



## Asia's Free-Riders

*The U.S. turn to the East makes sense. But tacitly telling its allies in Asia that it's going to foot the bill for their security is foolish and unsustainable.*

BY JUSTIN LOGAN | NOVEMBER 9, 2011

It's on the record. President Barack Obama's administration wants to pivot U.S. foreign policy away from the Middle East and toward East Asia. Secretary of State Hillary Clinton's recent **Foreign Policy** article exemplified this thinking. "The future of the United States is intimately intertwined with the future of the Asia-Pacific," Clinton wrote, touting Washington's "irreplaceable role in the Pacific."

The desire to focus on the Asia-Pacific is sound, but the administration's policies there are not. The impulse to reassure America's Asian allies that the U.S. commitment to their security is rock solid perversely makes it likely that they will continue to free-ride on America's exertions -- in an era when Washington has less and less money to spend.

Both Robert Gates and Leon Panetta, during their tenures as U.S. defense secretaries, have traveled to Europe to hector allies there for not spending enough on their militaries. This is not a new phenomenon in Europe -- even during the Cold War, America's European partners were

only supporting actors in the drama between Washington and Moscow. Since the collapse of the Soviet Union, the disparity has grown worse: Only four of the 27 non-U.S. NATO militaries spend the **agreed-upon** 2 percent of GDP on defense.

The reason these NATO allies have shirked on their defense commitments is because they are smart. They know that if they fail to provide for their own defense, Uncle Sam will do it for them. This has allowed the Europeans to spend their resources on a variety of goods other than defense, from expansive welfare states to impressive infrastructure programs. U.S. taxpayers -- and now their creditors -- are left footing the bill for Europe's defense.

As far back as the 1960s, U.S. policymakers puzzled over the low levels of defense spending among the European members of NATO. In **a 1966 article**, economists Mancur Olson Jr. and Richard Zeckhauser showed that in the provision of collective goods (like security) in organizations (like alliances), the largest members will **tend to** bear a "*disproportionately* large share of the common burden." When a group declares something a common interest, it is rational for the poorer members to shirk and allow the wealthier members to carry a disproportionate portion of the load.

What happened in Europe is now happening in Asia. Countries in the region have expressed considerable anxiety about China's growing power -- and have stirred diplomatic waters in response. In September, in the wake of Chinese provocations in the South China Sea, the leaders of the Philippines and Japan issued **a joint statement** marking a new "Strategic Partnership" and expressing "common strategic interests" such as "ensuring the safety of sea lines of communication." More recently, Japanese Prime Minister Yoshihiko Noda **declared** that Japan's security environment had grown "increasingly murky due to

China's stepped-up activities in local waters and its rapid military expansion."

These diplomatic developments are welcome, but the problem is that the most critical U.S. allies in the region are not paying their share of the bill. Japan spends a paltry 1 percent of its GDP on defense, and South Korea spends less than 3 percent, despite its much closer proximity to both China and North Korea. Taiwan, which faces one of the worst threat environments on Earth, also spends less than 3 percent of its GDP on defense. Absent the assumption of U.S. protection, these countries would be doing much more for themselves.

Instead, the United States, with the benefit of geographic isolation and a massive nuclear arsenal, spends nearly 5 percent of its national income on its military. Unless one believes that robust economic growth, sizable cuts in Medicare and Social Security, or large tax increases are right around the corner, the country's fiscal dilemma -- and with it, pressure to cut military spending -- will only continue to grow.

Washington policymakers in both parties seem to think that reassuring America's Asian allies is the best way to defend U.S. interests in the Asia-Pacific. But instead of seeking to assuage their partners' anxiety, America ought to sow doubt about its commitment to their security. Only then will they be forced to take up their share of the burden of hedging against Chinese expansionism. Otherwise, U.S. defense secretaries may soon be complaining that their Asian partners, like the Europeans before them, won't get off the dole.