half of them agree that Germany should spend more – also to reassure their neighbors 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 defense spending. Some experts also point out that Germans have a very inefficient procurement process, which needs to be overhauled.

Furthermore, the Nord Stream 2 (NS2) is also a significant bone of contention. This German-Russian (and several other countries') project is focused around building offshore gas pipelines to supply Siberian natural gas to the EU market. The pipe will be laid on the Baltic Sea floor, bypassing land routes through the Baltic States, Belarus, Ukraine and Poland.<sup>201</sup> The initiative is backed by Angela Merkel, even though she is usually hesitant to cooperate with Vladimir Putin's Russia.

The US maintains its unambiguously negative attitude towards the NS2, pointing to its geostrategic, rather than business, nature. President Trump insisted that NS2 is also unfavorable for Germany. Moreover, it will be counter-effective in relation to European energy independence and it undermines the future European Energy Union. Meanwhile, Germany has already issued all necessary permits to implement it.<sup>202</sup> While Washington's Countering America's Adversaries Through Sanctions Act (CAATSA Act) provides the tools for sanctioning NS2, such a move has not yet been adopted.

Discrepancies between the USA and Germany are also visible beyond Europe. Trump's administration expects its allies to fully support Washington's decisions, no matter how controversial or surprising.<sup>203</sup> In this context, US administration's decision to withdraw from the JCPOA

casts doubt on the future of the agreement, and the EU authority. 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.<sup>204</sup>

Some of the interviewed experts also pointed to the fact that both the US and European countries face tremendous pressure from populist movements. They stem from migration, stagnating wages etc. and prompt governments to pursue nationalistic solutions. These societal changes could make cooperation even more difficult to implement.

## 4.1. Between D. Trump and A. Merkel

From the very beginning of Trump's presidency, tensions between the US leader and the German Chancellor were a frequent occurrence. In this context, Angela Merkel's statement which followed her 2017 summit with Trump was particularly significant or perhaps even symbolic: "The times when we (read: European countries) could completely rely on others (read: the USA) are, to an extent, over."<sup>205</sup>

The authors of the study believe that the challenges in bilateral relations come on two different levels: unit-leaders and states. The latter level was analyzed in the previous part of the article. Regarding relations between leaders, several issues appear to have a negative impact on the shape of bilateral relations. First and foremost is Trump's complete lack of political experience. Moreover, despite his various declarations, it is clear that the

<sup>201</sup> The first offshore pipeline built by a consortium of Russian energy giant Gazprom and Germany's BASF and E.ON energy companies has been operating since 2011. The German-Russian company is seeking to build a second offshore pipeline (named Nord Stream 2), which would run parallel to the first one; it also involves three other energy companies: France's Engie, the Netherlands' Royal Dutch Shell, and Austria's OMV.

<sup>202</sup> *In Spite of It All.*

<sup>203</sup> Compare: *Wir lassen.*

<sup>204</sup> *After the JCPOA, the World Needs Germany. But Where Is It?*, [https://www.ecfr.eu/article/commentary\\_after\\_the\\_jcpoa\\_the\\_world\\_needs\\_germany\\_but\\_where\\_is\\_it](https://www.ecfr.eu/article/commentary_after_the_jcpoa_the_world_needs_germany_but_where_is_it).

<sup>205</sup> N. Toosi, *Why Germany? Trump's Strange Fixation Vexes Experts*, [www.politico.com/story/2018/07/11/trump-germany-russia-merkel-714066](http://www.politico.com/story/2018/07/11/trump-germany-russia-merkel-714066).

leaders are not enthusiastic about each other. It is possible that US president's unusual personality and his controversial – some commentators say misogynistic – approach towards women is another factor influencing mutual relations.<sup>206</sup> In addition, criticism attributing Trump's success to electoral manipulations cast shadow on the legitimacy of the administration both during and after the presidential election campaign.<sup>207</sup> What is interesting, Julie Smith, former Vice President Joe Biden's foreign policy adviser, suggested that one possible reason for tensions between Trump and allies may be the US president's rejection of Obama's legacy, as well as his efforts to dismantle it. This ought to ruffle Angela Merkel's feathers, since she was considered Obama's closest European ally.<sup>208</sup>

According to a recent opinion poll, close to 60% of Germans believe that Trump destabilized the world, with most expecting negative consequences of his presidency for Germany.<sup>209</sup> Some of the interviewed experts pointed out that Mr. Trump is exploiting existing bilateral frictions, such as the debate about burden-sharing or low defense spending. Current US President's negotiation strategy is threatening to walk away from the table, in order to "get a better deal." He also considers relations with allies in a transactional way, concentrating on ways they can contribute to maintaining the US model of the world (burden sharing etc.). As a businessmen, Trump is believed to be interested only in getting good deals for his country. Therefore, amicable personal relations with the US presidents are not importance, since they might change momentarily. It is unprecedented for the US President to display such blatant disregard towards European interests.

## 5. Conclusions

### 5.1. US perspective

The US-Germany alliance is characterized by a clearly visible, multifaceted asymmetry, manifested the political, military and economic levels. This situation is a consequence of a dominant US status in the international system. According to the Pew Research, the alliance between the US and Germany is differently assessed by both societies. Interestingly, the vast majority of US citizens consider the bilateral alliance as strong (68%). This opinion is shared only by 42% of Germans.<sup>210</sup>

The current discrepancies generate a several challenges in mutual relations. However, they are not solely driven by tensions between Trump and Merkel. Rather, the roots of disagreements can be traced further back, with Trump's rhetoric only exasperating the situation. Moreover, challenges stem from two analyzed levels: the unit level and the state level.

With all that said, these challenges likely won't lead to a breakdown of the alliance. For once, US is the pillar of Germany's security strategy and foreign policy. And second, for the US, Germany is a key NATO ally. However, current tensions may have negative consequences for bilateral relations, including in the economic dimension (increase in trade deficit).

<sup>206</sup> J. Filipovic, *Our President Has Always Degraded Women — and We've Always Let Him*, <http://time.com/5047771/donald-trump-comments-billy-bush/>.

<sup>207</sup> M. Müller von Blumencron, *Das Ende des Wahlkampfes, wie wir ihn kennen*, [www.faz.net/aktuell/politik/trumps-praesidentschaft/donald-trump-siegt-bei-us-wahl-2016-durch-social-media-14559570.html](http://www.faz.net/aktuell/politik/trumps-praesidentschaft/donald-trump-siegt-bei-us-wahl-2016-durch-social-media-14559570.html).

<sup>208</sup> N. Toosi, *Why Germany?*

<sup>209</sup> *Mehr Trump für Deutschland: Welche Knallhart-Pläne sich auch Deutsche wünschen*, [www.focus.de/politik/videos/ipsos-umfrage-mehr-trump-fuer-deutschland-welche-knallhart-plaene-die-deutschen-sich-auch-wuenschen\\_id\\_6484018.html](http://www.focus.de/politik/videos/ipsos-umfrage-mehr-trump-fuer-deutschland-welche-knallhart-plaene-die-deutschen-sich-auch-wuenschen_id_6484018.html).

<sup>210</sup> *In Germany, a Ratings Drop for the U.S.*, <https://www.usnews.com/news/best-countries/articles/2018-02-28/trump-shapes-a-growing-gap-over-us-germany-relations>.

## 5.2. German perspective

Almost of all the interviewed experts agree that US-German relations are the worse they've ever been. It is mostly due to the wide range of challenges facing the alliance. For example, in 2003 the argument was focused only on the Iraqi issue. Currently the range of differences covers several specific cases (Iran nuclear deal, Middle East), style of communication, economic-security issues (2% budget spending, NS2, climate policy) as well as the general idea of the alliance (multilateralism vs. America first!; the burden sharing discussion returns once again). A majority of the problems have structural roots, and will not go away with a change in either the US or German cabinet.

Germany continuously underlines that the US has become unreliable as an ally. Currently, Berlin's key priorities include maintaining a dialogue, prompting Washington to listen to German position and obtaining even a limited level of understanding for German interests.

Some German experts go so far as to say that transatlantic partners are reached a strategic juncture. They argue that NATO generally bears too high of a burden, US is tired of insufficient burden sharing by the Europeans,

and if those trends deepen, bilateral relations may gain importance over broader alliance. Germans recognize that transatlantic relations are very unbalanced and the US carries disproportionate burden in regard to security cooperation. Although the argument appeared with full force under Trump's administration, it is not expected to fade away easily. The alliance faces immense pressure of a structural background which is enhanced by clashing styles of both countries foreign policies.

Still, Germans 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. Also, many global foreign policy issues cannot be tackled without Washington's support, with Iran nuclear deal being the prime example. Having said that, most of the interviewed experts expressed hope that in the future Europeans will build a robust, common military structure, and will become an equal, global partner to the US. In the meantime, Germany will strive for strategic flexibility. This is plan B, in case US was to become more selfish. However, most would still prefer to keep close alliance with Washington. The transatlantic movement continues to be strong in Germany, despite current challenges.

*Karolina Libront, PhD, Łukasz Smalec, PhD*



# Chapter VI

## Balance Sheet of the Australia-US Alliance beyond the Trump Administration

### 1. Introduction

Australia's alliance with the United States was inaugurated 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.<sup>211</sup> 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").<sup>212</sup> Indeed, according to Michael Wesley "The 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."<sup>213</sup> 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 favor. 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 center stage in Australian public debate."<sup>214</sup> 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."<sup>215</sup> 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 "The 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."<sup>216</sup> In the 1980s, then Australian Prime Minister Bob Hawke contemplated an official net assessment of the alliance, though this did not eventuate. Nevertheless, 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.

<sup>211</sup> Victor Cha, *Powerplay: the origins of the American alliance system in Asia*, Princeton: 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.

<sup>212</sup> 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.

<sup>213</sup> Michael Wesley, "Global Allies in a Changing World," in Michael Wesley, ed., *Global Allies: Comparing US alliances in the 21st century*, Acton: ANU Press, 2017, p. 9.

<sup>214</sup> James Curran, "Fighting with America: Why Washington needs a more discerning ally," *The Interpreter*, Lowy Institute, 15 September 2018.

<sup>215</sup> Michael Green, et al., eds., *The ANZUS Alliance in an Ascending Asia*, Canberra: Strategic and Defence Studies Centre, 2015, p.11.

<sup>216</sup> Wesley, "Global Allies in a Changing World," p.10.

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.<sup>217</sup> 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."<sup>218</sup> This means that Australia's policy choices are now carefully scrutinized 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 Hugh White.<sup>219</sup> What is 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."<sup>220</sup> 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."<sup>221</sup>

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 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.

## 2. Assets

### 2.1. 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.<sup>222</sup> However, as the US worldwide alliance system has become entrenched and institutionalized, 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 stabilizing

<sup>217</sup> US Primacy in Asia: Policy Implications for Australia-Japan Relations; Hugh White, *Without America: Australia in the New Asia*, Quarterly Essay, Carlton: Black Inc., 2017.

<sup>218</sup> Paul Dibb, "New security reality demands new Australian policy", *The Strategist*, Australian Strategic Policy Institute, 23 July 2018.

<sup>219</sup> Hugh White, "The United States or China: 'We don't have to choose,'" in *Navigating the new international disorder: Australia in world affairs 2011-2015*, ed. Mark Beeson and Shahar Hameiri (South Melbourne: Oxford University Press, 2017), p.94.

<sup>220</sup> Dibb, "New security reality demands new Australian policy".

<sup>221</sup> Michael Wesley, "The pivot to chaos", *Australian Foreign Affairs*, no. 2, 2018, p.13.

<sup>222</sup> Stephen Walt, *The origins of alliances* (Ithaca: Cornell University Press, 1987).

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 DPRK nuclear weapons program, Chinese assertiveness in the East and South China Seas and destabilizing actions by Russia.<sup>223</sup>

In other words, Canberra is fully committed to continued US power in the Indo Pacific, and this is emblemized by the recent inauguration of the “Free and Open Indo Pacific” strategy, designed to achieve this purpose. Though, because of the economic factors indicated above, Australia is less supportive in any direct confrontation with the PRC, despite accelerating Sino-US rivalry, and it has eschewed joining the US on Freedom of Navigation Operations (FONOPS) in the contested SCS, though has occasionally voiced criticism over Chinese coercive actions there, and its 2013 attempt to establish an 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.<sup>224</sup> 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-recognized 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.”<sup>225</sup>

## 2.2. Military contribution

Canberra has long recognized 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.<sup>226</sup> 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.<sup>227</sup> 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 other minor facilities, such as the newly-refurbished Naval Communication Station Harold E. Holt, but the “rotational” deployment of US marines and Air Force to Australian facilities in Darwin, have greatly increased the American military footprint in Australia, supplying it with a perch from which to launch operations in the geostrategically crucial area to Australian north, where maritime “chokes points” for the crucial Sea Lines of Communication (SLOCs) converge. Secondly, Australia’s expeditionary-orientated military forces, supplied predominantly with US weapons platforms, and thus highly-interoperable ensure that the ADF can act as a capable coalition partner should the need arise. This includes both Australian military assets and personnel periodically embedded in US formations in the Pacific. 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 program. Such force posture, capabilities, and willingness to deepen and expand cooperation in this area effectively fulfil American expectations of allied support. As Tellis affirms “Australia’s capabilities will remain valued in diverse areas, such as protecting the commons, humanitarian assistance, and counter proliferation.”<sup>228</sup>

<sup>223</sup> Wilkins, “disruption” (forthcoming)

<sup>224</sup> Clive Hamilton, *Silent invasion: China’s influence in Australia*, Richmond: Hardie Grant Books, 2018.

<sup>225</sup> White, “The United States or China”, p.97.

<sup>226</sup> Lowy Institute, “Asia Power Index”, <https://power.lowyinstitute.org>.

<sup>227</sup> Gough Whitlam, *The Whitlam government 1972-1975*, Ringwood: Viking, 1985, p.30.

<sup>228</sup> Ashley Tellis, “Overview: Seeking Alliances and Partnerships: The Long Road to Confederationism in U.S. Grand Strategy,” in *Strategic Asia 2014–15: U.S. Alliances and Partnerships at the Center of Global Power*, ed. Ashley Tellis, Abraham Denmark and Greg Chaffin (Washington, DC: National Bureau of Asian Research, 2014), p.27.

## 2.3. Defense collaborator

Stemming from its military force structure, 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 recognized 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 and maintaining defence spending as a proportion of GDP as 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 favorably by a 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 defense-heavy relationship. At the time of its promulgation then Trade Minister Mark Vaile characterized it as the “commercial equivalent of ANZUS treaty”.<sup>229</sup>

## 2.4. Regional “hub”

Australia’s geographic position (“a suitable piece of real estate”) 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.”<sup>230</sup> 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 Dept. of Defence.<sup>231</sup> Moreover, the US has always looked to Australia to play a stabilizing role in its immediate neighborhood – 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,<sup>232</sup> and has sent police and military forces to intervene in regional crisis (such as 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 FPDA. Added to Canberra’s active participation in the ASEAN

<sup>229</sup> 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>.

<sup>230</sup> Green, et al., eds., *The ANZUS Alliance in an Ascending Asia*, p.12.

<sup>231</sup> Department of Defence, “Indo-Pacific Endeavour 18 continues to build regional security and stability”, 1 June 2018.

<sup>232</sup> *Overview of Australia’s aid program to the Pacific*, Australian Government, <https://dfat.gov.au/geo/pacific/development-assistance>.

network of regional security architecture, this amounts to an expertise and influence that makes Australia a “hub” for SEA engagement. This validates Green’s American view that “the Alliance should serve as a central hub for Asian regional order and architecture.”<sup>233</sup>

## 2.5. 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.”<sup>234</sup> The US-alliance also enjoys firm bipartisan support among the Liberal (Coalition) and Labor parties of Australia. Indeed, Allan Gyngell concludes that “it is impossible to detect serious differences between the two major parties on the centrality of the alliance.”<sup>235</sup> 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.”<sup>236</sup> 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 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.”<sup>237</sup> 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.

## 2.6. 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 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. 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). As well as being able to contribute military capabilities, reputational assets also give Australia an edge in alliance management. Lastly, alliance interaction is facilitated by the lack of national problems that other US allies in Asia bring to the bargaining table. Unlike Japan, the Philippines or the ROK “Australia is not embroiled in tense and potentially explosive security relationships with its neighbours,”<sup>238</sup> making it a trouble-free partner.

<sup>233</sup> Green, et al., eds., *The ANZUS Alliance in an Ascending Asia*, p. 6.

<sup>234</sup> Bates Gill, “The U.S.-Australia Alliance: A Deepening Partnership in Emerging Asia”, in *Strategic Asia 2014–15: U.S. Alliances and Partnerships at the Center of Global Power*, ed. Ashley Tellis, Abraham Denmark and Greg Chaffin (Washington, DC: National Bureau of Asian Research), 2014, p. 87.

<sup>235</sup> Allan Gyngell, *Fear of abandonment: Australia in the world since 1942*, (Carlton: La Trobe University Press, 2017), p. 356.

<sup>236</sup> Gill, “The U.S.-Australia Alliance”, p. 96.

<sup>237</sup> Caitlin Gauci, “New Australia caucus in Congress needs Australian leadership”, *The Strategist*, Australian Strategic Policy Institute, 8 December 2017.

<sup>238</sup> Gill, “The U.S.-Australia Alliance”, p. 92.



## 2.7. 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 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.<sup>239</sup> 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.”<sup>240</sup>*

This process has been triangulated effectively through the Trilateral Strategic Dialogue (TSD) creating a more integrated “core” of trilateral alliance relations at the center of the broader hub and spoke system. Some Australian commentators have advocated further efforts toward “federated defense” to reinforce this collaboration at the operational level.<sup>241</sup> Not only does Washington view these developments very favorably, 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.”<sup>242</sup>*

## 2.8. American fear of “abandonment”?

Despite the disparagement of US allies in Asia by the current 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.”<sup>243</sup> 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.”<sup>244</sup> Not only are such close allied relationships a multiplier or American aggregate power and the basis for its strategic presence in the Asia Pacific, but they are vital in sharing the burden of facing down challenges to the US-led order, through

<sup>239</sup> Thomas Wilkins, “From Strategic Partnership to Strategic Alliance?: Australia-Japan Security Ties and the Asia-Pacific”, *Asia Policy*, no. 20, 2015, pp. 81-111.

<sup>240</sup> Anne-Marie Slaughter and Mira Rapp-Hooper, “How America’s Asian Allies Can Survive Trump”, *Project Syndicate*, 24 January 2017.

<sup>241</sup> Andrew Shearer, *Australia-Japan-U.S. Maritime Cooperation*, Center for Strategic & International Studies, 4 April 2016, <https://www.csis.org/analysis/australia-japan-us-maritime-cooperation>.

<sup>242</sup> Slaughter and Rapp-Hooper, “How America’s Asian Allies Can Survive Trump”.

<sup>243</sup> *Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military’s Competitive Edge*, Department of Defense, 2018, p. 2.

<sup>244</sup> Green, et al., eds., *The ANZUS Alliance in an Ascending Asia*, p. 12.

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 neutralize) 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.

### 3. Liabilities

#### 3.1. Threat perceptions (divergence)

While debates among Australians over the need to “choose” between the US alliance and China as an economic partner, initiated by Hugh Whites’ 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.<sup>245</sup> 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 destabilizing 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 Ashley Tellis points out “the dangers posed by China’s ambitions do not affect the United States and its allies symmetrically.”<sup>246</sup> 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 FONOPS inside the 12-mile zones of China’s artificial features in the 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, HK) due to fear of economic reprisals (such as South Korea faced after the decision to deploy THAAD).

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.<sup>247</sup> Moreover, the US is increasingly concerned about the level of “domestic penetration” (partly through dedicated “influence operations”) of the Australian body politic.<sup>248</sup> 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.” 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.”<sup>250</sup>

<sup>245</sup> 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.

<sup>246</sup> Tellis, “Overview”, p. 19.

<sup>247</sup> Green Cooper & Shearer wedge article 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.

<sup>248</sup> Hamilton, *Silent invasion*.

<sup>249</sup> Yomiuri Shimbun, “Can Australia achieve stable relations with China, defend national interests?”, 2 September 2018, <http://the-japan-news.com/news/article/0004704232>.

<sup>250</sup> Gill, “The U.S.-Australia Alliance”, p. 98.

## 3.2. 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.”<sup>251</sup> Also, unlike NATO, where all parties enjoy the unequivocal Article V security guarantee (“an attack upon one is an attack on all”), American commitment to Australian defense in the original ANZUS treaty is more ambiguous, leaving Canberra to interpret US protection as favorably as it wishes through repeated validation of the sanctity of security ties.<sup>252</sup> 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.”<sup>253</sup> 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 honored 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 Gyngell dubs “fear of abandonment.” This of course is a perennial factor in alliance relations/negotiations that unwitting 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 AUSMIN annual consultations, are the only official platform for specific-alliance interaction (notwithstanding well-placed advocates, and military personnel/asset embedments). There is no combined military/defense 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 Cooper points out the relative lack of American attention given 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.”*<sup>254</sup>

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. 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”; in the absence of treaty surety) by offering military contributions and political legitimacy to American interventions. These are considered advantages (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.”<sup>255</sup>

<sup>251</sup> Gill, “The U.S.-Australia Alliance”, p. 110.

<sup>252</sup> *Security Treaty between Australia, New Zealand and the United States of America (ANZUS)*, San Francisco, 1 September 1951, Australian Government Publishing Service <https://www.aph.gov.au>.

<sup>253</sup> 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](https://thailand.embassy.gov.au/bkok/Speech_US_Aus_Cooperation_Indo_Pacific.html).

<sup>254</sup> Zack Cooper, “Hard truths about the US–Australia alliance”, *The Strategist*, Australian Strategic Policy Institute, 9 July 2018.

<sup>255</sup> Cooper, “Hard truths about the US–Australia alliance”.

### 3.3. 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 unbridled 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.”<sup>256</sup> 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 defense, 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.”<sup>257</sup>

Australia’s “dependence” upon not only the presumed defense guarantee, but upon US defense providers to maintain its 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).<sup>258</sup> With the strong presence of US officials, defense personal and defense suppliers/contractors and a wide range of advocates both American and Australian close to the center 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.”<sup>259</sup> 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 center of gravity.”<sup>260</sup> In other words, Curran suggests “America needs a more discerning ally, and sometimes, an ally that can say “no.””<sup>261</sup>

## 4. The “Trump factor”

Before concluding it is necessary to note that the foregoing analysis has to this point side-stepped the most pressing immediate problem for alliance management between Australia and the US: the current administration of President Donald Trump. Radically destabilizing policies have emerged from the White House since 2016 under the umbrella of an “American first” foreign policy. In order to respond to domestic discontent with populist policies, Trump has ushered in an era of naked self-interest and appears determined on walking away from America’s global internationalist policy, including questioning the value of its alliances (seeing them more as cost/benefit trade-offs).

<sup>256</sup> Curran, “Fighting with America”.

<sup>257</sup> Malcolm Fraser and Cain Roberts, *Dangerous allies*, (Carlton: Melbourne University Press, 2014), p. 240.

<sup>258</sup> Ibidem.

<sup>259</sup> Allan Gyngell, “Risk and reward in the time of Trump”, *Australian Foreign Affairs*, no. 1, 2017, p. 39.

<sup>260</sup> Paul Keating, “In conversation”, *Australian Foreign Affairs*, no. 1, 2017, p. 25.

<sup>261</sup> Curran, “Fighting with America”.

His poorly informed world view on alliances, according to Wesley, is as “temporary alignments of convenience, easily disposable as the circumstances dictate.”<sup>262</sup> This is bad news for Australia, with its enormous and renewed investment in the bilateral alliance. As Peter Jennings attests “It’s mostly luck that we haven’t yet been on the end of some Presidential verbal spray that could hugely undermine Australian confidence in the future of the alliance.”<sup>263</sup> What is clear from Trump’s rambunctious utterings on America’s Asian alliances, is that Canberra’s future contributions will be fiercely scrutinized to assess if it is “free riding” on American security guarantees. Thus, “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.”<sup>264</sup> Though there is little that Australian policy-makers can do to anticipate the latest erratic and unpredictable turns in Trump’s policies, they do seem well-prepared to meet raised US expectations, as the above analysis has shown.

Another obvious response has been an attempt to “side step” or “quarantine” the Trump effect on the alliance by seeking to engage with the professional infrastructure of the US foreign policy machine: the State Department, Defense Department, military and intelligence organizations, Congress members, and think tankers (what I would dub the “substructure” underneath the “superstructure” of the Executive branch). 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.”<sup>265</sup> In other words, if Australia can survive the Trump administration, and count on a few trustworthy Cabinet officials for example (e.g. Mattis), and quietly keep engaged with the substructure, all will be well in the long-term, when the

government of the US returns to “normal.” Some have been so desperate to point out that Trump inadvertently does some good things along with the bad, such as Kilcullen.<sup>266</sup> Lee hopes that “One man cannot quickly or easily undo what has been reinforced over many administrations.”<sup>267</sup> This is a prudent strategy, though it obviously has its limits. Unfortunately, as Gideon Rose recounts “the closer you look, the more you see it being hollowed out, with the forms and structures still in place but the substance and purpose draining away.”<sup>268</sup> Unfilled diplomatic positions, including the US Ambassador to Australia, are testament to this.<sup>269</sup> In the meantime, regardless of the diplomatic neglect of Australia by the US, domestic support for Trump-led America had reached all-time lows according to a 2018 Lowy Institute Opinion Poll. “Support for the US alliance remains firm, although trust in the US has fallen to its lowest level in our polling history, and most Australians have little confidence in President Donald Trump.”<sup>270</sup>

However, outside of the narrow issue of meeting US expectations and trying to shape Trump’s attitudes toward Australia (perhaps successfully gaining respite from steel tariffs in return?), Trump’s policies raise deeper concerns about being allied to the US. Eliot Cohen notes how “the president’s behavior has devalued the currency of the United States reputation and credibility.”<sup>271</sup> Trump’s shellacking of allies and foes alike, his undermining of the major international institutions upon which US and allied power depends such as the WTO, NATO, G7 and so forth, as well as destructive specific policies such as the abrogation of the Iran nuclear deal and Paris climate accord, withdrawal from the TPP, initiation of trade wars with allies and foes alike, and the provocative relocation of the US Embassy in Israel are absolutely against the national interests of Australia, as much as other allies.

<sup>262</sup> Wesley, “The pivot to chaos”, p. 13.

<sup>263</sup> Peter Jennings, “Trump means we need a ‘Plan B’ for Defence”, Australian Strategic Policy Institute, 21 July 2018, <https://www.aspi.org.au/opinion/trump-means-we-need-plan-b-defence>.

<sup>264</sup> Curran, “Fighting with America”.

<sup>265</sup> John Lee, “Trump Alone Can’t Dismantle U.S. Leadership of the Free World”, *The Australian*, 25 July 2018.

<sup>266</sup> David Kilcullen, “Letter from Washington: The Trump effect”, *Australian Foreign Affairs*, no. 2, 2018.

<sup>267</sup> Lee, “Trump Alone Can’t Dismantle U.S. Leadership of the Free World”.

<sup>268</sup> Gideon Rose, “Letting Go: What’s Inside”, *Foreign Affairs*, March/April 2018, p. 1.

<sup>269</sup> Geoff Kitney, “Donald Trump stalls on US ambassador to Australia, but many don’t mind the wait”, *ABC News*, 26 June 2018.

<sup>270</sup> Alex Oliver, “2018 Lowy Institute Poll”, Lowy Institute, 20 June 2018, <https://www.lowyinstitute.org/publications/2018-lowy-institute-poll>.

<sup>271</sup> Eliot Cohen, “Trump’s Lucky Year: Why the Chaos Can’t Last”, *Foreign Affairs*, March/April 2018, p. 3.



In the long term if such a key ally no longer represents Canberra's interests, it may need to reconsider its commitment (and some have pondered whether the presumed military defense guarantee can be preserved in isolation from the broader alliance relationship).

## 5. Provisional Conclusions

The seismic shifts in regional order occurring as a result of the rise of China, India and other non-Western powers unfolds have serious implications for the maintenance of American primacy in Asia and the durability and reliability of its venerable hub-and-spoke system. As a long-standing US ally in Asia, and one that has pinned its security upon continued American primacy in the Indo Pacific, as the ultimate guarantor not only of its national defense, but of the maintenance of the rules-based liberal international order, Canberra's ability to manage the changing relationship with Washington is in the spotlight. Now that the US has ceased to be a "unipole" ally, and complex economic interdependence with a risen China has complicated strategic calculations, an effective use of national bargaining power is at a premium for Canberra.

This "balance sheet" of Australian negotiating assets and liabilities demonstrates that Australia has a relatively positive "equity" in alliance bargaining with its superpower ally. In other words, assets outweigh liabilities. In summary, Australia's willingness and ability to support US strategic engagement in the Indo Pacific is a strong asset in its bargaining with Washington as the US seeks determined and capable "like-minded" partners to uphold a "free and open indo pacific". When it comes to a direct confrontation with China however Australian support is more ambivalent as a result of economic interdependence and domestic politics, a fact that has not gone unnoticed in Washington.

Two "pathologies" however tie Australia's hands to a degree in its allied negotiations, where the assets of loyalty and interoperable capabilities become liabilities through "paying the alliance premium" and "dependence" upon the US. An ingrained habit of defense to Washington as a "great and powerful friend" has set a precedent of supplication and prevents the adoption of a more assertive stance or divergence from American positions. As Australian interests shift due to the rise of China and its increasing integration in the Asian region more generally, and as the US asserts its own conflicting "American First" policy, broader Australian interests are at risk (for example: TPP, Climate Change). Moreover, the shared values that have acted as normative "glue" to the alliance relationship are under threat as the US becomes more inward-focused, nationalistic, and more disruptive of the liberal international order that itself created (and actually depends upon for its primacy). The pressures on the alliance from the broader diplomatic perspective will deepen in future, even as the military/defense infrastructure of the alliance – weapons platforms, interoperability, basing, deepens. As Wesley notes "The combination of falling US relative power and rising systemic threats to that power creates a paradox of rising indispensability and falling credibility for the United States among its allies."<sup>272</sup> Australia risks increasing its "equity" in a US-alliance that offers decreasing returns and may ultimately go bust in the long term.

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<sup>272</sup> Wesley, "Global Allies in a Changing World", p. 7.

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ISBN 978-83-61663-16-4