Alliance Persistence in the Asia-Pacific: An Order Insurance Explanation

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This thesis is an outcome of my research and writing undertaken between February 2008 and May 2009. During this period, I received help from many people. I would like to thank all those who gave me invaluable advice and guidance.

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Lastly, but most importantly, I wish to thank my parents, who have always been there for me, and who have sacrificed so much for my education. Their unwavering support and love have been the foundation of all my achievements.
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Abstract

During the Cold War, the ‘hub-and-spokes’ alliance structure in the Asia-Pacific (with the United States as a ‘hub’, and Japan, South Korea, the Philippines, Thailand and Australia as ‘spokes’) served as an instrument for balancing against a clearly designated communist-related threat. However, with the demise of the Soviet Union, its original ‘general purpose’ had expired. Yet nearly two decades after this structural change, the five alliances that constitute the hub-and-spokes system continue to be operative. Thus, a question arises: whether and to what extent can the hub-and-spokes alliance structure be sustained in the post-Cold War era? This thesis addresses this question by applying the notion of alliance persistence. All five alliances of the hub-and-spokes system are now more than a half-century old, which is significantly longer than the average lifespan of most alliances. What, then, explains this unusual persistence of the five alliances despite the disappearance of the mutual threat or the deterioration of the mutual threat perceptions between allies that traditional alliance theorists usually insist must be the basis for alliance arrangements?

This thesis provides an explanation for the continued existence of the five alliances through an order insurance explanation. The theoretical argument of this thesis is that, in a relatively benign security environment where mutual threats have disappeared or mutual threat perceptions between allies have deteriorated, an alliance persists if two conditions are met: 1) the alliance generates ‘order insurance benefits’ to its members (which is termed in this thesis as alliance for order insurance) and 2) the allies invest for such benefits with arrangements to ensure alliance preservation against challenges that arise as a result of alliance mismanagement (which is termed in this thesis as insurance for alliance). Alliance for order insurance is related to maintaining or building an order in relation to non-alliance states, while insurance for alliance involves finding a nexus between allies in order to preserve an alliance.

This thesis argues that an explanation of the persistence of the US-led alliances in the Asia-Pacific should include at least two key components: the ends (alliances utilised for order insurance benefits with respect to their members’ ‘positional interests’ and interests vis-à-vis multilateralism) and the means (insurance for alliance).

To test this argument, this thesis evaluates the persistence of the US-Australia and the US-ROK alliances in the post-Cold War period. Also, to achieve some basis for falsification, it explores the discontinuation of the US-New Zealand leg of ANZUS in the mid-1980s and the US-Philippines alliance during most of the 1990s.
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<td>Liberal Democratic Party</td>
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<td>Missile Technology Control Regime</td>
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<td>North Atlantic Treaty Organization</td>
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<td>Abbreviation</td>
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<td>NCND</td>
<td>Neither Confirm Nor Deny</td>
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<td>Northeast Asia Cooperation Dialogue</td>
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<td>NGO</td>
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<td>PLA</td>
<td>People’s Liberation Army</td>
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<td>Papua New Guinea</td>
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<td>PRC</td>
<td>People’s Republic of China</td>
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<td>PSI</td>
<td>Proliferation Security Initiative</td>
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<td>QDR</td>
<td>Quadrennial Defense Review</td>
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<td>RIMPAC</td>
<td>Rim of the Pacific Exercise</td>
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<td>RMA</td>
<td>Revolution in Military Affairs</td>
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<td>ROK MND</td>
<td>ROK Ministry of National Defense</td>
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<td>ROKA</td>
<td>ROK Armed Forces</td>
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<td>SAS</td>
<td>Special Forces Contingent</td>
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<td>Strategic Consultation for Allied Partnership</td>
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<td>SIGINT</td>
<td>Signals intelligence</td>
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<td>Stockholm International Peace Research Institute</td>
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<td>Sea Lanes of Communication</td>
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<td>United States Forces Korea</td>
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<td>VFA</td>
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<td>WTO</td>
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<td>ZOPFAN</td>
<td>Zone of Peace, Freedom, and Neutrality</td>
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Chapter One: Introduction

Research Context and Research Questions

The demise of the Soviet Union, the ensuing global dominance of the United States, the rise of China, and the aftermath of 9/11 have combined to substantially shape the Asia-Pacific regional order. However, there is little consensus over how that order is currently evolving. Alliance politics is a key element in answering this question. The ‘hub-and-spokes’ alliance structure (with the United States as a ‘hub’, and Japan, South Korea, the Philippines, Thailand and Australia as ‘spokes’) was – and remains - a major feature of regional security politics in the Asia-Pacific.

Ascertaining whether and to what extent the hub-and-spokes system can be sustained in the broader process of post-Cold War order-building in that region is of critical importance. The United States still insists that these alliances constitute the bedrock of its own regional strategy and military presence. This position, however, is contested. China perceives such an alliance network as existing to contain itself, and strongly asserts that such a network is an outmoded relic from the Cold War. If these divergent views are left unresolved, the US alliance system could become a catalyst for a new security dilemma and intensified geopolitical competition between the Asia-Pacific regional powers. It is in such a context that this study intends to link the persistence of the five US-led alliances in the Asia-Pacific with the larger issue of the Asia-Pacific’s evolving regional order. It attempts to ascertain how the Asia-Pacific regional security order will be affected by what conventional alliance theory would regard as an unexpected persistence of those alliances.

One group of analysts predicts that the United States and its traditional post-war allies will continue to rely on the hub-and-spokes system to ‘muddle through’ what is an ongoing transition in regional security politics. The ‘China threat’ school, including neo-conservatives in the United States, contends that US allies have maintained (and should maintain) their bilateral alliances with Washington to hedge against a rising China which, along with a ‘resurgent’ Russia, will contest US power and objectives in the region (Blackwill 2000, 111-134). According to this school of thought, the intensifying Chinese military threat alone justifies the maintenance and expansion of the US-Japan alliance (Christensen 1999, 74; 2006, 110 & 124; Mearsheimer 2001, 234-266) and the
resuscitation of security arrangements between the United States and its Southeast Asian allies (Fisher 1999, 11-12). This argument is further applied to the US-Republic of Korea (ROK) and the US-Japan alliances. Given that North Korea has developed nuclear weapons and ballistic missiles, some analysts argue that the North Korean weapons of mass destruction (WMD) threat alone might account for the persistence of the alliances, as the United States continues to provide nuclear deterrence to South Korea and Japan (Bechtol 2001, 2-23; B. Bennett 2005, 75-98).

Other observers argue that the US-led hub-and-spokes network remains viable because it has shifted its focus from regional to global concerns, e.g. the War on Terror which has extended into Southeast Asia, and non- and counter-proliferation of WMD in which Northeast Asia plays a key role (Pasicolan and Hwang 2002, 3-5; Tertrais 2004, 135-149; Shen 2004, 165-178). According to these analysts, the United States and its allies have viewed their security partnerships as applicable to and adaptable in addressing global security issues, finding their relevance in common values (such as democracy and market capitalism, which terrorists or ‘rogue states’ do not share) and common interests in regional prosperity and stability. Thus, the hub-and-spokes arrangement, they conclude, will continue to assume a key role in regional security order-building.

Ultimately, however, predominantly ‘threat-centric’ rationales for maintaining the hub-and-spokes architecture are not persuasive. As those anticipating China’s ‘peaceful rise’ or ‘peaceful development’ argue, China will accommodate American global strategic primacy to the extent that regional stability will be preserved (Eland 2003, 12-13; Harris 2005b, 481-492; Sutter 2006a, 1-24; Art 2007, 33-39). Economic interaction facilitates this trend. Asia-Pacific countries have become more economically integrated with China due to the remarkable expansion of the Chinese economy. As of October 2008, China is South Korea’s, Japan’s and Australia’s largest, the United States’ second largest, and Association of Southeast Asian Nations’ (ASEAN’s) fourth largest trading partner. China’s top ten trading partners include the United States (second), Japan (third), ASEAN (fourth), South Korea (sixth) and Australia (eighth).\(^1\) China’s central economic role looks set to continue despite the Global Financial Crisis (GFC). Those asserting that Asia-Pacific economics and regional security are increasingly synonymous believe that such intensive economic interaction has ‘spilled over’ into the

\(^1\) The EU is the first, and Hong Kong is the fifth, trading partner (PRC Ministry of Commerce 2008).
security policy areas (Johnson 2003, 3-56). China is a member of Six Party Talks, ASEAN+3, ASEAN Regional Forum (ARF), and the East Asia Summit (EAS). As China's strong criticism of the North Korean nuclear test in 2006 demonstrates, that country has an ever broadening perspective on how to achieve stability in the region. In response, the United States has an incentive for encouraging China to fully assimilate market capitalism and to become a more responsible regional power (Ikenberry 2008, 23-25).

With respect to North Korea’s WMD capabilities, it is very unlikely that Pyongyang would use such weapons for offensive purposes, given the stagnant North Korean economy, the general lack of support for North Korea from its former ‘patron states’ (i.e., Russia and China), and its outdated conventional military capabilities that are inferior to South Korea’s or Japan’s. Should North Korea (threaten to) use nuclear weapons, the United States would respond with overwhelming military power, regardless of the existence of the alliances, given its commitment to ensuring that nuclear proliferation will not reconstitute the basis for international security and order. The United States will not reward a ‘bad regime’ by allowing it to prevail over neighbours through nuclear coercion, even if the US-ROK or the US-Japan alliances were no longer formally operating.

The United States has, of course, utilised ad-hoc multilateral security arrangements to manage global security concerns (Menon 2007). These include leading coalitions of the willing in the 1991 Gulf War, the war against Al-Qaeda, the 2003 war in Iraq, and the Proliferation Security Initiative (PSI). Given the increasing emphasis the United States has assigned to such entities, it is unclear if traditional bilateral alliances will play as central a role for these contingencies as they did during the Cold War.

On the other hand, a growing number of analysts predict that the hub-and-spokes system will give way to a different type of ordering structure. David Kang (2003, 58; 2003/2004, 180), for example, asserts that regional states are increasingly bandwagoning with China. He envisions that the region is heading toward a stability that is based on a reconstitution of a more traditional hierarchical Asian order centring on that great power. Robert Ross (1999, 81-82) argues that, due to the importance of geography to great power relations, continental states will bandwagon with China, and maritime ones with the United States. As a result, China and the United States will

\^ Interview with former US State Department's Korea country desk director David Straub on May 8, 2007.
divide land-sea spheres of influence in the region.\(^3\) Amitav Acharya (2001, 194-209; 2003/2004, 150), who promotes the relevance of a regional ‘security community’, contends that a mutual responsiveness has evolved in the region, as shown in recent patterns of ASEAN cooperation and its variants, which will eventually negate traditional alliance politics.

However, none of the above scenarios for alternative order-building seems to be occurring at present, and the prospects for them occurring anytime soon seem remote for several reasons. First, there is much resistance within the region to a hierarchical order led by China (Acharya 2003/2004, 150-153; Malik 2006-2007, 592-594). Other key regional actors such as Japan would not find such an order comfortable. Nor is the United States likely to retreat from the region, ceding regional strategic predominance to Beijing (U.S. White House 2006, 40-42). Sceptics are also not convinced by Ross’s argument about ‘spheres of influence’. Unqualified Chinese leadership on regional security politics, whether among the continental states in the region or for the entire region, may not be plausible. Robert Sutter (2006a, 17-24) points out that China has limitations and shortcomings in assuming such a leadership role, which include unresolved territorial and political disputes with its neighbours, strong nationalism vented against Japan, and an export-oriented economy still highly dependent on the US marketplace.

An Asia-Pacific security community encompassing the region is also unlikely to be established, at least in the near future (Mastanduno 2002, 209). Nor has there yet been any effective attempt to build a security community in Northeast Asia, while efforts to create one in Southeast Asia are at only initial stages of development. In fact, the divergence among states on how to accommodate a rising China and how to resolve regional territorial or irredentist disputes (including Taiwan) casts serious doubts on prospects for developing a common identity and a community of values in the region any time soon.

To summarise, the hub-and-spokes alliance structure is under increased pressure, but none of the alternative approaches discussed above is problem-free in terms of understanding where the regional order is going. Why, then, do the US-led five alliances in the Asia-Pacific still exist, despite the disappearance of the mutual threat (i.e., the

\(^3\) Hugh White also predicts that the rise of China would result in US primacy giving way to a concert of power between China and the United States in Asia (White 2005, 478).
Cold War communist-related threats) or the deterioration of mutual threat perceptions between allies (i.e., divergent threat perceptions of North Korea or China between allies) that alliance theorists insist must be the glue of any alliance arrangement? In weighing this puzzle, the following questions are addressed here: If US-led alliances in the Asia-Pacific are not playing a central role in threat neutralisation as they did during the Cold War period, why do they still persist? Do we explain it as perpetuating a myth of threat, as a delayed reaction to their ultimate dissolution, as a necessary transition phase relative to the emergence of a new regional order-building process, or in some other way? These constitute the key research questions to be evaluated in this study.

In the remainder of this introductory chapter, I explore why the persistence of the US-led alliances in the Asia-Pacific constitutes a puzzling reality in the region. Then, I briefly review the main arguments in the literature on why alliances still continue, and preview this study’s specific arguments. Third, after defining an ‘alliance’ and its ‘persistence’, I justify this study’s main case study selections of the US-Australia and the US-ROK alliances. This chapter concludes with an explanation of how subsequent chapters will unfold.

**The Research Puzzle**

The US-Japan, the US-ROK, the US-Philippines, the US-Thailand, and the US-Australia alliances constitute the ‘hub-and-spokes’ US alliance structure in the Asia-Pacific. All five alliances were formed in the early- to mid-1950s. ‘Hub and spokes’ commenced with wartime allies, Australia, New Zealand and the Philippines, signing the Treaty of Peace with Japan in return for US security guarantees extended to those allies. This framework subsequently became the bulwark of US containment strategy in Asia during the Cold War. What follows is a description of the main rationales for sustaining those alliances at that time. Investigating these will better serve to highlight that the alliances continue in the post-Cold War period despite the disappearance or modification of their primary rationales. The persistence of the alliances as a theoretical and empirical puzzle will then be considered, setting the context for subsequent chapters.

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4 By the US-Australia alliance, I mean the US-Australian leg of the Australia, New Zealand, United States Security Treaty (ANZUS) since the mid-1980s, when its US-New Zealand component was de facto terminated.
After World War II, communism either expanded or seriously challenged for predominance in the Asia-Pacific. This included the Soviet Union’s occupation of the northern part of the Korean peninsula, the Huk rebellion in the Philippines, significant communist party movements emerging in Japan, the communist takeover of mainland China, and the outbreak of the Korean War. To prevent further communist inroads, the United States wanted to rebuild a defeated Japan. That country had the most sophisticated Western-type industrial base and was one of the major ‘choke points’ in confronting Soviet power. To restore Japan as a sovereign state and industrial power, the United States urged its wartime allies to sign the Treaty of Peace with Japan (known more formally as the ‘Treaty of San Francisco’ or the ‘San Francisco Peace Treaty’). However, America’s wartime allies - Australia, New Zealand, and the Philippines - were reluctant to sign such a document unless Washington guaranteed their defence security against the prospect of a strategically resurgent Japan. At the same time, for Japan to commit itself not to rearm, the United States had to provide security guarantees to Tokyo (Beasley 2003, 325). That is why 1) the Mutual Defence Treaty Between the Republic of the Philippines and the United States of America; 2) the ANZUS Treaty; 3) the Treaty of Peace with Japan and 4) the Security Treaty between the United States and Japan were all negotiated simultaneously and signed within a ten-day period during August and September 1951 (Tow 1991, 71-76).

As the San Francisco alliance system evolved, the other bilateral security treaties were added to the network. Both of these were as much to protect the designated regional ally from its own potentially rash geopolitical postures as from external threats. A Mutual Defense Treaty between the United States and the Republic of Korea was ratified in February 1954, less than a year after the Korean War generated an armistice in July 1953. Conservative political forces in South Korea, including then-President Rhee Seung-Man, had hoped to continue the war against communist North Korea. To prevent South Korea from doing so, the United States instead provided it with a security guarantee against a North Korean attack (H. Lee 2005, 17-20). Likewise, US defence guarantees were also extended to Taiwan (then most commonly referred to as the ‘Republic of China’) to preclude Chiang Kai-shek from unleashing his forces against mainland Chinese targets (Goldstein 2000, 6-9). Washington hardly perceived it in its own best interests to become ‘entangled’ in a Taiwan Straits imbroglio that would inevitably lead to massive military conflicts with the People’s Republic of China (PRC).
and the Soviet Union in that part of the world.\footnote{The alliance with Taiwan was ended when the United States formally recognised the PRC in 1979 but a substantial military assistance relationship still exists between Washington and Taipei based on the 1979 Taiwan Relations Act.}

One multilateral security organisation also fell under the rubric of the San Francisco system. The Southeast Asia Treaty Organization (SEATO) was created in 1954 to protect Southeast Asia from communist expansion (Buszynski 1981, 287-296). Only two Southeast Asian states were members: Thailand (which joined in response to a rising Vietnamese communist threat in neighbouring Laos) and the Philippines (which wanted additional US military assistance over and above that already provided by its Mutual Defense Treaty with Washington). Though SEATO was formally dissolved in 1977, the Southeast Asia Collective Defense Treaty (known as the Manila Pact), on which SEATO was based, is still a de jure US security commitment and is the formal basis for continued US-Thailand security relations. The Thanat-Rusk Joint Communiqué of 1962 between the United States and Thailand reaffirmed the US security commitment to Thailand (Chinwanno 2004, 194-195).

Though the founding rationales for each alliance were different, throughout the Cold War the United States had insisted on controlling the strategy and operations of each relationship. The unifying factor was American military power which contained a communist-related threat. The US-Japan and the US-ROK alliances evolved into a balancing mechanism against the so-called ‘Northern Triangle’ of China, the Soviet Union, and North Korea in the 1950s, and then against the Soviet Union and North Korea after the Sino-Soviet split in the 1960s. The US-Philippines and the US-Thailand alliances had checked Chinese- and Vietnamese-supported communist insurgency movements from expanding beyond Indochina into other parts of Southeast Asia. In the case of ANZUS, a fear of Japanese remilitarisation, on the basis of which it was formed, soon dissipated relative to Australia’s and New Zealand’s role in containing communism on the Malay peninsula and its equally critical mission of maintaining stability throughout the South Pacific (Brown and Rayner 2001/2002, 27; Edwards 2005, 15-41).

With the collapse of the Soviet Union, alliance theorists predicted that the hub-and-spokes alliance structure forged during the Cold War would be dissolved because its primary rationale was no longer operative (Mearsheimer 1990, 5-8; Friedberg 1993/94, 30-31). This prediction was based on the realist argument that the disappearance of the
mutual threat or the deterioration of the mutual threat perception between allies on which an alliance is predicated should lead to the discontinuation of the alliance because a state’s continued alliance association may make its partner more powerful relative to itself (Wolfers 1962, 269; Riker 1962, 32-76; Osgood 1968, 23; Holsti, Hopmann and Sullivan 1973, 88; Waltz 1979, 88; Kegley and Raymond 1994, 190; Walt 1997, 158-159). However, this prediction has not been realised. All of the five alliances continue. The hub and spokes system has not dissolved but is being adapted to the region's dynamically changing regional security environment. For example, the Trilateral Strategic Dialogue (TSD) illustrates a form of mini-lateralism, involving Australia, Japan and the United States that hardly embraces the old Cold War containment posture the United States and its allies directed toward the USSR (and the TSD deliberately has avoided targeting China in such a fashion). The US 'hub' still provides intellectual direction and material resources to allow the asymmetrical alliance system to address relevant, non-traditional threats emerging in the region.

After the end of the Cold War, the US-Japan alliance was expected to become weaker, if not to be terminated, because its major purpose was to maintain a balance in response to the Soviet threat (Baker and Frost 1992, 101-102; Ornstein 1992, 5-6; Hurst 1997, 70-72; de Castro 2001, 168-171). Indeed, the Mutual Security Treaty was seriously challenged in the mid-1990s when the United States and Japan experienced trade wars and disputes over the US Marine Corps presence on Okinawa (Harding 1994, 63). Since then, however, the alliance has not only persisted but actually has been enhanced. The ‘Nye Initiative’ released in 1995, the US-Japan Joint Declaration on Security in 1996, the US-Japan Defense Cooperation Guidelines in 1997, the US Quadrennial Defense Review (QDR) in 2001, the Japan Defense White Paper in 2005, and the US-Japan Roadmap for Realignment Implementation in 2006 are all key benchmarks underscoring unexpected alliance resilience.

The US-Australia alliance also defied some observers’ predictions of its impending demise (Brown 1987, 23-28; 1989, 142-153; Cheeseman 1989, 10-13 & 18). Unlike that alliance’s US-New Zealand component, formal US-Australia security relations have been persistent. The ‘Sydney Statement’ strongly reaffirmed the alliance relationship in 1996. The US-Australia alliance has been enhanced to such a degree that Australia has even been labelled the ‘deputy sheriff of the United States’ by some commentators (Brenchley 1999, 22-24). Despite concerns held by some Australians that security collaboration with the United States could invite terrorist attacks on their own
soil, Australia has continued to work closely with the United States in its efforts against terrorism (Fraser 2001, 230-231; Beeson 2006/2007, 598). For example, Australia invoked the ANZUS treaty for the War in Afghanistan in 2001 and deployed troops to Iraq in 2003.

The United States’ other three alliances with the Philippines, Thailand and South Korea have become less viable in recent times than during the Cold War period. Yet, these alliances show no signs of obsolescence. The US-Philippines alliance has also survived the end of the Cold War. This is the case notwithstanding a partially dormant period between 1992 and 1999 when US bases were dismantled and no viable military exercises were conducted. The alliance was rejuvenated in 1999, however, when the Philippine Senate ratified the Visiting Forces Agreement (VFA) that the two countries signed in the previous year. The VFA made large-scale *Balikatan* military exercises possible in 2000. Thailand has long promoted multilateralism in Southeast Asia (including ASEAN and ARF) and has readily acknowledged China’s new security status there (Tow 1999, 15-16). Yet it also maintains its alliance relationship with the United States, holding joint military exercises with US forces, including *Cobra Gold*, annually. It is true that the US-Philippines and the US-Thailand alliances have been more tenuous than during the Cold War. They are increasingly predicated on jointly fighting against asymmetrical threats (i.e., terrorism) at the national level. They nevertheless remain important components of broader American global/regional strategies. Both the Philippines and Thailand are interacting with the United States particularly on counter-terrorism, within this broader, if tacit, global alliance framework, and both were assigned ‘major non-NATO ally’ status by the George W. Bush administration.

The US-ROK alliance had undergone serious challenges between 1998 and 2008 when the liberal Kim Dae-Jung and Roh Moo Hyun governments pursued reconciliatory policies toward North Korea. During this period, many South Koreans changed their perceptions of the North Korean threat. The divergent threat perceptions of North Korea between the two allies caused a wide range of divisive policy modulations on the North Korean nuclear issues, especially during the North Korean nuclear crisis of 2002-2003.

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6 According to Kurt Campbell (2004, 157-160), while Japan, Australia, South Korea and the Philippines belonged to the United States’ ‘nuclear family’ in relation to its alliance politics during the Cold War (with Thailand being a part of the ‘extended family’), in the post-Cold War period only Australia and Japan have retained their positions in that category.
Combined with growing anti-Americanism within the South Korean populace and a ‘distinct anti-Korean backlash’ within US policy-making circles (Brooke 2003), such policy conflicts led various security analysts in both South Korea and the United States to warn of alliance dissolution in the early 2000s. They identified the US-ROK alliance as being in ‘a stage of fatigue’ or ‘on the verge of divorce’ and asserted that the ‘death knell of the alliance’ had begun to resound (J.W. Kil 2003; Campbell 2004, 159; Carpenter and Bandow 2004, 123-143; Hankook Ilbo 2004). Despite these circumstances, however, the US-ROK alliance still exists, however modified. It is true that the so-called ‘transformation strategy’ of the United States led to a reduced number of American soldiers in South Korea. Largely administered via the Future of the Alliance Initiative (FOTA) meetings held since 2003, which scheduled reduction and the redeployment of the United States Forces Korea (USFK), the number of US troops in South Korea had been reduced to 28,500 by early 2008. However, at the presidential summit meeting in April 2008, the two allies decided to cancel the planned further reduction of 3,500 US troops. Moreover, the United States has strengthened its remaining forces deployed in South Korea with more advanced military technologies (USFK 2003; Nam 2007, 172-175). At the same time, South Korea has also shown a willingness to invest in the US-ROK alliance, announcing that South Korea would spend $5.3 billion to centralise USFK in the Pyongtaek area (Weaver 2005). That is, both allies have been committed to maintaining viable alliance operations (C. Hill 2006, 42-47).

The duration of the San Francisco system for longer than fifty years is a rare exception in the overall history of alliance politics. Alliances have traditionally been short-lived. Scott Bennett’s study of 113 alliances from 1816 to 1984 (excluding ongoing alliances as of 1984) traces only three alliances that lasted more than thirty years (S. Bennett 1997, 863). Ashley Leeds and Burcu Savun (2007, 1125) found that the average lifespan of 304 alliances formed between 1815 and 1989 (excluding ongoing alliances as of 2001, and alliances replaced by new alliances with the same primary obligations) is 9.3 years. Renate de Castro (2001, 62) observes that “most alliances in this century tend to break up after their raison d’etre has expired, i.e., the Triple Entente, the Triple Alliance, the Japan-UK alliance, and [sic] the Three Allied Powers of the Second World War and the Axis Powers of the Second World War.” As SEATO’s de facto termination in the 1960s, the de facto discontinuation of the US-New Zealand leg of ANZUS in the mid-1980s, and the endangerment of the US-Philippines
alliance between 1992 and 1999 all indicate, the US-led alliances in this region are by no means irrevocable. What, then, explains this unusual persistence of the five alliances? In the next section, I briefly review the major debates that address this question.

**Alliance Persistence: The Main Debates**

In explaining the unexpected persistence of the US-led alliances after the end of the Cold War, realists have defended their ‘balance-of-power’ or ‘balance-of-threat’ theories by highlighting the rise of China in the context of ‘hedging’ strategy. As reviewed in the next chapter, the international security literature offers various definitions for ‘hedging’. Among them, the one most pertinent to balancing arguments defines ‘hedging’ as “pursuing policies that, on the one hand, stress engagement and integration mechanisms and, on the other hand, emphasise realist-style balancing” (Weitz 2001, 38-40; Goh 2005, 1-4; Medeiros 2005-2006, 145). Realists would regard the five US alliances in the Asia-Pacific as instruments for ‘the competitive side’ of that strategy (i.e., realist-style balancing) against potential regional military contingencies, in particular the China-Taiwan conflict (Manning and Prystup 1999, 47-48).

However, this explanation of alliances as hedging mechanisms against specific potential regional contingencies is not convincing for several reasons. First, as the QDR 2006 observes, the United States has been adopting new military strategies that emphasise long-range strikes and technological developments rather than traditional forward-deployed naval and air strike platforms (U.S. Department of Defence 2006, 47 & 53). Should a conflict occur, the US forces in its own territories such as Wake Island, Guam and Hawaii would be effectively utilised. In fact, the United States has been reinforcing US air and naval assets in Guam (Miles 2004; Bitzinger 2006, 14; Kan and Niksch 2008, 1-3). Second, maintaining alliance relations do not warrant the United States to secure transit access points and logistical support for its troops. During the 2003 war in Iraq, Saudi Arabia, (though not a formal ally to the United States), provided US forces with military bases and access points. By contrast, Turkey - a formal ally of the United States as a NATO member state - refused to do so. As will be discussed in Chapter Two, Thailand refused US requests to pre-position its supply ships in the Gulf of Thailand in 1994, 1996 and 2001 (Tow 1999, 15; Chambers 2004, 462 & 466), while Singapore has been providing the United States with extensive strategic access to its
military facilities. Third, were the United States to ask its allies to come to Taiwan's defence, it is uncertain that they would comply with the American request (with the possible exception of Japan). Therefore, the role of hedging as a key component for sustaining alliance politics in the Asia-Pacific is questionable.

Countering realist premises, institutionalists and constructivists argue that potential threats do not inherently explain the persistence of contemporary alliances (Barnett 1996, 400-403; Suh 2000, 24-79; Hopf 2001, 28-30; Katzenstein and Sil 2004, 1-32). During the Cold War alliances generated important institutional features (such as sunk cost, inertia, institutional norms and asset specificity) and/or ideational factors (such as common identities and sense of community). It is the continued existence of these non-material elements, institutionalists and constructivists assert, that explains why alliances last.

However, recent trends challenge institutional and constructivist explanations. Key institutional features within the US bilateral alliance network in the Asia-Pacific have undergone substantial change. To maximise their alliance bargaining power over the United States in the absence of a clear mutual threat (perception), regional allies have resorted to imposing sovereign interests in ways that are at odds with many institutionalised practices of their alliances with the United States (including hosting American troops and military facilities). Moreover, with the demise of the rigid ideological global conflict that underpinned the Cold War, previously suppressed Asian national identities have emerged. Nationalism in South Korea and various national identities in Southeast Asia have boosted pan-Asian sentiments, drawn them somewhat closer to China and led them to diverge on various security issues from the United States. Therefore, threat-originated ideational factors do not sufficiently explain the persistence of the alliances.

If threat substitution, institutional approach and constructivist approach are not sufficient in explaining the persistence of the alliances, what can? One group of scholars has focused on additional functions of an alliance beyond those it was originally intended to fulfil. For this group, at some point the additional functions have become sufficiently important that the loss of the previously core function(s) does not bring about the dissolution of the alliance.

With respect to an alliance primarily existing for the aggregation of military capabilities or the trade of ‘security’ and ‘autonomy’ between allies, those additional
functions include the following elements. First, alliances may function as “legitimising one’s own regime or that of an ally, preventing revolution or internal disturbances, spreading an ideology, or enhancing a state’s influence and status” (Schroeder 1976, 227; David 1991, 242-245; Larson 1991, 87-95). They may also serve as ‘sources of military and economic resources’, as in the case of some developing countries. For example, the US military aid assists the Philippines in enhancing its outdated military capabilities, thus empowering the Philippine government to confront internal security problems (such as domestic terrorism and poverty). Second, alliances may also have utility regarding intra-allied relations (Neustadt 1970; Schroeder 1976; Snyder 1984; 1990; David 1991; Larson 1991; Morrow 1991; Richardson 1996; Mercer 1996; Gelpi 1999; Weitsman 2004). It has already been mentioned how this worked in the cases of US alliance formation with South Korea and Taiwan. Such an argument can also be - and has been - applied to the US-Japan alliance through which the United States restrained Japanese remilitarisation (Christensen 1999, 62; Mastanduno 2002, 197; Harris and Cooper 2004, 34-35). Third, alliances may have roles beyond intra-allied relations. Victor Cha (1999, 41), defining ‘quasi-alliance’ as “the relationship between two states that remain non-allied but share a third party as a common ally,” argues that Japan’s and South Korea’s alliances with the United States have caused those states’ perceptions of their common great power patron’s security commitments to sustain at least some level of political-military cooperation between them as quasi-allies.

However, given that the regional security structure in the Asia-Pacific has been less threat-centric in the post-Cold War era than during the Cold War period, those functions are still insufficient to account for alliance persistence in the region. During the Cold War, the functions of the alliance typologies described above were predicated on mutual threat. The United States provided its regional allies with security in return for them restraining themselves from pursuing independent policies at odds with US security interests and policies or following US security initiatives in the region. Yet, in the post-Cold War era, where there is no clear mutual threat (perception), if the United States is able to restrain regional allies, that is less because the United States provides ‘security’ to them, and more because regional allies find their alliance affiliation with the United States instrumental for some interests other than ‘security’. What those interests are will be addressed in the next section.

In the same context, if the United States continues to extend commitments and resources to regional allies, what is most relevant in terms of alliance persistence is
what motivates the United States to do so. With respect to US motivations, Robert Gilpin (1987, 9-49; 2000, 3-14 & 52-87) has noted that during the Cold War the United States, to maintain its status as a hegemonic leader among non-communist countries, provided public goods, while regional allies and friends pursued strategies of bandwagoning with US power. On the other hand, John Ikenberry (1998-1999, 43-47; 2001, 3-49; 2002, 213-238; 2004, 353-365) argues that the United States has underwritten various international institutions (including alliances) in order to make weak states acquiesce to a US-led international order. Michael Mastanduno (2002, 197-198) has maintained that the United States continues to extend commitments and resources to regional allies because the alliances are one of the instruments of a US hegemonic strategy for Asia.

However, as elaborated on in the next chapter, unlike the Cold War period when divergent perceptions of regional order tended to be suppressed for ideological reasons, perceptual differences between the United States and regional allies over regional order-building have clearly sharpened over recent years. While the United States still attempts to impose its own vision of order onto alliance politics at the global level, regional allies’ security views are increasingly shaped by regional factors. Therefore, ascribing alliance persistence only to American leadership is not relevant to the current Asia-Pacific setting.

I have so far briefly reviewed the main arguments regarding the causes of the persistence of the US-led alliances in the Asia-Pacific (i.e., ‘threat substitution’, institutional and constructivist approaches, and functional approaches). The shortcomings of the arguments discussed above suggest that a potential explanation of the persistence of the alliances should contain the following three aspects: 1) the global and regional order in which the alliances are now functioning (i.e., US global unipolarity and its impact on regional order); 2) interests reflected within the alliances of both the United States and its regional allies; and 3) the impact of divergent regional order perceptions on alliance persistence.

This Study’s Main Arguments

This study argues that the United States and its regional allies retain their alliances in the Asia-Pacific primarily because the alliances serve an order insurance strategy. ‘Order insurance strategy’ is defined as retaining or cultivating security
arrangements to respond to an undesirable long-term security trend that may occur in the process of order-maintenance and order-building. The alliances, as one of the instruments of an order insurance strategy, serve that strategy in several important ways.

First, the alliances reflect their members' interests in maintaining or enhancing their own and/or their partner's positions in a regional or global security structure. Regional allies that are surrounded by 'untrustworthy' powers (e.g., China and North Korea) have an interest in allying with the United States to ensure its role as an order insurer in the region, as the United States has no territorial disputes with any regional states and whose political and economic systems are transparent and market-driven (Mastanduno 2002, 197-198). Also, by allying with the United States, regional allies enhance their diplomatic and security leverage in the region with respect to regional order-maintenance and order-building. On the other hand, the United States, which hopes to maintain a regional order that is based on its strategic predominance, has an interest in continuing its security presence in the region by allying with regional states that are unlikely to become challengers to its own power position (Nye 1995, 101-102). Also, through the alliances the United States keeps regional allies within the American strategic orbit and enhances their security positions so that they can assume a greater security role in the region, often one that comports well with Washington's own policies. Given these interests, the United States and its regional allies continue to preserve their alliances. It means that they maintain the alliances on their own merits notwithstanding whether a threat currently exists or in the face of whatever threat may emerge (China, North Korea, terrorism, etc.). Thus, contra Stefan Bergsmann (2001, 28), an alliance does not necessitate "a certain behaviour for a certain contingency in the future."

For example, the US-Thailand and US-Japan alliances illustrate well how allies can insure such interests through alliance. The US-Thailand alliance (despite some recent strains) functions as insurance for a Thailand that has embraced the idea of security through reliance on powerful external states while balancing its relations with them (Chinwanno 2004, 192 & 200-201). Thailand has been manoeuvring adeptly between China and the United States for its own security since the end of the Cold War. The more it plays off the United States and China against each other, however, the more it needs insurance against policy miscalculations. As one analyst points out, Thailand understands that moving too close to China risks affecting the balance of influence in Southeast Asia in favour of China, thereby undercutting the multilateralism that it
believes should develop into a ‘security facilitator’ in Southeast Asia (Tow 1999, 16). The alliance provides an ultimate balancing mechanism by maintaining American influence in the sub-region. On the other hand, given Thailand’s hedging between China and the United States, Washington ‘also assigns an insurance factor to its alliance with Thailand in that the alliance keeps Thailand from moving too close to China.

The US-Japan alliance provides Japan with insurance against the possibility that a regional security order would develop in ways that would isolate itself as a regional security actor. Japan worries that its history of aggression in the Asia-Pacific would make other regional states exclude it from any regional order-building process they [might] pursue if it did not maintain its alliance relations with the United States (Soeya 1998b, 221-223; Yamamoto 2007, 81). If Japan strengthens its military capabilities independent of the US-Japan alliance, it is likely that other regional states (including China and South Korea) that had suffered from Japanese occupation would coalesce into countervailing security arrangements against Japan. On the other hand, from the American perspective, while the US-Japan alliance keeps Japan from being too independent of the United States and remilitarising alone, at the same time it serves to redefine and upgrade Japan’s security role in the region (Soeya 1998b, 226-233; Mulgan 2005, 61-66).

Second, the alliances serve an order insurance strategy with respect to multilateral order-building in two related aspects. First, because effective multilateral security arrangements can also serve as instruments for an order insurance strategy, the United States and its regional allies have been exploring, respectively or together, using the existing alliances as a bridge to new regional multilateral security arrangements. The concepts of ‘expansive bilateralism’ (Job 1997, 162), ‘virtual alliance’ (Cossa 2000, 69-82), ‘enriched bilateralism’ (Blair and Handley 2001, 10-12), ‘convergent security’ (Tow 2001, 213-223) and ‘mutual alliance’ (Tow and Acharya 2007, 27-37) all support this view. Second, in the process of allies pursuing new multilateral security initiatives the alliances function as a fallback option against side effects or downside risks, because multilateral initiatives in the region are still too new and untested to ascertain their value over the long run. It is not even clear how the multilateral arrangements are going to fit into whatever security ‘order’ eventuates in the region. The United States and its regional security partners preserve their alliances, as they can engage their allies to influence how any such order unfolds and to preclude new security arrangements from developing in an undesirable way.
That the United States and its regional allies derive order insurance benefits from their alliances and perceive these benefits to be valuable, however, does not fully explain alliance persistence. That is because allies' regional order perceptions do not necessarily converge: to reiterate, the United States still attempts to impose its own vision of order onto alliance politics at the global level, while regional allies' security perceptions are increasingly shaped by regional factors. As discussed in the next chapter, this is even more the case under unipolarity than would otherwise be true. It is not easy to find the nexus between global and regional security dynamics in the context of unipolarity. As a result, intra-alliance management (on such issues as burden sharing and division of labour within the alliance) is more likely to be countervailing, which leads to a lower level of alliance cohesion. If domestic objections of the public to an alliance (that may be sparked by such factors as the newly emergent national identities, increased anti-Americanism or intensified anti-nuclear sentiments), unexpected alliance burdens, or unfulfilled alliance expectations accompany alliance mismanagement, the alliance would be seriously challenged for its continuation.

Under such circumstances, though, alliance dissolution is unlikely to occur if allies have introduced, cultivated, or retained arrangements to safeguard their alliances from challenges that arise as a result of mismanagement. Such arrangements include 1) reconciling oneself with one's security partner on issues critical to the latter's strategic interests and 2) increasing a security partner's stake in an alliance by linking the intra-alliance relationship to the partner's non-alliance security agenda.

In sum, this study argues that an explanation of the persistence of the US-led alliances in the Asia-Pacific should include at least two key components: the ends (alliances utilised for order insurance benefits, which I term alliance for order insurance) and the means (arrangements that will help alliances weather various challenges).

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7 In this study Ole Holsti, Terrence Hopmann, and John Sullivan's definition of 'alliance cohesion' is adopted (Holsti, Hopmann and Sullivan 1973, 16). They define it as "the ability of alliance partners to agree upon goals, strategy, and tactics, and to coordinate activities directed towards those ends."

8 In this study Allan Gyngell's definition of 'strategic interest' is adopted (Gyngell 2006, 1). He defines it as an interest concerning specific situations where a state should use its armed forces. Accordingly, strategic interests are a subset of security interests, which are, in turn, a subset of national interests.
challenges that (may) arise as a result of alliance mismanagement, which I term insurance for alliance). Note that alliance for order insurance is related to maintaining or building an order in relation to non-alliance states, while insurance for alliance involves finding a nexus between allies in order to preserve an alliance.

Definitions

For the purpose of this study, an ‘alliance’ is defined as a formal agreement between states that commits to assist a partner in the uncertain event of military conflict. By restricting the definition of alliance to formal agreement (Hosti, Hopmann and Sullivan 1973, 4; Snyder 1997, 4) and relating it to assistance, unlike David Singer and Melvin Small (1966, 5) or Stephan Walt (1987, 12), I do not view alignment, neutrality pacts, non-aggression pacts, consultations or ententes as actual alliances. Also, the element of uncertainty in the definition distinguishes alliances from coalitions of the willing, “which are formed in anticipation of a decision that will take place for certain at a more or less known point of time” (Bergsmann 2001, 28).

This strict constructionist definition of an alliance is necessary to study alliance persistence for two reasons. First, it is not especially puzzling for states to continue a security arrangement that does not bind them with some type of formal agreement, because they can break their commitment of assisting their ally in a military conflict at their discretion without generating international audience costs. Second, and more importantly, this definition enables one to determine more rigorously when an alliance ceases to persist.

I define ‘alliance persistence’ as an alliance continuing to operate viably even after its original purpose or rationale has diminished markedly or has been eliminated. Therefore, I treat an alliance as not being persistent 1) if the alliance treaty is actually terminated or 2) if any of its allies substantially withdraws from the alliance’s existing

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10 The literature uses 'persistence' (McCalla 1996, 445-446; Walt 1997, 156-173; Suh 2000, 30), 'endurance' (Walt 1997, 156-173), 'durability' (Cha 1997, 609; Priess 2000, 9-10; Walt 2009, 88), and 'resilience' (Cha 1997, 610; 2000, 16-18) interchangeably.
11 Ashley Leeds (2005, 10) points out that “statements of abrogation, statements of intentions not to renew an expiring alliance, and statements that a leader views an alliance as terminated as
practices, although the treaty is still nominally in effect. For example, the Sino-Soviet Treaty of Friendship and Alliance signed in 1950 was officially ended in 1980 when China refused to renew it. However, the alliance was regarded to have been dissolved on a de facto basis since the late-1950s, as the Sino-Soviet split led the two states to cut off their military cooperation.

According to this definition, I characterise the US-Philippines alliance as not having been persistent between 1992 and 1999. In 1992 the Philippine Senate voted to close 23 American military bases in the Philippines (including Clark and Subic, the two largest installations). The 1951 US-Philippines Mutual Defense Treaty itself was never abrogated, but its effect became nominal without any viable military exercises. The annual military exercises between the two countries, Balikatan, were minimised. In 1996 port visits by the US Navy to the Philippines were discontinued, and no joint military exercises were conducted in the Philippine territory. This hiatus continued until 1999, when the two states rejuvenated the alliance via the VFA.

Another term that should be defined is ‘order’. There are various definitions of ‘order’ in the international security literature. Among them, for the purpose of this analysis, the one offered by Hedley Bull’s classic work -The Anarchical Society- needs to be noted. Given the relatively contemporary legacy of many Asia-Pacific states’ assumption of sovereignty, Bull’s state centric orientation of order seems highly appropriate for this study. Bull argues that international order conforms to a “pattern or disposition of international activity that sustains those goals of the society of states that are ‘elementary’, ‘primary’ and ‘universal’” (Bull 1977, 16). This incorporates the preservation of a state system, the maintaining of independent sovereignty within that system and doing so by peaceful means (Bull 1977, 17). Yet as Muthiah Alagappa points out, Bull’s conception of order reflects at least two weaknesses that may impact directly on understanding how the concept applies at the regional level: the ‘international society’ envisioned by Bull may not necessarily apply to those norms, a result of violation by a partner suffice to indicate the end of a state’s affiliation with an alliance.”

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interests and institutions that make up the core elements of a particular region's
dynamics of governance and interaction; and, therefore, “a spectrum of order may be
constructed to facilitate inquiry into how and why the degree and quality of order have
changed in a region or vary from region to region at a specific point of time” (Alagappa
2003, 36-37). Alagappa identifies three types of order (‘instrumental’ which is the
outcome of regional or international competition; ‘normative-contractual’ which is
encouraged by commercial liberalism preventing wars; and ‘solidarist’ which involves
political communities integrating in ways as to supersede sovereignty) (Alagappa, 42-
51).

While acknowledging the idea of 'order' in international relations has been
highly contested for most of the field's duration, in this study I adopt Martin Griffiths
and Terry O'Callaghan’s definition of ‘order’. They define it as “a stable pattern of
relations among international actors that sustains a set of common goals or purposes”
(Griffiths and O'Callaghan 2002, 223). Also, I adopt David Lake and Patrick Morgan’s
definition of ‘regional order’. They define it as “the mode of conflict management
within the regional security complex” (Lake and Morgan 2002, 223).

Case Study Selections and Justifications

To reiterate, this study’s main research question is: If US-led alliances in the
Asia-Pacific are not playing a central role in threat neutralisation as they did during the
Cold War period, why do they still persist? To address this question, I apply qualitative
case studies of the US-Australia and the US-ROK alliances since the end of the Cold
War. It is not reasonable to go further back than this period, because this study puzzles
why the hub-and-spokes alliance structure in the Asia-Pacific has far outlasted its
primary purpose of containing communist-related threats. In the penultimate chapter of
the thesis, I compare these two main cases to the US-New Zealand leg of ANZUS
during the mid-1980s and the US-Philippines alliance in the 1990s.

The US-Australia and the US-ROK Alliances since the 1990s

The US-Australia and the US-ROK alliances have been selected based on the
varying degrees of mutual threat which the alliances perceived during the Cold War.
Among the five US alliances in the region, the US-Australia alliance was the least
threat-centric and the US-ROK alliance the most-threat centric. Therefore, as argued below, the Australian and South Korean cases constitute a ‘most-deviant case’ or a ‘most-likely case’ to challenge theories on alliance persistence that involve threat, threat-originated institutional features and ideational factors.

Among the five alliances, the persistence of the US-Australia alliance is the most puzzling, as the alliance has been the least threat-centric. Yet, unlike the US-New Zealand component within ANZUS that was, de facto, terminated in the mid-1980s, the US-Australia part of that accord remains persistent. Moreover, it has been strengthened since the end of the Cold War. Therefore, the US-Australia alliance constitutes the ‘most-deviant case’ to challenge realist theories of alliance persistence that involve threat.

On the other hand, the persistence of the US-ROK alliance renders the theories on alliance persistence that involve threat-oriented non-material factors contestable. John Odell (2001, 166) points out that “if a theory were invalid, the most powerful single case to show that would be one disconfirming it even though conditions seem to make the case unusually favourable for the theory.” The US-ROK alliance is such a case, as it was the most threat-centric among the five alliances that the United States operated in the Asia-Pacific during the Cold War and had significantly developed asset specificities and common social identities attached to the alliance during that period. Therefore, if institutional features (including asset specificities) and ideational factors (including common social identities) originating from the Cold War threat can account for alliance persistence in the post-Cold War period, the US-ROK alliance should be a ‘most likely case’ to support those causal links. I show in Chapter Four that such is not the case.

In addition, the comparison of the US-Australia and the US-ROK alliances in a ‘most different alliances design’ makes it reasonable to exclude several factors from a list of potential independent variables. These include the following considerations. The two alliances are arguably the most different match among the five alliances in various important elements of alliance politics: not only geographic location (Northeast Asia versus Oceania) and level of perceived external threat during the Cold War (high versus low), but also regional allies’ cultural affinity with the United States (Asian

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versus Anglo-Saxon), feeling toward the United States among the public between the late 1990s and the late 2000s (anti-Americanism versus pro-American attitude), security policy perceptions of the ruling elite during the same period (autonomy-seeking versus security dependence), presence of American bases (hosting versus not hosting), etc. However, both alliances have been persistent. Therefore those differing elements cannot be treated as generalisable independent variables for alliance persistence.

With respect to this study’s main arguments, the two alliances are ‘least likely cases’ to support them, as members of the two alliances have more divergent perceptions of regional order than those of the other three alliances.\textsuperscript{14} Though the United States and Australia have common interests in preserving US influence in the region, they have different preferences on a regional order to which the US involvement in the region should lead. While the United States will not accept China challenging its primacy in the region, Australia envisions a regional order in which the United States cooperates in a ‘concert of power’ with China (White 2005, 469). One issue quite frequently discussed in this regard is divergent alliance expectations between the two states with regard to a potential cross-strait contingency as detailed in Chapter Three. As also detailed in Chapter Four, the United States and South Korea have had different agendas on how to deal with North Korea. The former has confronted various North Korean issues (including North Korea’s WMD possession) at the global level, while the latter approaches them in consideration of inter-Korean relations. For example, South Korea had not fully participated in the US-led PSI until 2009, because it wanted to maintain its engagement policy toward North Korea without provoking an intra-Korean crisis unnecessarily. Therefore, examining a causal mechanism between order insurance factors and alliance persistence through these two cases makes this study’s main arguments more convincing than would otherwise be the case with the other three alliances, where global and regional order perceptions between the United States and its ally are less divergent.

\textsuperscript{14} Jack Levy (2002, 144) points out, “[t]he power of most-likely and least-likely case analysis is further strengthened by defining most likely and least likely not only in terms of the predictions of a particular theory but also in terms of the predictions of leading alternative theories.”
The US-New Zealand leg of ANZUS in the mid-1980s and the US-Philippines Alliance in the 1990s

Gary King, Robert Keohane and Sidney Verba (1994, 128-149) argue that a researcher should not select cases in which the dependent variable does not vary. In other words, they could criticise this study for ‘selection bias’ because all the five alliances have been persistent. I would defend this study from that criticism in a two-fold manner, with one challenge being conceptual and the other being empirical with reference to the US-New Zealand component of ANZUS and the US-Philippines alliance. Conceptually, Jack Levy (2002, 142) points out that there are situations in which lacking variation in the dependent variable is unavoidable. He writes: “One [situation] involves the strategy of studying deviant cases for the purpose of analysing why they deviate from theoretical predictions. Another is a situation in which the hypothesis [or a research question] posits necessary conditions for the occurrence of a particular outcome.” This study pertains to such situations. First, it enquires why the US-led alliances in the Asia-Pacific have been persistent despite the disappearance of the mutual threat or the deterioration of the mutual perception of threat between allies. That is, they are ‘deviant cases’. Second, this study’s main research question makes it necessary to have no variation in the dependent variable, as the question is conditioned on the persistence of the alliances.

Empirically, this study investigates the de facto termination of the US-New Zealand leg of ANZUS during the mid-1980s and the unique experience of the US-Philippines alliance in the 1990s. In Chapter Five, I compare this study’s main cases of the US-Australia and the US-ROK alliances to these two episodes. The dissolution of the US-New Zealand leg of ANZUS occurring between 1984 and 1987 is relevant to understanding the persistence of the US-Australian case, and selected elements of the US-Philippines alliance between 1992 and 1999 are comparable with the current US-ROK situation. In neither the US-New Zealand nor the US-Philippines episodes, however, do enough parallels exist to justify a separate case study for either dyad; they can instead be better illuminated through the comparison as instances of ‘alliance failure’ or ‘alliance endangerment’ to the two major case studies.
Thesis Outline

This study is comprised of six chapters. Chapter One has set the context for this study’s importance in relation to the understanding of alliance politics and has introduced the broad analytical framework of the study. In Chapter Two, after reviewing and problematising four approaches on alliance persistence (institutional and constructivist approaches, ‘threat substitution’, functional approach, and domestic politics), I present my preferred explanation - an order insurance explanation of alliance persistence - which links alliance persistence to order-maintenance and order-building. I, then, identify and justify ‘process tracing’ as this study’s main method for assessing my chosen cases relative to the theory I have developed.

In both Chapter Three and Four, I begin by offering short histories of the US-Australia alliance and the US-ROK alliance since the end of the Cold War. These focus on why, after the end of the Cold War, the alliances might have been discontinued and why they do not appear to be in danger of being dissolved at present. I then assess in turn how order insurance factors have been shaping or driving the US-Australia and the US-ROK alliances. I first identify order insurance benefits of each ally that have been reflected within the alliances with respect to its ‘positional interests’. Second, I explore how the allies assign order insurance factors to the utility of the alliances in terms of multilateral order-maintenance and order-building processes in the region. Third, I examine arrangements in which the allies have invested to insure the alliances against challenges that arose (or may arise) as a result of alliance mismanagement.

In Chapter Five, I cross-compare both alliances to the US-New Zealand leg of ANZUS in the mid-1980s and the US-Philippines alliance in the 1990s, based on the same components I examined in the previous two chapters. In Chapter Six, I summarise this study’s main findings relative to the broad argument of the ‘order insurance explanation of alliance persistence’ I have made in Chapter Two. I also draw some policy implications about what these findings mean to the future of the hub-and-spokes alliance structure in the Asia-Pacific.
Chapter Two: Explaining Alliance Persistence

Some realists argue that states' main concerns are their security in an anarchic world where there is no authority to prevent others from using violence or the threat of violence. Balance of power is one of the instruments (with others including diplomacy, war, and trade) through which self-helping egoistic states pursue national interests, defined as maximising their power or ensuring their survival. Alliances often function by responding to changes in balance of power. A state may balance against another state or coalition of states to restore disrupted balance of power (Morgenthau 1948; Riker 1962; Liska 1968; Wight 1978; Waltz 1979). Or alternatively, a state may bandwagon with the state(s) that it perceives to be powerful (Waltz 1979, 126).

Stephen Walt (1987) modifies the 'balance-of-power' theory of alliances with a concept of threat that derives not only from 'aggregate power' but also from 'offensive power', 'geography' and 'aggressive intentions'. He maintains that, though the United States was more powerful than the Soviet Union during the Cold War, many American allies joined the United States primarily because the Soviet Union was more threatening with 'aggressive intentions'. According to his 'balance-of-threat' theory of alliances, states form a balancing alliance 'against the prevailing threat', or a bandwagon alliance 'with the source of threat' (Walt 1987, 17). He finds the former type of an alliance far more common than the latter.

As changes of balance of power or threat drive alliance formation, alliances are dissolved once the balance is restored. An ally worries that its alliance partner may become more powerful relative to itself if it cooperates with the latter (Osgood 1968, 23; Holsti, Hopmann, and Sullivan 1973, 88; Kegley and Raymond 1994, 190; Walt 1997, 158-159; Suh 2000, 14). Accordingly, alliances, as 'marriages of convenience', are typically expedient and short-lived, reflecting changes in balance of power or threat (Morgenthau 1959, 185; Walt 1987, 33).

Other realists do not regard alliances as a short-term expediency, as they function by responding to major structural configurations or changes which "tend to be of longer duration than the states' natural tendencies to balance or react to specific threats" (de Castro 2001, 21). According to this school of thought, there is a causal link
between system structure and its stability (Wolfers 1959, 49-74; Waltz 1979, 88-101).

The debates on systemic stability in structural realism, for example, centre on the polarity, with each major state representing a pole of the system: namely, whether a bipolar distribution of power or a multipolar distribution of power is more stable. Alliance politics plays a key role in these debates.

Morton Kaplan (1957, 34-60) argues that multipolar systems characterised by cross-cutting alliances prevent the rise of dominant and threatening actors and, therefore, reduce tensions and conflicts. For him, alliances are one way through which a multipolar system achieves stability. On the contrary, for Kenneth Waltz alliances are an intervening variable between multipolarity and systemic instability. He argues that the larger the number of actors in the system, the greater the degree of uncertainty and ambiguity (Waltz 1979, 168). Alliances are, therefore, more fluid and flexible under a multipolar system (Waltz 1979, 163-170). Yet, under a bipolar system, the two poles resort to internal balancing rather than depending on alliances, lessening misperception or miscalculation (Waltz 1979, 170-176; Mearsheimer 2003, 44-45). Bipolarity leads to stability, with alliances having little effect on it.

Both Glenn Snyder and Victor Cha support Waltz’s argument. They maintain that, under a bipolar system, the fear of ‘abandonment’ and ‘entrapment’ is less intense. An alliance can be better managed in a bipolar system because “the two superpowers have no common enemy strong enough to motivate them to ally, and their allies either have no incentive to align with the opposite superpower, or if they do have an incentive, they will be prevented from acting upon it by their own patron” (Snyder 1990, 118). In other words, it is more difficult to find alternative alliance partners in a bipolar system than in a multipolar system, as highly flexible ‘exit and entry’ is less feasible (Cha 1994, 51).

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1 Structural realists define the ‘structure of the international system’ as the distribution of power among major states, and ‘stability’ as the state of equilibrium or the continuation of a legitimate order (Gilpin 1981, 12).

2 Snyder (1984, 467; 1997, 183-186) defines a fear of ‘entrapment’ as “being dragged into a conflict over an ally’s interests that one does not share,” and ‘abandonment’ as being deserted. He argues that, after an alliance has formed, the partners fear entrapment and abandonment. If one makes a strong commitment to the alliance, the fear of abandonment lessens while the fear of entrapment increases. If one makes a weak or vague commitment, the fear of entrapment lessens, but the fear of abandonment increases. He identifies this dynamic the ‘alliance security dilemma’.
Randall Schweller criticises both ‘traditional’ and ‘structural’ realists’ arguments about the relationship between alliance and (in)stable systemic order. To do so, he first challenges the concept of ‘bandwagoning’ widely accepted among them (Schweller 1994, 74). According to both realist approaches, a state may form a bandwagoning alliance with a dominant or threatening state 1) to reap the spoils of victory the dominant or threatening state may share or 2) to avoid an attack from the dominant or threatening state. In addition to these two types of bandwagoning (i.e., joining with a side that has already de facto won the war or ‘capitulating to the source of threat’), Schweller identifies additional types of bandwagoning that are motivated by ‘profit’ and formed despite the lack of threat.

Schweller then argues that ‘third-level’ factors do not solely dictate systemic (in)stability. There are four types of state at the unit level, depending on their level of power and satisfaction with the status quo, namely: 1) strong status quo states; 2) weak status quo states; 3) strong revisionist states; and 4) weak revisionist states. Satisfied or revisionist states affect stability at the systemic level, as stability depends on ‘the relative strengths of status quo and revisionist states’ (Schweller 1994, 99). This argument is different from that posited by Walt, who regards bandwagoning coalitions as destabilizing (Walt 1987, 17-49).

‘Jackal bandwagoning’, one of the four profit-driven bandwagonings Schweller identifies, well illustrates his argument on the relationship between alliance and (in)stable systemic order. Jackal bandwagoning is formed to upset an existing order, not ‘to give in to threats’ (Schweller 1994, 93-95). Opportunistic weak revisionist states join an ambitious strong revisionist state in the hope that the latter will ‘share the spoils of victory’. If the revisionist coalition presents a significant external threat, then status quo states react to it by forming a balancing alliance. A system will be stable when the power of the status-quo states is significantly greater than that of the revisionist states. However, when the power advantage lies with the revisionist states, rather than with the

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3 Walt calls the first type ‘offensive bandwagoning’ and the second type ‘defensive bandwagoning’ (Walt 1987, 21), while Waltz defines bandwagoning only as the first type (Waltz 1979, 126).

4 Schweller (1994, 104-105) defines ‘status quo states’ as ones “seeking self-preservation and the protection of values they already possess,” while defining ‘revisionist states’ as ones “valuing what they covet more than what they currently possess.” For a succinct survey of various definitions of ‘status quo states’ and ‘revisionist states’, refer to Alastair Johnson (2003, 6-12).
defenders of the status quo, the system will undergo change (Schweller 1994, 104).

However, like ‘balance-of-power’ or ‘balance-of-threat’ theories of alliances, Schweller’s ‘balance of interest’ theory of alliances also does not explain why status quo alliances outlive the dissolution of the revisionist state or ‘jackal bandwagoning’. That is, why do status quo states (e.g., the United States and its allies) continue to maintain their alliance, even though a revisionist state or coalition (e.g., the Soviet bloc) comes apart? Put somewhat differently, why do defensive alliances (e.g., the US-led alliances during the Cold War) survive the structural change following the reduction or elimination of the threat (e.g., the end of the Cold War and the ensuing global unipolarity)? Is it because preserving such alliances may in fact become a status quo phenomenon? Is it because status quo states are by definition risk-averse, so that they do not want to make a change to the alliances that have worked in their favours? Or is it because alliances generate certain interests in relation to the emergence of a new order?

Despite the role of alliances in order-maintenance and order-building (Wolfers 1959, 49-74; Clark 1989, 131-144), the literature on alliance persistence has mostly neglected order aspects in explaining alliance persistence, preferring instead to focus on the following questions: If structural change following the reduction or elimination of the threat leads to changes in alliance rationales, does such a change still involve threat perceptions (remaining or new) or non-material elements? How relevant is threat-substitution in explaining alliance persistence? What are the additional functions of an alliance that continue to provide glue for alliance persistence even after its primary threat-centric rationale disappears? Are there any critical domestic factors that influence alliance persistence? In the following pages, I review and problematise the existing literature addressing these questions. I then present my own framework - an order insurance explanation of alliance persistence - that attributes alliance persistence to order-maintenance and order-building, which is followed by a more in-depth justification of this study’s main method.

Institutional and Constructivist Approaches

The collapse of the Soviet Union in 1991 brought the concept of alliance persistence into greater prominence because NATO, based as it was on the Cold War rivalry, appeared ready to outlast its initial purpose of containing communist-related threats. Though the Warsaw Pact was officially pronounced dead in 1991, NATO indeed persisted and extended its membership by ten more countries as of May 2009.

In explaining NATO’s durability, realists in the early 1990s defended their alliance theories of ‘balance-of-power’ or ‘balance-of-threat’ by citing either the residual ‘Russian threat’ or ‘institutional lag’ for alliance dissolution. Yet, despite Russia’s relationship with NATO (the Partnership for Peace) and the elapse of time reasonable enough to lead to an end of the institution, both the United States and European member states remained committed to preserving NATO and even to expanding it eastward.

Institutionalists point out that, though NATO’s primary purpose was a collective defence against the Soviet threat, NATO had the additional functions of cementing democracy in Western Europe and keeping West Germany from resurrecting as a military power (Maull 1990/1991, 93). While serving these intra-alliance functions, NATO developed institutional features such as sunk costs, inertia, institutional norms, and asset specificities. They argue that those institutional features have contributed to NATO members finding the alliance a more cost-effective way of handling European security issues in the post-Cold War era than any other alternative (Duffield 1994/1995; McCalla 1996; Wallander and Keohane 1999; Wallander 2000; Rafferty 2003). NATO has accordingly exploited those institutional features it developed during the Cold War, adapting itself to new security missions.

On the other hand, constructivists argue that NATO’s persistence is due to a shared sense of ‘communal identity’, a ‘collective identity’ shared among its members (especially among the elites), the ‘sense of community’, or the ‘authority of liberal-democratic capitalism’ embedded in NATO (Kupchan 1997; Risse-Kappen 1997; 2002; Hopf 2001; Owen 2002). For them, those ideational factors interacted with countering Soviet threats, but the former transcended and survived the demise of the latter. Even Stephen Walt, whose ‘balance-of-threat’ theory is unquestionably realist, nevertheless
acknowledges that alliances are more likely to persist "when the allies share similar political values, and when the relationship is highly institutionalised" though, he maintains, these cases are rare (Walt 1997, 170). Both institutionalists and constructivists would claim that NATO has been such a case.

Studies of the durability of institutions or ideational factors that help shape alliances need to show that such factors are working independently of state-centric interests. Yet, NATO presents a difficult case relative to examining alliance persistence because its member states' interests and institutional interests co-vary: 1) only one of them may have a causal effect, or 2) both may be 'confounded', meaning that their effects are mixed together. In this context, realists counter the institutionalists' and constructivists' explanations by arguing that the United States has maintained NATO because that alliance serves American interests more effectively than any other alternative (Schweller 2001, 178-183). Unlike institutionalists or constructivists who treat NATO's institutional features or ideational factors as having autonomous power, realists regard them as intervening variables through which American interests are realised.⁶ Kenneth Waltz (2000, 20 & 21) writes, "[t]he [senior] Bush administration saw, and the Clinton administration continued to see, NATO as the instrument for maintaining America's domination of the foreign and military policies of European states."⁷ At the same time, European member states have regarded NATO as a desirable institution to keep the United States in Europe as an 'offshore balancer', which in turn helped the United States to transform NATO to its own interests (Layne 1997, 98-102 & 112-113; Waltz 2002, 50).

While the literature on alliance persistence utilising non-material aspects has focused mainly on NATO, some analysts have extended the literature on the persistence of NATO to the US-led alliances in the Asia-Pacific (Suh 2000, 24-79; Hopf 2001, 28-30; Rafferty 2003, 352-356; Katzenstein and Sil 2004, 1-32). They argue that during the

⁶ On whether regimes (e.g., a principle, norm, rule or decision-making procedure) have a causal influence on state behaviour or act as intervening variables standing between power (or interests) and state behaviour, see Stephen Krasner (1982, 189-194).

⁷ It should be also noted that a causal link between institutionalisation and alliance duration has not been well established in statistical analyses. For example, Scott Bennett (1997, 863), in his examination of 207 alliances from 1816 to 1984, finds no support for it. Also, see Ashley Leeds and Burcu Savun (2007, 1123 & 1129).
Cold War, the alliances had generated 'assets' specific to the alliance and/or collective identities. It is due to the continued existence of these non-material elements, according to them, that alliances continue.

For example, Suh Jae Jung (2000, 24-79) explains the persistence of the US-ROK alliance with both asset specificities – in terms of such factors as equipment, process, human network, and location – which bind the alliance; and common social identities – a sense of 'we' in opposition to autocratic and communist North Korea and its supporters.\(^8\) Conservative factions in South Korea, which governed that country from 1948 to 1998, promoted South Korea's pro-America and anti-North Korea identities to use them as a justification for their authoritarian rule and the suppression of opposing political forces. The identity of North Korea as the 'other' has been consolidated through the practices of the US-ROK alliance, and at the same time this very identity served to intensify the threat perception of North Korea from the perspective of both the United States and South Korea (Bleiker 2005, 3-15).\(^9\) Suh concludes that such asset specificities, along with the long-cultivated social identity, have made the US-ROK alliance termination unthinkable even though South Korea has sufficient military capabilities to defend itself against a North Korean attack on its own.

However, recent geopolitical trends in the Asia-Pacific do not support institutional and constructivist approaches to the persistence of the US-led alliances. Several factors are particularly noteworthy. First, the elimination of the ideological underpinnings of the Cold War has allowed previously suppressed Asian national identities to emerge, boosting pan-Asian sentiments. These newly emerged identities have acted to change the states' threat perceptions that have been at work regarding the United States' allies and adversaries. The changed threat perceptions, in return, generate new outlooks on existing alliance arrangements. Based on the new situation, regional allies engage in an inter-ally bargaining with the United States to incorporate the new interests, often in ways that are in conflict with long-standing institutionalised practices of their existing alliances with the United States.

\(^8\) Suh (2000, 37) adopts Oliver Williamson's definition of 'asset specificity', which refers to "durable investments that are undertaken in support of particular transactions, the opportunity cost of which investments is much lower in best alternative uses or by alternative users, should the original transaction be prematurely terminated" (Williamson 1985, 55).

\(^9\) Suh calls this type of security tie that is based on the re-generating threat 'insecurity community' (Suh 2000, 78).
Second, as mutual threats (or mutual threat perceptions) that provided the clearest alliance rationale have diminished significantly or disappeared, regional allies have attempted to fix the unequal nature of their alliance operations with the United States. From their inceptions, the US-led alliances in the Asia-Pacific have been hierarchical, meaning that the United States is essentially a dominant power. During the Cold War, the United States had provided ‘security’ in return for which its regional allies offered it ‘autonomy’ benefits (Morrow 1991, 907-911; 2006, 106-111).\(^{10}\) That is, the United States received concessions from its regional allies such as compromises in the latter’s security policies and/or had been granted military bases or military facilities by them (Morrow 1991, 912). The disappearance of the Cold War threat (perception), however, led US allies to contest institutional assets that still reflect strict alliance asymmetry. Those institutional assets include various US bases or facilities on allied territory and command operational control of an ally’s forces by the United States. Rather than “help[ing] lower the cost of alliance operation and raise the cost of alliance termination” (Suh 2000, 9), the assets have become sources of serious alliance conflicts. For example, environmental injustices at US bases and the misdeeds of American soldiers (including the rape of a Japanese schoolgirl in 1995 and a traffic accident that killed two Korean schoolgirls in 2002) have generated strong anti-American sentiments among the Japanese and the Korean public.

Moreover, as its Global Defense Posture Review in 2004 indicates, the United States has been transforming key institutional assets within the US alliance network in the Asia-Pacific in a way that has led Washington to put less strategic weight on them than during the Cold War period (U.S. DoD 2004, 12). US reductions or realignments of basing operations in Japan and South Korea, its lack of permanent bases in Southeast Asia, and its reduction in the number of troops deployed in the Asia-Pacific all point to the limited relevance of asset specificities in a more fluid strategic landscape (Tow and Acharya 2007, 10).

To illustrate the above points, when the leftist-liberal political forces came into power in South Korea with Kim Dae-jung’s presidential inauguration in 1998, they sought to de-legitimise South Korea’s previous identity of the North as the ‘other’. As a result, South Korea changed its perception of the North Korean threat and has engaged North Korea, thus cultivating different interests in the US-ROK alliance; South Korea

\(^{10}\) James Morrow (1991, 908-9) defines ‘autonomy’ as “the degree to which [a state] pursues desired changes in the status quo.”
wants to avoid being dragged into a conflict between the United States and North Korea. Accordingly, its fear of ‘alliance entrapment’ has been reduced only by the shaping of a more qualified commitment to the alliance and by the changing of that alliance’s institutional practices in a way that gives South Korea greater control over its own security relations. Concurrently and according to its own transformation strategy, the United States has been restructuring USFK in a way that reduces that entity’s assets in South Korea.

As a consequence, the institutional features and the shared social identities between the United States and South Korea have been substantially changed in a direction that weakens their effect on prolonging the life of the alliance; but the US-ROK alliance has still been persistent. That alliance was the most threat-centric among the five alliances that the United States maintained in the Asia-Pacific during the Cold War and had significantly developed asset specificities and social identities attached to the alliance during that period. If threat-originated institutional features or threat-related common identities are insufficient to explain the persistence of the US-ROK alliance, it is less likely that they could explain the persistence of the other alliances that were less threat-centric during the Cold War.

Hedging and Alliance

In contradistinction to institutional and constructivist approaches, a group of realists argues that a defensive alliance outlasts the dissipation of the original threat instigating it if allies have found or created another mutually perceived threat. Renato de Castro (2001, 53) terms this development ‘the reformulation of the alliance’s threat perception or raison d’être’. In the context of ‘threat substitution’, analysts prescribing to this explanation point to the five US-led alliances in the Asia-Pacific as a ‘hedging factor’ against a potential Chinese threat.

‘Hedging’ has been under-theorised in the literature with no consensual definition having emerged among scholars. Some observers define hedging with regard to alliance formation. For example, Patricia Weitzman (2004, 20-21) treats hedging as one of the motivations (with others being tethering, balancing and bandwagoning) for a state to form an alliance. She defines hedging as a strategy of “[making] a low commitment move toward a state that represents neither entirely friend nor foe” (Weitzman 2004, 20). For the purpose of this study, however, I do not consider this type
of hedging, because its focus is the persistence of existing alliances, not alliance formation. Below I categorise each of the various definitions of hedging in the literature as one of two types and identify roles existing alliances assume in relation to hedging that differ depending on each type.

Some analysts define hedging as a practice of "seeking various domestic and international means at the same time -- in the prevailing uncertain but generally not immediately threatening environment in the post-Cold War" (Manning and Przystup 1999, 48-50; Heginbotham and Samuels 2002, 111; Sutter 2006a, 24). In other words, hedging is not to put all one's eggs in one basket, but to maximise one's own security by diversifying one's security affiliations. If one state has alliance relationships with another, that state may seek security ties with other non-allied state(s) as well. For example, Japan, while intensifying its alliance relations with the United States, "continues to work to improve security and other ties with Russia, South Korea, Southeast Asia, and India partly as a hedge against a possible crisis in its ambivalent relationship with China" (Sutter 2003, 200). This type of hedging, however, is less relevant to the discussion of alliance persistence.

For other analysts, hedging is "pursuing policies that, on the one hand, stress engagement and integration mechanisms and, on the other hand, emphasise realist-style balancing" (Weitz 2001, 38-40; Goh 2005, 1-4; Medeiros 2005-2006, 145). Unlike the above-mentioned security diversification approach, alliance may play an important role here if it reinforces 'the competitive side' of this strategy (Medeiros 2005-2006, 154). It is important to note that balancing in the context of hedging does not assume an existing common threat, but only a potential one.

The hedging literature as it applies to the Asia-Pacific usually focuses on a rising China (Christensen 2006, 122-125). The United States has been hedging against China's potential military threat, as clearly stated in its 2006 National Security Strategy (NSS). It says "[o]ur strategy seeks to encourage China to make the right strategic choices for its

\[11\] At the same time as Japan hedges against China security-wise, Japan also hedges against the United States economy-wise, which Eric Heginbotham and Richard Samuels (2002, 111) term 'double hedging'.

\[12\] Evelyn Goh (2005, 4) includes one more component to hedging: "enmeshing a number of regional great powers in order to give them a stake in a stable regional order."
people, while we hedge against other possibilities” (U.S. White House 2006, 42). Also, it is commonly assumed that its regional allies also pursue a hedging strategy against China (i.e., engaging it economically and, at the same time, balancing against it). However, there is little consensus over how they would balance against China for the competitive side of that strategy. Those who ascribe the persistence of the five US-led alliances to a hedging factor maintain that the alliances would be effective for balancing against a potential Chinese threat. In particular, they pay attention to a potential Chinese attempt to take over Taiwan. One utility of the alliances, they assert, is to respond quickly against such an attempt by maintaining an American military presence in South Korea and Japan and by securing transit access points and logistical support for American troops in Thailand and the Philippines (Christensen 1999, 74; Mearsheimer 1999, 74; Austin 2003, 41-42). Also, from the American perspective, solid alliance relations with its regional allies would induce them to join the United States in defense of Taiwan.

However, this role of the alliances for hedging against a potential Chinese attempt to take over Taiwan is not convincing for several reasons. First, the United States has been rapidly supplementing the power projection of its forces from forward regional bases with new strategies emphasising long-range strike capabilities and technological developments, thanks to the ‘revolution in military affairs’ (RMA) (S. Snyder 2004a, 4; U.S. DoD 2006, 47 & 53). As a result, it has been reinforcing its military presence in its own territories, such as Guam and Hawaii, and strengthening its operations at other outposts such as Diego Garcia (Bitzinger 2006, 14).

Second, maintaining alliance relations is not a necessary or sufficient condition for the United States to secure transit access points and logistical support for US troops. The example cited in Chapter One wherein non-allied Saudi Arabia provided access points and bases to the United States in the 2003 Iraq war while ally Turkey did not is a case in point. In the context of Southeast Asia, it should be noted that the Philippines’ Constitution, which supersedes the Mutual Logistics Support Agreement the United States and the Philippines signed in 2002, forbids its government to grant transit access points and logistical support to foreign troops without the approval of two-thirds of the members of its Senate and House, respectively (Salonga 2003). As is shown by the pullout of the Philippine troops from Iraq in 2003 to effect the release of a Filipino

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13 China also hedges against the United States. Evan Medeiros (2005-2006, 146) terms this type of mutual hedging ‘reciprocal hedging’.
worker held hostage, Philippine security policy is prone to being disrupted by its domestic politics, making it very unwise for the United States to plan to use any Philippine territory to respond quickly to a crisis in Taiwan. Thailand, through the logistics agreement it signed with the United States in 1993, granted American troops access points and logistical support during the war against Al-Qaeda in 2001 and the Iraq war in 2003 (Chambers 2004, 466-468). Yet, given its close relations with China, it is unlikely that Thailand would allow the United States to use its air or sea bases for China-related contingencies. This prediction is predicated on the fact that Thailand, in pursuit of seeking greater balance toward other countries, especially China, has refused US requests to pre-position its supply ships in the Gulf of Thailand in 1994, 1996 and 2001 (Tow 1999, 15; Chambers 2004, 462 and 466). On the other hand, Singapore, though it is not an ally of the United States, has been providing the United States with strategic access to its military facilities, including a naval base at Changi.

Third, were the United States to ask its allies to come to Taiwan’s defence, it is not clear whether regional allies would join the United States in defence of Taiwan (with the possible exception of Japan)\(^\text{14}\). Tow and Trood (2004, 11) have observed that “[i]t may well be in Australia’s interests to allow our [Australia’s] own ‘strategic ambiguity’ over this matter to linger. However, it’s important to note that Australia has no legal obligation to intervene. --- The future health of our alliance with the US would no doubt be one key consideration. Our future relationship with China would be the other.” This reasoning also applies to South Korea and Thailand. South Korea would not send its troops to Taiwan, considering its relations with China as well as its military situation with North Korea. Even closer strategic relations with China would also curb Thailand from siding with the United States. The Philippines’ outdated military capabilities would prevent it from cooperating with the United States beyond its own boundaries.

Those who do ascribe the persistence of the US-led bilateral alliances to a hedging factor against the rise of China also contend that the US-Philippines and the US-Thailand alliances serve to deter potential Chinese aggression in the South China Sea. Japan might be a willing partner with the United States, given Taiwan’s central geographic position relative to East Asian Sea Lanes of Communications (SLOCs). Also, Japan’s trade relations with Taiwan have been improving, while its political relations with China have been on the decline (Lankowski 2003, 117-119; Bandow 2005, 114-115; Calder 2006, 134).
Sea (Fisher 1999, 11-12; de Castro 2003a, 977-980). However, when China built military structures during the mid-1990s, including those on Mischief Reef, sub-regional states resorted to the ARF to resolve the issue. That is because the United States made it clear that it did not consider territorial disputes to be included within its bilateral security treaty obligations (Tow 1999, 12).

In sum, the five US-led alliances in the Asia-Pacific appear to be inapplicable to deterring a potential Chinese attempt to take over Taiwan or its muscle flexing over the disputed islands in the South China Sea. If so, they are inappropriate instruments for the competitive side of hedging strategy against the most likely hegemon. Therefore, a hedging factor does not sufficiently account for the longevity of the alliances.

**Alliance Functions**

It has been established that the institutional approach, the constructivist approach and threat substitution do not adequately explain the persistence of the existing alliances. Then what can? Some theorists cite the functions each alliance initially fulfilled, and then note any additional functions the alliance may have incurred while still serving its primary purpose (Neustadt 1970; Schroeder 1976; Snyder 1984; 1990; David 1991; Larson 1991; Mercer 1996; Gelpi 1999; Weitsman 2004). If that purpose dissipates but the alliance persists, these analysts have typically ascribed such an outcome to the existence of the additional functions that have, for a time, coexisted with the primary rationale.

With respect to the US-led alliances in the Asia-Pacific whose primary purpose was to ‘aggregate capabilities’ against a common external power or threat during the Cold War, such literature has focused mainly on two functions. These are 1) influencing domestic politics and economics from regional allies’ points of view and 2) controlling intra-alliance relations from the American point of view.

First, alliances may serve as ‘sources of military and economic resources’ (Barnett and Levy 1991, 371). They enable ruling elites of weak allies to spend less on military expenditures and to distribute the resources saved to underwrite domestic political and economic stability (Barnett and Levy 1991, 371). For instance, Kent

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15 Yet, they found the ARF ineffectual because China “forestalled a discussion of security concerns in the South China Sea” in the ARF (de Castro 2004, 161).
Calder (2004, 139) argues that the United States has provided a liberal trade market to allies such as Japan and South Korea during the Cold War, which contributed to their remarkable economic development.\footnote{16}

However, this argument is not totally convincing. First, the evidence that allies have actually reduced their defence expenditures as a result of US alliance affiliation is questionable. Japan, South Korea and Australia have all recently increased their national defence budgets and have allocated substantial portions of such expenditures to the purchase of US defence technology and weapons systems. There does not seem to be any explicit correlation between less defence expenditures and more money earmarked toward social welfare of specific domestic economic or political factions in allied societies. Indeed, the suspension of the US-Philippines alliance between 1992 and 1999, despite the importance of US military aid to the Philippines’ domestic politics, renders this causal link weak. Second, and more relevant in terms of alliance persistence, is identifying the specific US policy motives behind providing ‘sources of military and economic resources’ to regional allies, because this functional argument is predicated on the United States providing such benefits.

In that regard, some analysts maintain that the United States preserves its Asian alliances because they have utility regarding intra-alliance control. As previously noted, James Morrow (1991, 910-911) argues that, in an asymmetric alliance, a strong and a weak ally manoeuvre between ‘security’ and ‘autonomy’. Such an alliance may function as a tool for the large partner to control the small ally’s strategic behaviour and to pressure the latter to join its security initiatives by implying that the existing alliance relationship might otherwise be jeopardised. It may also function as a constraint against small allies’ pursuing independent strategic postures at odds with the large ally’s security interests. Thomas Christensen and Michael Mastanduno argue that the US-Japan alliance has served as a tacit but longer term restraint on Japanese remilitarisation, which was dubbed ‘keeping the cap on the bottle’ (Christensen 1999, 62; Harris and Cooper 2000, 31-37; Mastanduno 2002, 197). Narushige Michishita (1999, 73) further argues that the US-ROK alliance helps to counter what might otherwise be South Korea’s desire to possess nuclear weapons or advanced ballistic missiles (which may well trigger an arms race in the region) by continuing to provide South Korea with

\footnote{16 In this sense, Calder (2004, 136) refers to the ‘San Francisco system’ as “the compressive structure of interrelated political-military and economic commitments between the United States and its Pacific allies.”}
comparable American military capabilities under the alliance relationship.

Yet, alliance persistence in the Asia-Pacific region cannot sufficiently be accounted for by the ‘security-autonomy trade-off’ model in light of the change of the post-Cold War regional environment increasingly to a less threat-centric one. In a situation where there is no clear mutual threat, if regional allies follow the American lead at the expense of their ‘autonomy’, it may be on account of other interests than any ‘security’ the United States might provide. In other words, because regional allies find their alliances with the United States instrumental for some interests other than ‘security’, they allow the United States to restrain or induce, if not control, them within its alliances. What should be addressed in terms of alliance persistence, then, is just what those interests are.

In sum, a shortcoming of the functional arguments discussed above is that they do not incorporate newly emerged interests reflected within the alliances of both the United States and its regional allies, given the structural changes in the region. What those interests are will be addressed in the theoretical framework section offered later in this chapter.

**Domestic Politics and Alliance**

Yet another group of scholars, mostly liberals and constructivists, connects attributes of states to alliance politics. This group argues that decision-makers are not ‘rational’, meaning that they pursue their own value systems consistently rather than opting for their best strategy based on a cost-benefit analysis at a systemic level. For analysts in this group, attributes of domestic politics are independent variables that affect alliance persistence or dissolution. For example, Randolph Siverson and Harvey Starr (1994, 148-150) show a causal link from regime changes to alliance breakdown or rearrangement by examining the European states between 1815 and 1965. Kurt Gaubatz (1996, 128-130) and William Reed (1997, 1072) provide statistical evidence that, if an alliance is between democratic countries, that alliance is more likely to be durable. Suh Jae Jung (2000, 75-76) argues that “Iran’s termination of its alliance with the United States in 1979 can be explained in terms of identity transformation that was brought about by the Islamic revolution.”

Also, liberals do not view the state as unitary. The state is instead the sum of fragmented policy machinery in which such factors as the interests of decision-makers
or bureaucrats and pressure from interests groups can cause divergent effects on decision making procedures. Louise Richardson (1998, 9-10), in her study of Anglo-American relations during the Falklands crisis in 1982, argues that the long-standing trans-national ties between the militaries of the two countries under the weak executive of the United States and the disengaged one of Great Britain generated a policy outcome that "the United States military privately provided their British counterparts with supplies, weapons, and intelligence without which the British would probably not have won the war." She argues that "[m]ost politicians on both sides of the Atlantic were unaware of this support, and many would not have approved had they known." Following that observation, she suggests that the loss of an external threat does not necessarily lead to alliance disintegration if bureaucracies which have inherent interests in continuing an alliance establish de facto control over intra-alliance management (Richardson 1998, 220-221).

On the other hand, many realists regard domestic politics as an intervening variable. They agree with neo-realists who view systemic factors such the 'anarchic state of the world' as having the most influence on the preferences and behaviours of states. But they distinguish themselves in their belief that "understanding the links between power and policy requires close examination of the contexts within which foreign policies are formulated and implemented" (Rose 1998, 146). With respect to alliance politics, most of the works following this line of thought focus on alliance formation or cohesion. For example, as noted at the outset of this chapter, Randall Schweller (1994, 99) studies how a state's interests as a status quo or a revisionist state affect balancing or bandwagoning. Thomas Christensen (1997, 67-70) analyses the role of perception and misperception in relation to balance of power and alliance cohesion. Gregory Gause III (2003/2004, 273-275) examines how states view potential threats through the lens of their impact on the stability of their ruling regimes.

The 'second image' literature of alliance politics as it applies to the Asia-Pacific also tends to focus on alliance cohesion. Identity is a key factor here. Rediscovered national identities in Japan, for example, have aggravated that country's relationship

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17 David Priess' work (2000) is a rare exception. He adopts the neo-classical realist perspective to explain the durability of the Gulf Cooperation Council and the Arab Cooperation Council, arguing that shared in-group identity (derived from external threat), responsible leadership, and shared status-quo interests serve as intervening variables to enable the alliances to endure in the face of such external shocks as the disappearance of a common threat (Priess 2000, 72-91).
with China and have served as a factor to actually strengthen Japan’s security relationship with the United States (Yifu 2008). By contrast, South Korea’s compatriotic attitudes toward the North Korean people and anti-Americanism in South Korea weakened the cohesion of the US-ROK alliance between 1998 and 2008, as discussed above.

Security culture is another factor. Kim Hyun Wook (2008, 1-24) argues that the end of the Cold War and North Korea’s 1998 Taepodong missile test— which he calls ‘critical junctures’—have influenced Japan to be more strategically dependent on the United States and to encourage a more ‘normalist’ Japanese security culture. This has led, Kim argues, to the strengthened cohesion of the US-Japan alliance. On the other hand, he maintains, the same critical junctures influenced South Korea to develop a more liberal and nationalistic security culture, which led to the weakened cohesion of the US-ROK alliance.

The literature that emphasises domestic factors in the Asia-Pacific context helps one to exclude some factors from a list of potential variables that may account for the persistence of the US-led alliances in the region. For instance, after examining US-Australia trade relations, John Ravenhill (2001, 258) concludes that “[h]istorically, alliances have had a positive association with trade, but such a relationship seems increasingly tenuous in a unipolar world.” Also, the persistence of the US-Thailand alliance, especially after the coup in 2006, casts doubt on such attempts to link liberal democracy to alliance persistence. The US-New Zealand part of the ANZUS was terminated in 1984-1987, though both countries are liberal democracies that have adapted market economies.

However, the literature on domestic politics has limitations in explaining the persistence of the US-led alliances in the Asia-Pacific. First, regional allies are so varied (in political status, military capability, economic development, political systems, cultural and historical background and ideologies) that it is hard to find any

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18 I define ‘security culture’ as the security policy perceptions of the public to achieve greater national security, and strategic culture as the security policy perceptions of the elite.

19 Sheldon Simon (2008, 18) points out that “the United States by law had to significantly cut a relatively small military assistance program in the wake of the September 2006 military coup. Nevertheless, the multinational Cobra Gold exercise was held in 2007, and [US] counterterrorism aid continued even while the Thai military was in power.”
generalisable domestic factor that can account for the persistence across all five alliances. Second - and more importantly - what is puzzling in terms of alliance persistence is why an alliance persists even though some domestic factors lead to the weakening of alliance cohesion. For example, why does the US-ROK alliance persist despite the fact that South Korea’s changed identity and security culture have weakened the cohesion level of the US-ROK alliance (especially between 1998 and 2008), not to mention the deterioration of mutual threat perceptions between the United States and South Korea?

**Theoretical Framework:**

**Order Insurance Explanation of Alliance Persistence**

In the previous section, I have reviewed the literature on alliance persistence and argued that it is not sufficient in explaining the persistence of the US-led alliances in the Asia-Pacific. Its main limitation lies in the fact that the literature disregards the order (defined in terms of systemic stability) on which the alliances are now based. Despite the impact of alliances on order-maintenance and order-building, the literature has not yet integrated alliance persistence with the larger issue of an evolving regional security order. It is in this context that I first situate my theoretical framework in the systemic unipolarity. I then present an *order insurance explanation of alliance persistence*, which attributes alliance persistence to regional order-maintenance and order-building in the context of that polarity.

**Unipolarity and Alliance Persistence**

Speculation intensified during the immediate post-Cold War period that the United States had become a unipolar power. At present, however, the notion of US unipolarity has become sharply tested on the basis of the United States’ protracted involvement in and material resource drain resulting from the Iraq War, Afghanistan and various aspects of the global war on terror (more recently termed "the Long War"). With respect to alliance politics, the literature has until very recently neglected the following questions, even though alliances are the outgrowth of “the distribution of power in an anarchic international system” (Siverson and Starr 1994, 147). What are the interests of the alliances that contribute to the United States and its regional allies in the Asia-Pacific choosing to preserve, or conversely, to inactivate an alliance at a time of
substantial structural change in that region's structural power base? Chun Jae-Sung ascribes the neglect of the literature in addressing these questions to the absence of a historical precedent. Since the Treaty of Westphalia of 1648, no state has had ever an uncontested predominant power base (Chun 2004, 85). The gap in the literature has begun to be filled, as scholars ask, “[w]hy, despite the widening power gulf between the United States and the other major states, has a counterbalancing reaction not yet taken place?” though this question is related to alliance formation rather than alliance persistence (Ikenberry 2002, 3; Betts 2003, 8; Paul 2005, 46-47; Walt 2009, 96-97 & 100-103).

In this regard, Michael Mastanduno (2002, 197-198) argues that the US alliances in the Asia-Pacific serve as important instruments of US strategy in the region. Whether the United States is a relatively uncontested hegemon or is in a state of hegemonic decline, these alliances contribute to a stable regional security order. The US-Japan alliance, in particular, prevents Sino-Japanese confrontation by protecting and constraining Japan at the same time. It redefines and upgrades Japan’s security role in the region while keeping Japan from being too independent of the United States and moving to remilitarise alone, which might well incite an arms race with China (Mulgan 2005, 61-66).

John Ikenberry (2001, 3-9; 2002, 213-238) argues that the United States forms and manages institutions (including alliances) that bind both itself and weaker states to systemic stability. According to Ikenberry, weaker states have no incentive to balance against the United States, as the institutions render American power more predictable, assure them that they will not be exploited, and allow them to “exercise their voice in the operation of the hegemonic order” (Ikenberry 1998-1999, 45). In the Asia-Pacific context, he maintains that multilateral security institutions are not attainable because of the lack of a sense of political community and shared political identity in the region, and, instead, the United States has maintained, and can continue to maintain, its benign hegemonic order by binding itself to its allies using a combination of the bilateral alliances and ‘soft’ multilateral economic ties (Ikenberry 2004, 364). He concludes, US allies will acquiesce to the US-led regional order.

However, ascribing alliance persistence to US leadership is still not completely persuasive. Unlike Ikenberry’s argument, the United States does not necessarily bind
itself to institutions (Schweller 2001, 182), as the Bush Doctrine of 2002 and the US decision to invade Iraq in 2003 without support from the United Nations graphically attest. Mark Beeson (2006-2007, 602) writes: “American foreign policy under the Bush administration [was] increasingly associated with the erosion of the rules-based, institutionalised international order that - theoretically, at least - constrained the actions of the powerful and protected the weak.” Indeed, Stephan Walt (2009, 117) points out that, “[i]nstead of favoring highly institutionalized, multilateral arrangements that can tame its power within a web of formal procedures, norms, and rules, the unipole will prefer to operate with ad hoc coalitions of the willing, even if forming each new arrangement involves somewhat greater transaction costs.”

Those adhering to the tradition of ‘balance-of-power theory’ (mostly realists) go so far as to argue that due to the ‘imperialistic’ behaviour of the United States, especially after 9/11 (Mann 2003, 1-17; Harvey 2003, 1-25), major states have already begun to engage in ‘soft balancing’ against the United States (Pape 2005, 7-11; Paul 2005, 58-70).

In addition, regional allies do not always acquiesce to the American lead in the context of alliance politics. Galia Press-Bamathan (2006, 280-282) observes that weak allies fear abandonment on regional issues which are vital to their interests but less so to those of the United States. They fear entrapment in global issues about which they are less concerned than is Washington. Therefore, regional allies engage in a bargaining with the United States based on “a comparison and trade-off between the costs and risks of abandonment and entrapment” (Snyder 1984, 467). Developing Joseph Grieco’s notion of enhancing ‘voice opportunities’ of weak states in institutions through which they bind a stronger state (Grieco 1996, 286-289), she argues that a weak ally utilises its existing alliance with its senior ally as a ‘pact’ to restrain the latter from pursuing certain policies that would entrap the former, as France and Germany “attempted to use NATO to restrain the United States” during the war against Iraq in 2003 (Press-Barnathan 2006, 303).20

Also, regional allies do not always converge with their senior ally on their perceptions of regional order. Different regional order perceptions between the unipolar power and its regional allies are more prone to surface in the context of

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20 She also argues that weak allies develop a division of labour with the unipolar power when they have a fear of abandonment. Through these strategies of ‘pact of restraint’ and the ‘division of labour’, according to her, weak allies maximise benefits and reduce risks associated with alliance operations.
unipolarity. Such differences between the United States and regional allies have, in fact, sharpened over recent years on various issues, in contrast with the ideologically-motivated suppression of divergent regional order perceptions that prevailed during the Cold War. For example, the United States perceives the Korean Peninsula as a critical test case in fulfilling its global security objective of WMD non- and counter-proliferation, and of democracies cooperating with one another to build a preferred type of world order (Chung 2001, 793; Cha 2002b, 47-49; 2002-2003, 97). Yet, South Korea, though it is a robust democracy, has been clearly at odds with the United States in its perceptions of how North Korea’s nuclear situation should be managed and what it means to regional order-building (especially during the liberal Kim and Roh administrations between 1998 and 2008). South Korea entertains a divergent view on order in Northeast Asia, focusing on war avoidance with North Korea.

Then, it is clear that a plausible explanation of the persistence of defensive alliances (after the disappearance of the mutual threat or the deterioration of mutual threat perceptions between allies on which the alliances were based) should include an analysis of the interests of both more powerful and weaker allies that are accommodated by the alliances. Also, the explanation should include the impact of divergent regional order perceptions on their persistence. In the following two sub-sections, I attempt to provide such an explanation.

**Alliance for Order Insurance**

**The Concept of ‘Alliance for Order Insurance’**

The collapse of a major revisionist state or coalition may bring a structural change in the international security order from bipolarity or multipolarity to unipolarity. Yet, the disappearance of the revisionist state or coalition as a mutually perceived threat of states led by the triumphant hegemon does not necessarily guarantee a status quo order or lead to a more desirable one. Rather, a relatively benign milieu may put an existing unipolar order under constant pressure to change. Defenders of the order wish to prevent a new revisionist state or coalition from rising and filling the political vacuum that recent power shifts may generate.

Under these circumstances, status quo states wish to insure their favourable order against non-demarcated or unspecified undesirability, even if they are not sure
what they are insuring against (e.g., the nature of the rise of China, Korean unification process, or a more unstable Southeast Asia). Therefore, states adopt an *order insurance strategy*, which I define as ‘retaining or cultivating security arrangements to respond to an undesirable long-term security trend which may occur in the process of order-maintenance or order-building’. This strategy becomes important even if a potential challenger to that order may not necessarily be technically classified as *specific*, because it may not be possible to anticipate it (Betts 2005, 10). As an analogy, one practices various means to insure against long-term health problems, even though s/he cannot predict whether s/he would have any such problems and, if s/he would have any, whether it would be cancer, stroke, or some other disease.

Just as one eats properly, exercises regularly, has medical check-ups and/or buys a health insurance policy as part of one’s health insurance strategy, status quo states may retain or cultivate various arrangements as part of their order insurance strategies, including enhancing their own power capabilities, facilitating regional integration through extensive economic interdependence, creating ‘insurance regimes’ and so forth. I argue that even after the deterioration of its primary threat-centric rationale (i.e., responding to specific targets), allies are more likely to preserve their alliance if the alliance serves as an arrangement for pursuing an order insurance strategy, which I term *alliance for order insurance*. That is, the alliance is maintained regardless of there being no existing threat or in the face of whatever new threat may emerge, as there are sufficient order insurance benefits integral to the alliance alone. Alliances thus persist as they function to insure an existing order against an undesirable long-term security trend, even while the question of who needs to be guarded against or why remains unclear. This point reinforces the above statement that order insurance actually differs from balancing or hedging, because it is an insurance against defaulting relative to whatever balancing or hedging strategy may be appropriate to implement at some point in the future.

Thus, I use the term ‘order insurance’ differently from other analysts, who use the insurance metaphor in relation to specific (potential) regional military contingencies such as ‘a resumption of hostilities on the Korean Peninsula’ or the China-Taiwan

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21 Robert Keohane argues that insurance-oriented regimes emerge to cope with uncertainties when ‘control-oriented’ regimes cannot function because actors cannot control their environment (Keohane 1982, 352-354).
conflict (Art 1991, 47; Cossa 2007, 37). While insurance operates in a threat dimension if both allies view their alliance as a useful hedge for ‘damage prevention’ or ‘damage limitation’ against such ultimate threats (Art 1996, 37), insurance in an order dimension does not presuppose a specific (potential) threat.

Order insurance as a motive for alliance persistence is also different from ‘tethering’, which Patricia Weitsman (2004, 21) defines as forming and maintaining an alliance with a state to conciliate a (potential) threat coming from that state. Unlike in a tethering scenario, an ally that seeks order insurance benefits through an alliance does not regard its partner as a (potential) threat. Rather, the former shares a ‘general interest’ with the latter in defending a status quo order.

What, then, are the key order insurance benefits reflected within an alliance? How does an alliance facilitate its members’ order insurance interests? The following discusses these questions with examples extracted from my two chosen case studies of the US-Australia and the US-ROK alliances.

Positional Interests

An alliance may promote its members’ positional interests within a regional security structure. By ‘positional interests’ I mean interests that take into consideration its own and/or other states’ status in a regional security environment. For example, a regional state which is surrounded by untrustworthy stronger powers has an interest in bringing the unipolar power into the region, thus establishing the latter’s security position in the region. At the same time, by associating with the unipolar power, the regional state increases its own strategic weight in the region. Similarly, the unipolar

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22 According to Weitzman (2004, 30), tethering strategy is different from bandwagoning in that the level of threat perceived against one’s partner is higher in the latter.

23 Glenn Snyder (1984, 464) defines ‘general interests’ as interests “stem[ming] from the anarchic structure of the system and the geographic position of the state.” He writes: “[General interests] include, for example, a state’s interest in defending a close neighbor, or in expansion to enhance its security, or even more generally, in preserving a balance of power in the system. Such interests are ‘general’ because they do not involve conflicts over specific issues with specific other states, but will be defended or acted upon against all comers.” ‘General interests’ are contrasted to ‘particular interests’ which “bring [states] into conflict or affinity with specific other states.”
power which has a high stake in a certain region has an interest in allying with regional states that would not be likely to challenge its own power position. This interest is served as the unipolar power keeps regional states on its strategic orbit, thereby enhancing their security position, enabling them to assume a greater security role in the region, often on its behalf.

To illustrate, the United States has an interest in maintaining (and enhancing) its security position as a naval power in the Asia-Pacific by keeping its regional strategic presence, as recent US national security posture statements (including the 2002 and 2006 NSS) signal (US White House 2002, 26; 2006, 40-42). If the United States withdrew from the region, normal balance-of-power politics in the region would lead to regional instability (Nye 1995, 93). On the other hand, South Korea, regardless of what types of threat might emerge in the region, has an interest in maintaining a balancer in the region, for the Korean Peninsula has been dominated by external powers whenever there was no balancer in the region or when it pursued isolationism. Also, the South Korean security culture reinforces this positional interest. The South Korean public has a belief that a US role is essential to allowing it to effect reunification between the two Koreas. Australia, located in Oceania and yet culturally Anglo-Saxon, has a fear of isolation around its concerns that it could become an outsider in any regional order-building process, especially if ‘the status quo of Western dominance’, which it regards as conducive to its security interests, were to be disturbed by something like a ‘great power’ contest (White 2002, 261). Thus, it also has an interest in maintaining strategic ties with the United States which it finds comfortably close, no matter whether it needs to confront a threat or not.

Then, how can an alliance promote its members’ positional interests? From a regional ally’s perspective, it can enhance its status or influence in the region by being a part of the alliance network led by the most powerful state. The alliance thus gives it diplomatic leverage with other regional states that are not allies of the most powerful state, in that non-allies must take the latter into consideration when they identify their security relationship with the regional ally. Also, an alliance may give the regional ally access to the most powerful state’s core strategic assets and community, which

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24 Elizabeth Sherwood-Randall observes that many Eastern European states had hoped (and hope) to be a member of NATO in the post-Cold War period because of the attraction that the United States generates (Sherwood-Randall 2006, 28-29).
contribute to its responding to undesirable security trends in a more effective manner in accordance with the most powerful state.

South Korea’s alliance association with the United States and the presence of the USFK enable Seoul to have leverage with both non-allies and ‘quasi-allies’. As Robert Sutter (2006a, 51) reported following his intensive interviews in Seoul, South Korean government officials are afraid that, were there not the US-ROK alliance, South Korea would lose diplomatic leverage with China. Also, South Korea has concerns regarding any future expansion of Japanese influence in Asia-Pacific security affairs through the enhanced US-Japan alliance. Without the continuation of the US-ROK alliance, South Korea is wary that it could lose substantial influence in Asia-Pacific security matters.

The US-Australia alliance insures against uncertainties coming from terrorists in Southeast Asia and more generally unstable Southeast Asian domestic politics. US counter-terrorism efforts in Southeast Asia work with commensurate Australian efforts to prepare against these unfavourable uncertainties that could overwhelm Australia’s ability to counter them. The US-Australia alliance provides Australia with access to US strategic assets (intelligence, weapons systems and joint exercises) that can be utilised to respond to such cases more effectively in tandem with the United States. Also, Australia needs its alliance with the United States to maintain American influence in the region as an insurance against any attempt of other regional states to pursue undesirable exclusive regional order-building. This was exemplified by Australia’s inclusion into the EAS – a development originally opposed by a China seemingly intent on building an ‘East Asian’ as opposed to ‘Pan Asian’ security community (Malik 2006, 207-211).

At this point, it must be explained why South Korea and Australia find the United States the most desirable alliance partner to serve their positional interests. In this regard, the literature underscores that the United States’ lack of territorial disputes with regional states and the transparency and market-driven nature of its political and economic systems make it appealing as an alliance partner (Mastanduno 2002, 197-198). Moreover, its physical location outside the Asia-Pacific gives regional states (including South Korea and Australia) “more breathing room than if they had the 500-pound gorilla literally on their borders or on their doorstep” (Tellis 2006, 53). Adding to that, various ‘learning effects’ contribute to their perceiving the United States as essential to a stable regional order, as “states make alliance policy in accordance with lessons drawn from formative historical experiences” (Reiter 1994, 490). Examples include memories
of the Korean War in 1950 (that broke out soon after then US Secretary of State Dean Acheson confirmed that Korea was outside the American Far Eastern security cordon).

Importantly, an American balancing role is integral to regional stability, because the United States has been the only country that has both the intention and the capability to act as a power arbiter in the region (Nye 1995, 90-96). Unlike the United States, China has limitations and shortcomings in assuming that role, e.g., territorial disputes with neighbours, recent nationalistic fervour against Japan, and its US-dependent economy that is competitive with other regional states (Sutter 2006a, 17-24; Beeson 2009, 100-110). Until very recently, Russia has been preoccupied with its domestic political and economic uncertainties. Japan also has limitations. The animosity against Japan’s past imperialism still lingers throughout the region, and Japanese re-militarism is a security concern for its neighbouring countries. In light of these factors, what the United States does in the region will continue to be of critical importance to Asia-Pacific security and is therefore crucial for South Korea and Australia.

On the other hand, from the unipolar power’s point of view, an alliance may serve its positional interests in that the alliance is an insurance against a long-term possibility that its ally might align with a likely regional challenger to its position. This function becomes more important when some regional states intend to align against the unipolar power’s interests within broader regional multilateral security orders. The EAS case cited above is illustrative. In such a case, the unipolar power prefers sustained alliance politics over other existing or possible security arrangements. The unipolar power, moreover, could facilitate or undercut the inter-alliance or quasi-alliance relations to maintain and build its desirable order. This function is different from intra-alliance control, in the sense that the aforementioned order insurance benefits that the continued alliance provides to regional allies induce them to accept the unipolar power’s curb, rather than to fear losing the ‘security’ it provides.

If the United States withdrew from its alliance with Seoul, the latter would be dangerously isolated. It could move to establish a closer strategic relationship with China. Or it might well adopt more provocative security postures that would precipitate North Korean or Japanese counter-responses in ways that might destabilise Northeast Asia. Also, the uncertainty about Sino-US and Sino-Japanese rivalries and the Korean unification process compels the United States to advocate some type of US role (as yet
undetermined), whatever regional politico-security architecture does finally emerge. From the American point of view, it is by no means certain that South Korea would support the US position in such situations. As a hypothetical example, a unified Korea could attempt to align with China militarily. Thus, the US-ROK alliance serves US positional interests by enabling the United States to have South Korea on its strategic orbit.

The United States also keeps Australia from moving close to China’s strategic side by requiring Australia to balance its alliance imperative with its engagement with China. As mentioned previously, Chinese-Southeast Asian economic interactions have been growing impressively. Moreover, the Asian financial crisis in 1997 led regional states to realise the importance of an exit/entry option for regional economic stability other than the United States. They have increased political contacts with China in various multilateral settings, including ASEAN+3, ARF, and the EAS. Australia is not an exception to these trends. It is moving closer to China both economically and politically. Given these circumstances, it is reasonable for the United States to prepare for a future Chinese challenge over American influence in the region that utilises its ‘soft power’. The alliance is insurance against that eventuality.

Order Insurance Benefits vis-à-vis Multilateralism

Another dimension of alliance for order insurance relates to multilateral security mechanisms. Effective multilateral security mechanisms are expected to induce ‘legal liability’, reduce ‘transaction costs’, and provide useful information among member countries to reduce uncertainty and facilitate international cooperation (Keohane 1984, 49-134). Given the lack of specific identifiable adversaries and the fluidity of order challenger identities under systemic unipolarity, the unipolar state and its regional allies have an incentive to foster multilateral security mechanisms (Simon 1993, 304). Also, as John Ikenberry indicates in the context of the current Western order, the unipolar order’s dominance as an international order is all but certain if it provides rules and

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25 Examples of such ‘options’ include the Asian values debates testing US values during the 1990s, the ASEAN+3 meetings since 1997, the Shanghai Cooperation Organisation formed in 2001, the Bali Concord II of 2003, the EAS of 2004, the Chiang Mai Initiative since 2007 and the renewed proposal of establishing the Asian Monetary Fund in 2008. All of these have incorporated ways to pursue more independent Asian economic integration.

26 On China’s ‘soft power’, refer to Gill and Huang (2006, 17-26).
institutions that benefit all states, be they rising, falling, weak, strong, emerging or mature (Ikenberry 2008, 34). Then, it is important to understand how the unipolar power and its regional allies assign order insurance factors with respect to multilateralism to the utility of their existing alliances. The rationale is as follows.

First, in fostering regional security multilateral arrangements, alliances act as a bridge as these are being developed. The literature review section of this study has already discussed in the context of NATO how a unipolar power and its regional allies develop their multilateral alliance into a multilateral security institution in order to maintain the unipolar-led order. In a region where alliance arrangements are bilateral and multilateral security institutions are under-developed, bilateral alliances serve as a foundation stone for allies to try out various multilateral security initiatives. This role in which alliances function becomes more important when 1) there are ‘structural barriers’ to building up effective multilateral security institutions in the region, such as heterogeneity, political and economic gaps, territorial disputes and the lack of a common identity among states; and 2) regional allies do not trust one another, so that they need a stabiliser to assuage their security anxieties.

States assign different weights between alliance politics and regional institutional affiliations (such as ASEAN+3, the EAS, the ARF, and APEC). Yet, bilateralism and multilateralism are not inherently zero-sum, but can be mutually supportive (Job 1997, 162; Cossa 2000, 69-82; Blair and Handley 2001, 10-12; Tow 2001, 212-223). The unipolar power and its regional allies may promote multilateral security mechanisms through ‘minilateralism’ which is defined as “meetings between small subsets of nations, typically three or four, designed to address common security interests in a more focused setting” (U.S. DoD 1998, 42).

In this context, William Tow and Amitav Acharya (2007, 27-37) observe that, unlike during the Cold War period, the United States has been operating its Asia-Pacific alliances more ‘inclusively’ in the post-Cold War period, employing individual alliances for consulting on and coordinating regional security matters. An example is the

27 Ikenberry (2008, 34) further argues that “the more this order binds together capitalist democratic states in deeply rooted institutions; the more open, consensual, and rule-based it is; and the more widely spread its benefits, the more likely it will be that rising powers can and will secure their interests through integration and accommodation rather than through war.”

28 They observe that the United States managed the hub-and-spokes ‘exclusively’ during the
Trilateral Strategic Dialogue (TSD) among the United States, Japan, and Australia initiated in 2006. The US-Japan and the US-Australia alliances have been serving as a base for the TSD. As such, the United States and its regional allies connect countries and regions in ways that create a new and broadly-based alliance system that is much greater than the sum of its various parts (Sherwood-Randall 2006, 37). Linking individual alliances through multilayered bilateral processes is an important feature of regional multilateral security order-building in the Asia-Pacific (Wah and Fong 2000, 16; Breslin 2007, 5).

Alliances simultaneously function as a fallback option against disadvantageous side effects or downside risks that might be realised in the process of their pursuing these other initiatives; for there is still notable uncertainty with regard to the long term future of these new and untested multilateral security structures, including concern over how these arrangements will fit into whatever regional security ‘order’ comes about. The unipolar state and its regional allies may find it necessary to engage their allies to check potentially unfavourable outcomes. Also, in the event of a multilateral arrangement developing in an undesirable way, the alliances serve as a warning to those outside the alliances that order disruption will be much more costly than order maintenance (Tow 2001, 219). Thus, the alliances encourage negotiation of grievances or in the face of crises rather than allowing such things to develop in to something more difficult to resolve (Tow 2001, 219). That is, the unipolar state and its regional allies preserve their alliances not because of the high cost of building new multilateral security arrangements as institutionalists argue (Wallander and Keohane 1995, 42), but as a construction insurance policy in building them.

On the other hand, because an alliance functions as a fallback, its allies can pursue multilateral order-building more efficiently. That is, alliances work as a stabilising ‘order-builder’ by providing the parties with a safety net in their pursuing broader multilateral regional security initiatives. As an analogy, an alliance in this context is like a protection barrier in a path transverse along a cliff. In case one missteps, the protective barrier prevents one from falling to one’s death. At the same time, the existence of the barrier gives climbers composure so that they may walk along the path safely even without touching the barrier. Otherwise, they would not dare to walk the Cold War, meaning that it controlled its allies on a one-on-one basis without interlocking the five alliances (Tow and Acharya 2007, 5-6).
path at all. As a case in point, the US-ROK alliance acts as a stabiliser enabling each partner in the alliance to pursue its own interests through the Six Party Talks. Both the United States and South Korea believe that they can resort to the US-ROK alliance if the Six Party Talks develop in a way that undermines their security interests or should ultimately fail. Being assured that the alliance exists as a fallback option, both allies have utilised the Six Party Talks more actively.\(^{29}\)

The Lack of Order Insurance Benefits

I have so far argued that order insurance benefits reflected within an alliance provide a glue that holds the alliance together even after the disappearance of its primary threat-centric rationale. It can be further argued that an alliance discontinues if its members (whose mutual threat perceptions have already deteriorated) do not find order insurance benefits from the alliance. The de facto termination of the US-New Zealand component of ANZUS in 1984-87 is a good illustration. Common wisdom purports that New Zealand’s anti-nuclear posture triggered the termination. Yet, it should be noted that the US-Australian leg survived strong anti-nuclear sentiments in Australia during the same period. Therefore, other factors that transcend the anti-nuclear sentiments may account for the termination. As argued in Chapter Five, the US-New Zealand leg of ANZUS was not seen to generate order insurance benefits to either party, unlike in the case of the US-Australia leg. The combination of the lack of mutual threat perceptions and the lack of insurance benefits was largely attributable as a basis for its de facto termination.

Insurance for Alliance

The Concept of ‘Insurance for Alliance’

In the above section, I argued that in a relatively benign security environment where mutual threats have disappeared or mutual threat perceptions between allies have deteriorated, the unipolar power and its allies retain their alliances if the alliances provide them with a degree of insurance in the process of security order-maintenance and order-building. However, \textit{alliance for order insurance} itself is not sufficient to

\(^{29}\) As of this writing, North Korea announced its intention to quit the Six Party Talks after the United Nations Security Council imposed sanctions over its rocket launch on April 5, 2009. Both the United States and South Korea have been urging North Korea to return to the talks.
account for the persistence of the alliances. That is because allies' interests regarding regional order are less likely to converge under unipolarity than would otherwise be the case (Feffer 2006, 45-46). Whereas ideological concerns may have resulted in divergent regional order perceptions being suppressed under multipolarity or bipolarity, the emergence of unipolarity could well lead to those differences creating new tensions between the unipolar power and its allies. As was noted before, the unipolar power's concern in terms of global order as expressed in alliance politics can sometimes be at odds with its allies' regional security concerns. Therefore, though allies work through how to reconcile differences between them on certain dimensions of regional order-maintenance and order-building, attempting to address concerns around both global and regional security dynamics can present additional problems.

Under these circumstances, intra-alliance management on various issues (such as burden sharing, division of labour within the alliance, host-nation support and allocation of alliance instrumentalities) tends to be more contentious than it would be under other systemic polarities, which may weaken an alliance. Yet alliance dissolution need not result from alliance mismanagement in this regard. If allies find certain interests reflected within the alliance critical, they may judge that it is necessary for them to bear the added costs or risks produced by such mismanagement in order to maintain those particular interests. It's like marrying one's ideal mate and realising over time that the partner's family is obnoxious and intrusive in ways not experienced prior to the marriage. Moreover, the partner seems to be prone to humour the in-laws rather than to confront their offensive behaviour. Yet the essential benefits that come from being married to the partner (e.g., sharing time with the partner) make it worth dealing with the irksome family members rather than getting divorced.

In such a case, though, the very survival of an alliance is threatened if the alliance is not properly insured against strong domestic objections of the populace to an alliance (sparked by such factors as the newly emergent national identities, increased anti-Americanism or intensified anti-nuclear sentiments), unexpected alliance burdens or unfulfilled alliance expectations that may result from alliance mismanagement. Therefore, *insurance for alliance* becomes a key intervening variable between *alliance for order insurance* and *alliance persistence*.

Insurance for alliance is introducing, cultivating, or retaining arrangements to
safeguard an alliance from various challenges that may arise as a result of alliance mismanagement. It is a purposive and intentional action to prevent an alliance from deteriorating beyond repair. The motive for insurance for alliance is not so much based on intra-alliance control (from the unipolar power’s point of view) or acquiescence to it for fear of losing ‘security’ (from regional allies’ points of views), but on the order insurance benefits of the alliance. Thus, ‘insurance for alliance’ does not include paying the premium in order to ensure its partner’s military support in the event of future security crisis. For example, some argue that Australia’s military commitment to the Vietnam War in the 1960s or the Iraq War in 2003 was to ensure the US involvement against a future attack on Australian territory by some other country, unlikely though the scenario might be (Camilleri 2003, 435; Smith and Lowe 2005, 468-469). Yet, the term ‘insurance for alliance’ is employed here differently from the usage that is predicated on reciprocal response to external threat. Insurance for alliance has more to do with reconciling intra-allied perceptions of regional order rather than with mutual alliance coordination against external parties or specific alliance operations. It operates by providing time or a ‘breathing space’ for allies to respond to alliance challenges, especially when their respective approaches to regional order-maintenance and order-building diverge.

Arrangements for ‘Insurance for Alliance’

‘Insurance for alliance’ includes the following arrangements. First, an ally may insure its alliance by reconciling itself with its partner on issues critical to the latter’s strategic interests. It can compromise its own policy stances or maintain a stance of ‘strategic ambiguity’ on such issues. As an example, South Korea compromised its position on the ‘strategic flexibility’ of the USFK (i.e., whether the USFK can be dispatched outside the Korean peninsula) in 2006 in response to a US request. Given the ‘transformation strategy’ of the United States, if South Korea had insisted on the inflexibility of the USFK, the US-ROK alliance (which had already become challenged by alliance mismanagement resulting from the divergent threat perceptions on North Korea between the two allies) might have been jeopardised. As another example, Australia maintains a strategic ambiguity over assisting the United States in defence of Taiwan, should China use military force to assimilate that island. Given the divergent order perceptions on China’s regional role between the two states, if Australia declares that it would not be involved in the contingency, the US-Australia alliance would be
This insurance strategy is different from an ally engaging in alliance management based on cost/benefit calculations with the intent of increasing mutual benefits while decreasing its costs or risks (Snyder 1997, 165-66). Rather, it is employed to increase the partner’s benefits (or at least to save its face), even though it may increase one’s costs or risks. An ally of the status quo coalition (who tends to be risk-averse) is willing to take a loss in order to make its partner remain positive about preserving the alliance. Therefore, insurance for alliance matters more than just ordinary intra-alliance management in which allies coordinate their interest-seeking behaviours and bargain over gains and costs.

Second, an ally may insure an alliance by linking the intra-alliance relationship to its partner’s non-alliance security agendas. This is especially evident when the latter’s public perceives that its leadership does not make both ends meet in its alliance association with the former. The strategy here is to increase a partner’s stakes in the alliance. For example, an ally may provide its partner with inducements (such as making concessions to terms of a free trade agreement, attributing it to solidifying a material ground for their alliance). An ally may add legitimacy to certain of its partner’s security policies by supporting them under the name of alliance partnership. As an illustration, South Korea contributed to American operations in Afghanistan in 2001 and Iraq in 2003 despite strong domestic resistance to them. Australia did the same despite the danger that terrorist groups could target it in retaliation. With associated benefits in non-alliance agendas, the partner can more effectively assuage domestic discontent over the alliance and persuade its public to tolerate more controversial dimensions of alliance politics.30

This insurance strategy is different from ‘issue linkage’, which institutionalists regard as one of the tactics to prevent ‘cheating’ (Axelrod and Keohane 1985, 226-254). Their logic is that, if issues are closely linked to one another, states may want cooperative relations (e.g., alliance cooperation) rather than to pursue self-interest by non-cooperation, as they know that they will experience retaliation on other issues if they do not cooperate. This leads to alliance cooperation by default out of concern over such retaliation that would, in the end, lead to mutual loss. In the institutionalists’

30 Based on their statistical analysis, Brett Ashley Leeds and Burcu Savun (2007, 1129-1130) claim that allies are less likely to “abrogate alliances that include linkages to other areas of cooperation before their scheduled end dates.”
version of ‘issue linkage’ strategy, states therefore preserve an alliance out of concern over retaliation on linked non-alliance security agendas. However, in the strategy of insurance for alliance, states cooperate on non-alliance security agendas in the hope that by doing so it will help preserve the alliance.

It is important to point out that an ally’s investment in an arrangement for insurance for alliance becomes meaningful only when its partner perceives it as such. Thus, at least three criteria should be satisfied for an arrangement to be qualified as insurance for alliance: 1) the investing ally recognises the arrangement as insurance for alliance; 2) the arrangement should concern its partner’s core security interest; and 3) the ally invests in the arrangement, despite strong domestic criticisms or even though such investment is against its own short-term security interest (for its partner otherwise would not recognise it as insurance for alliance).

The Lack of Insurance for Alliance

Lack of insurance for alliance, combined with divergent regional order perceptions and alliance mismanagement, may well lead allies to the breaking point. The US-Philippines alliance, which was not viably operative between 1992 and 1999, is illustrative. It is common to ascribe the endangerment of that alliance to alliance mismanagement (i.e., the two allies’ mishandling of negotiations for the lease of US bases between 1990 and 1991 and the failure of the ratification of the new bases agreement in 1992) and/or nationalism and anti-American sentiments among Filipinos. However, though the US-ROK alliance had confronted comparable circumstances between 1998 and 2008, the alliance survived the serious challenges that such circumstances caused. As will be argued in Chapter Five, the relative degree of insurance for alliance made a difference between the two cases. Though both the United States and the Philippines still had order insurance interests in maintaining their alliance in the 1990s, unlike in the US-ROK case, neither paid the necessary premiums for insurance for the alliance. Thus, the US-Philippines alliance was suspended during most of the 1990s, and subsequent resumption of both allies’ investments for insurance for the alliance since 1998 have brought about the alliance’s rejuvenation.

To summarise this study’s theoretical framework, despite the significant deterioration, if not disappearance, of the primary threat-centric rationale of a defensive
alliance, allies nevertheless retain the alliance, when it provides them with a degree of order insurance benefits. For the order insurance benefits extracted from the alliance, they pay premiums such as the ones described above as insurance for alliance. I term this mechanism (exchange between insurance benefits and insurance costs) an order insurance explanation of alliance persistence.

**Main Method**

In the previous section, I have established a causal link from allies' affinity toward *alliance for order insurance* (independent variable) to alliance persistence (dependent variable), with the intensity of *insurance for alliance* being an intervening variable. In assessing my chosen cases relative to this causal link, I find process tracing the most desirable method for two basic reasons, outlined below. Process tracing is “to generate and analyse data on the causal mechanisms, or processes, events, actions, expectations, and other intervening variables, that link putative causes to observed effects” (Bennett and George, 1997, 4).

The first rationale for applying process tracing in this study is that the intentional behaviour of security policy-makers needs to be investigated. An observation that ‘an alliance generates order insurance benefits’ and another observation that ‘the alliance persists’ are not enough to demonstrate a causal mechanism. What must be examined beyond these observations is to investigate 1) whether allies understood and acknowledged *alliance for order insurance* as benefits worth preserving their alliance and 2) whether they intentionally made certain security policies for *insurance for alliance*. Jack Levy (2002, 145-146) points out that “process tracing provides several comparative advantages for testing many kinds of intervening causal mechanisms, particularly those involving propositions about what goes on inside the ‘black box’ of decision making and about the perceptions of actors.” This method is more appropriate than other qualitative methods for studying “the intentional behaviour of individuals and organizations” in an alliance context (Bennett and George 1997, 17).

Second, qualitative case study suffers from two key limitations, namely the ‘equifinality’ problem and the ‘omitted variable’ problem (Bennett and George 1997, 5-6 & 11-13; Levy 2002, 137; A. Bennett 2004, 38-39). The equifinality problem occurs here when several different combinations of independent variables (i.e., an insurance factor and other alternative policy motives) may contribute to alliance persistence. The omitted variable problem arises when there may be other key intervening variables that
are not identified by analysing alliance persistence in the context of the ‘order insurance motive’. Process tracing ameliorates these two limitations, as it focuses on a chain of processes through which intervening variables operate. It can therefore “identify different causal paths to an outcome [if equifinality exists], point out variables that otherwise might be left out, [and] check for spuriousness” (Bennett and George 1997, 13).

To facilitate process tracing in this study I have conducted content analysis and interviews. I have reviewed official policy documents (such as government posting statements, joint official policy statements and Congressional hearings), testimony, memoires, newspaper editorials and secondary materials. I have also conducted 40 mostly anonymous interviews in the United States, South Korea, and Australia. The list of interviewees includes 1) relevant former government officials (especially at the ministries of defence and foreign affairs), 2) academics who served as security policy advisors at various levels, and 3) academics who focus on security issues.

The emphasis of process tracing in this study is four-fold. First, I evaluate how critically allies perceive order insurance benefits their alliance generate vis-à-vis other rationales of the alliance. Second, I investigate how allies have re-configured their alliance operations and instrumentalities in comparison with military resources and commitments they sustained during the Cold War. If the United States and its allies maintain the alliances for the purpose of order insurance, changes they have made to alliance operations and instrumentalities since the end of the Cold War should reflect that purpose. Third, I examine allies’ relative assessments of alternative minilateral or multilateral security institutions through their participation record and official statements evaluating their effectiveness. Such a review facilitates judgement of whether allies find their alliance competitive with or supplementary to minilateralism or multilateralism in relation to regional order-building. Fourth, I list alternative policy paths that states could have adopted at certain points in time (for example, when Australia requested the United States to join an Australia-led contingent in East Timor in 1999 or when the United States requested Australia to dispatch combat troops to Iraq in 2003) or over certain issues (for example, the greater mission flexibility of US forces in South Korea or the United States’ North Korean policies). I then endeavour to ascertain which policy path that was taken by an alliance was influenced by the consideration of insurance for alliance.
Conclusion

In the foregoing discussion, I reviewed the existing literature on alliance persistence and then developed a framework—an order insurance explanation of alliance persistence—which links alliance persistence to regional order-maintenance and order-building in the context of US unipolarity. I also identified ‘process tracing’ as this study’s main method.

The framework is empirically tested in the forthcoming chapters. In Chapters Three and Four, I examine it in the context of the US-Australia and the US-ROK alliances, respectively, since the end of the Cold War. I initially investigate whether the order insurance benefits of continued alliance affiliation are sufficiently great, so that the persistence of the two alliances is understandable. I then seek to identify whether and, if so (as I suspect), how each ally has insured arrangements against (potential) alliance challenges that alliance (mis)management has caused or may cause.

In Chapter Five I utilise a contra-positive analysis to examine the framework in the context of the US-New Zealand leg of ANZUS during the mid-1980s and the US-Philippines alliance in the 1990s. For an argument that “insurance factors lead to alliance persistence” to be valid, its contra-positive argument that “alliance discontinuation means the lack of the insurance factors” should also be persuasive. The intensity of insurance factors that have been at play to facilitate alliance persistence in the US-Australia and the US-ROK alliances post-1991 should be found to be low, if not negligible, during the mid-1980s in the US-New Zealand case and the period from 1992 through 1999 in the US-Philippine case, respectively.
Chapter Three: The Persistence of the US-Australia Alliance

The US-Australia alliance constitutes a key test case for alliance persistence. Contrary to the arguments of ‘mainstream’ alliance theorists, the alliance has survived well over a half century without a clear consensus about what mutual threats confront it and despite potentially significant differences between an American superpower’s and an Australian middle power’s global and regional interests and strategies. Yet the alliance does persist, and both American and Australian policy officials are usually quite ready to describe it as one of America’s ‘closest’ defence relationships. What lies behind this intriguing set of circumstances in alliance relations? It is argued here that ‘order insurance’ factors have been driving the exceptionally viable alliance relationship between the United States and Australia.

This chapter is made up of five sections. It begins by observing that the US-Australia alliance has been persistent despite the lack of a mutually perceived threat, and that alliance dissolution does not appear to be imminent. In the following section, the argument that the US-Australia alliance continues because it is insurance against potential military threats is critiqued. The main purpose of these sections is to deny a threat-centric rationale of the alliance, whether the threat is real or potential.

Instead, in the third section, I argue that the alliance serves as ‘order insurance’ for both Australia and the United States, and this accounts for the persistence of this specific alliance. In the first part of this section, I show how the alliance provides both Australia and the United States with ‘order insurance’ benefits relative to 1) their comparative positions in the ‘West’ and in ‘Asia’; and 2) their respective approaches to multilateral order-building. I also examine the East Asia Summit (EAS) and the Trilateral Strategic Dialogue (TSD) involving the United States, Australia and Japan as ‘mini-case studies’ that support the argument that the US-Australia is an ‘order-centric’ arrangement. While the ASEAN states and China have been taking leadership roles in EAS (with the United States not even being a member of it), Australia and the United States along with Japan have been constructing the TSD. Therefore, by comparing the two cases, a more comprehensive understanding of how the alliance operates as order insurance in different contexts begins to emerge.

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1 The US-Australia alliance refers to the US-Australia leg of ANZUS since the US-New Zealand leg of ANZUS became de facto terminated in the mid-1980s.
Chapter Three

In the chapter's fourth section, I argue that Australia's involvement in the Iraq War and its participation in US Missile Defence (MD) research and development reflect its determination to ensure that the US-Australia can withstand policy challenges that (may) arise as a result of alliance mismanagement. The United States assisted Australia when the latter state played a leading role for the International Force for East Timor (INTERFET) mission in 1999 for the same reason. I conclude Chapter Three by arguing that both the benefits of the alliance for order insurance and the premium Australia and the United States have been paying to insure alliance persistence have been shaping sustained alliance interaction.

The Unexpected Persistence of the US-Australia Alliance

ANZUS -the Australia-New Zealand-United States Tripartite Pact- was signed in September 1951. The United States signed the treaty as a quid pro quo for Australia and New Zealand signing the Treaty of Peace with Japan in San Francisco. Australia had previously resisted signing the Treaty of Peace with Japan because of its fear that Japan might re-emerge as a military power (Young 1992, 1). Australia's fear of Japanese remilitarisation was substantial, as its populace had painful memories of the Japanese invasion of Southeast Asia and the Pacific during the Second World War. However, such fears dissipated as Japan assimilated itself to the post-war western economic and political sphere of influence.

The Japanese threat was almost immediately replaced by a new one – the military power of the international communist movement led by the Soviet Union (Brown and Rayner 2001/2002, 27; Edwards 2005, 21). Nevertheless, the Soviet threat was not as intense in the South Pacific as in other sub-regions of the Asia-Pacific. Except for a few instances, including the USSR's brief and opportunistic probing in Tonga in 1976 and the increased Soviet naval presence in the Indian Ocean in the late 1970s, the Soviet Union did not present a direct threat to Australia (Australia Department of Defence 1972, 10; Tow 1991, 347; Tow and Albinski 2002, 159). This trend continued throughout much of the Cold War. Though ANZUS arguably sustained its importance diplomatically and militarily with regard to the perceived Soviet threat after the Soviets invaded Afghanistan in 1979, it did so as a component of US global strategy rather than as part of any looming threat to Australia itself.

No other mutually perceived threat bound the ANZUS allies during the Cold War era. Indonesia did not pose a direct threat to Australia, but the period of Indonesia-
Malaysia *Konfrontasi* between 1962 and 1965 raised Australian fears of Indonesia’s destabilizing potential in Southeast Asia. That country was not perceived by Washington to threaten Australia due to the weak Indonesian economy and its outdated military. Accordingly, Australia received no commitment from Washington that the United States would intervene in the event Australian forces were attacked by Indonesian military components on the Malaysian peninsula.

Given this relatively benign regional security environment, Australia’s official assessments since the 1970s have repeatedly concluded that no specific threat needed to be taken into account as the country developed its defence capabilities (Ball 2001b, 245). For example, the 1987 Defence White Paper observed that “[n]o neighbouring country harbours aggressive designs on Australia, and no country has embarked on the development of the extensive capabilities to project maritime power which would be necessary to sustain intensive military operations against us” (Australia Department of Defence 1987, 19-20). In his address to the Royal United Services Institute in 2000, Secretary of Defence Allan Hawke argued that ANZUS was rarely utilised for the purpose of threat-neutralisation during the Cold War period (Hawke 2000). On the other hand, from the American perspective, the lack of threat in the Pacific meant that other states were being successfully dissuaded from attempting to mount a challenge to its strategic hegemony in that area (Tow 1991, 347).

In sum, aggregating its members’ military capabilities to balance against a certain threat had not been a motivation for the continuation of the ANZUS. ANZUS instead primarily functioned as an American intelligence gathering mechanism via the Joint Installations at Nurrungar and Pine Gap and as a source of political loyalty where Australian forces joined their American counterparts to prevent the spread of communism in Southeast Asia and defend a non-communist regime in South Vietnam. It also provided value-added resources for maritime patrolling on the broader Southwest Pacific peripheries.

In the post-Cold War period, the US-Australia alliance continues to persist without a clear threat underwriting its reason for being. Australia’s official assessments continue to emphasise that Australia is one of the most secure countries in the world.

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2 Gary Brown and Peter Edwards point out that, with respect to military cooperation among regional states, Australia put much more weight to SEATO and the FPDA during the Cold War than ANZUS, if assigned (Brown 1987, 3; Australian Parliament 1997, 14).
Chapter Three

(Australia Department of Defence 1994, 22; 2000, 23; 2009, 49). Director-General of the Office of National Assessments Peter Varghese’s remark in 2006 clearly represents this view: “Australia does not face any direct threat to its territorial integrity” (Varghese 2006).

A Russia that has been going through economic difficulties does not pose a threat to Australia. Rather, these two countries established a strategic dialogue relationship in 1998. Indonesia likewise poses no threat to the security of mainland Australia. Indonesian Armed Forces are in a parlous state (Beeson 2000, 255; Dupont 2003, 61-62). Australia signed an Agreement on Maintaining Security with Indonesia in 1995 to address their common security concerns. Though the evolution of the East Timorese independence in 1999 temporarily strained Australia-Indonesia bilateral security relations, the two countries - especially after the Bali bombing in 2002 and the Indian Ocean tsunami in 2004 - have been working closely to counter terrorism and to address various human security issues, disaster relief and the development of Aceh. They are security partners once more following their signing of the Lombok Treaty in 2006.

Nor does China pose a direct threat to mainland Australia. The PLA lacks the military capabilities to deploy a substantial number of forces to bridge the sea-air gap leading to Australian territory and to sustain them for the necessary length of time (Dupont 2003, 62). Moreover, China would have much to lose in waging any such attack, as Australia is a major supplier of commodities valued by Chinese industry. Indeed, the perception of China as a source of opportunity rather than a threat has been growing on a bipartisan basis in Australia, and is a perception shared by the Australian public (Kelly 2003, 90; Gyngell 2006, 11). Former Prime Minister John Howard from the Liberal Party, which traditionally maintained a less benign view on China than the Labor Party, observed that “[t]o see China’s rise as a zero-sum game is overly pessimistic, intellectually misguided, and potentially dangerous” (Howard 2005c). A survey conducted by Australia’s Lowy Institute in 2005 revealed that 35% of respondents worried about a potential Chinese threat, which is a lower percentage than those who worried about global warming, world population growth or even US foreign policy (I. Cook 2005, 13). Follow-up surveys conducted by the same think-tank in 2006 and in 2008 reported that only 26% of respondents in 2006 and 34% in 2008 found the

3 Australia’s 2000 Defence White Paper points out that it is only the United States that has the capability to invade Australia (Australia Department of Defence 2000, 18).
development of China as a world power to be a threat to Australia’s vital interests, placing it last on a list of 13 possible threats to Australia in 2006 and 10th on a list of 14 in 2008 (I. Cook 2006, 11; Hanson 2008, 10).

To observe that such perceptions prevail is not to deny that China has elicited strategic concerns. China, for instance, rattled its sabre in response to a Taiwanese presidential election in 1996, which resulted in a Sino-American crisis over Taiwan. However, one should not necessarily treat ‘strategic problems’ as actual military threats. As Gary Brown points out, though strategic problems are adverse developments in a region, they do not threaten a state’s core security interests that clearly require a response, possibly even a military one (Brown 1999/2000, 18). Cross-Strait tensions should be viewed as a strategic problem rather than a military threat directly involving the US-Australia alliance (Brown 1999/2000, 18). Moreover, Australia wants to avoid ‘entrapment’ in the strategic competition between the United States and China. In this context, Mohan Malik (2006/7, 591) has noted a desire among some influential Australians for the alliance to allow scope for disagreements over various issues, suggesting that, as in the cases of Britain’s and Canada’s non-involvement in the Vietnam and Iraq conflicts respectively, the United States should accept Australia’s non-participation in a future conflict across the Taiwan Straits.4

The question then arises: despite the lack of a mutually perceived threat that traditional alliance theorists usually insist must be the basis for alliance arrangements, why has the US-Australia alliance been persistent? During the Cold War period, it weathered various challenges, including the divergent interests between the two states in the transfer of West Irian to Indonesia in 1963; a lack of policy coordination on the US exit strategy from Vietnam in the 1970s; anti-nuclear sentiments among the Australian public in the 1970s and 1980s; the de facto termination of the US-New Zealand leg of ANZUS; and Australia’s refusal to participate in the US Strategic Defense Initiative (SDI) in the late 1980s. Moreover, the collapse of the Soviet Union and the end of the US global containment strategy did not result in alliance dissolution. The alliance has survived the self-reliance defence posture and Asia-first policy pursued by the Australian Labor Party between 1983 and 1996; isolationist sentiments in the United

4 Malik interviewed Hugh White, Stuart Harris, Warwick Smith, and ex-prime ministers Paul Keating, Robert Hawke, and Malcolm Fraser.
States and US inattention to the alliance in the early- to mid-1990s\(^5\); and perennial trade disputes between the two states\(^6\). Indeed, the alliance has been not only persistent but also strengthened since 1996, when the Howard Coalition (of the Liberal and the National Parties) came into power with an election pledge of enhancing it. Australia was the only regional country that supported US deployment of its two aircraft carriers in waters near Taiwan in March 1996 on account of China’s missile tests off the shores of Taiwan. In April 1996, the two countries held the AUSMIN talks in Washington. At this meeting, US Defence Secretary William Perry described Australia (along with Japan) as one of the two anchors of the US military presence in the region (M. Roberts 1997, 112). The Sydney Statement released in December 1996 reflected this view. It confirmed continued American utilisation of Pine Gap and extensive upgrading of joint military exercises and defence burden-sharing. This trend was a firm affirmation that the two states would maintain a strong alliance despite the absence of a defined threat.\(^7\) The Howard Coalition thus rejuvenated a security policy perception that saw Australia’s prosperity as being intricately linked to its relationship with ‘a great and powerful friend’ – i.e., the United States (Bloomfield and Nossal 2006, 9).

Since the Sydney Statement, the two states have further enhanced their security ties to a striking extent. While the United States assisted Australia in its effort with

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\(^5\) For example, in 1993 both Secretary of State Warren Christopher and Defence Secretary Les Aspin did not attend the AUSMIN talks (Reid and Siracusa 1994, 141-142).

\(^6\) For example, in the late 1980s the United States launched the Export Enhancement Program (EEP) to subsidise its farmers who produced primary agricultural products including wheat (Barclay 1996, 345-346; Ravenhill 2001, 253). Australia, whose farmers were hit by the EEP, attempted to link this issue to security. Australia claimed that its weakened economy would make it more difficult to purchase US weapons, contemplated cancelling a proposed talk between defence ministers and attempted to link Joint Defence Facilities to the trading issue as a bargaining chip (Barclay 1995, 345-346; Ravenhill 2001, 253-256; Beeson 2006/2007, 601). However, the United States refused to compromise and warned Australia against taking such an action, and Australia ultimately succumbed to US pressure (Brown 1987, 94; Ravenhill 2001, 255).

\(^7\) Some may argue that the intensification was due to regional security tensions, including the Taiwan crisis in 1993/1994, the North Korean nuclear crisis in 1994, and the territorial disputes in the South China Sea in the mid-1990s. However, as discussed above, given the lack of intentions and military capabilities of North Korea and China to threaten Australia, those are strategic problems, but not military threats to Australia.
regard to the INTERFET mission in 1999, overcoming its initial reluctance, Australia sided with the United States during the March 2001 Sino-American crisis caused by the mid-air collision between an American EP-3 surveillance aircraft and a Chinese jet fighter. After the 9/11 attacks, Australia invoked the ANZUS treaty, sending part of its Special Forces Contingent (SAS) to Afghanistan in support of the United States’ War on Terror. In 2002, Australia announced that it would join the US-led Joint Strike Fighter program. In 2003, Australia dispatched its troops to Iraq to help the United States with the Iraq War. Also, unlike the Hawke Government which declined to participate in the SDI, the Howard government decided to participate in the US MD research and development.

These moves were acknowledged and appreciated by the United States. During his visits to the United States in 2002 and 2003, Prime Minister Howard was warmly welcomed. The 2006 US Quadrilateral Defense Review Report (QDR) notes that “[t]he United States places great value on its unique relationships with the United Kingdom and Australia, whose forces stand with the U.S. military in Iraq, Afghanistan and many other operations. These close military relations are models for the breadth and depth of cooperation that the United States seeks to foster with other allies and partners around the world” (U.S. DoD 2006, 6-7). Also, the 2006 US NSS acknowledges the US-Australia alliance as one having a global reach (U.S. White House 2006, 40).

The US-Australia alliance appeared to remain viable as another Australian Labor Government took power in late 2007. Prime Minister Kevin Rudd emphasised the importance of the US-Australia alliance in his speech at the Brookings Institution in March 2008 as one of the three pillars of Australia’s foreign policy, with the other two being its membership in the United Nations and its engagement with other Asia-Pacific countries (Rudd 2008). The speech was not just diplomatic rhetoric. Michael Fullilove argues that everything then known about Mr. Rudd indicated that his alliance management would accord well with that of previous prime ministers (Fullilove 2007, 11). Australia’s 2009 Defence White Paper confirmed the Rudd government’s strong support for the US-Australia alliance (Australia Department of Defence 2009, 50 & 93-94).

In sum, the US-Australia alliance does not appear to be in danger of being dissolved. To reiterate the main question of this chapter, why does the US-Australia
alliance continue, despite the lack of clearly enunciated threat rationales by its members? The remainder of this chapter investigates this question.

**Alliance Insurance and Specific Potential Military Threats**

Before ascribing the persistence of the US-Australia alliance to a non-threat-centric rationale, in this section the argument that the alliance persists because it is insurance against potential military threats -especially a potential Chinese threat- will be evaluated. First, the likelihood of a ‘fundamental’ attack on the Australian homeland is very slim. Moreover, the ANZUS accord lacks a formal mechanism that triggers an automatic US involvement in the way that NATO’s Article Five mandates such a US response in Europe. Second, currently American and Australian threat perceptions regarding China vary considerably. Canberra entertains less fear of a ‘rising China’ than does Washington. Thus, Australia has been attempting to avoid ‘entrapment’ into potential Sino-American military confrontations. The following develops these two points.

**The Question of Military Support Relative to the US-Australia Alliance**

Australia has a longstanding tradition of relying upon great and powerful friends (namely, Great Britain and the United States) to defend its continent (Bloomfield and Nossal 2006, 9). This tradition results from the apprehension that it has neither the population nor the economy needed for sufficient armed forces to defend its 25,760 kilometre-long coastline, the second longest coastline in the world next to Canada’s. Also, Australia is proximate to Southeast Asia, where political and economic situations are unstable. This apprehension has led to the co-existence of the seemingly contradictory stances of ‘self-reliance’ and ‘dependence on the US-Australia alliance’ in Australian strategic thinking.

The concept of Australian ‘self-reliance’ emerged in the 1970s as a result of the Guam Doctrine (Australia Department of Defence 1976, 10-11; Edwards 2005, 33).\(^8\) This position, announced by US President Richard Nixon in July 1969, and subsequent US official policy documents have made it clear that the United States would not come

\(^8\) For a succinct summary of Australia’s strategic history, see Allan Hawke (2000).
to Australia's defence unless the latter country was faced with a full-scale invasion (Dibb 2007, 13-14). Short of that, Australia should handle contingencies in its own neighbourhood independently (Australia Department of Defence 2009, 50). In this context, the US-Australia alliance can be seen as 'a backstop as opposed to an automatic defence guarantee' (Amponin 2003, 2).

Australia's 2000 Defence White Paper defines 'self-reliance' as 'be[ing] able to defend Australia without relying on combat forces of other countries' (Australia Department of Defence 2000, 46). That said, the same document states that "there is strong support for the US alliance and the majority view is that we should strive for as much self-reliance as possible within the context of the alliance" (Australia Department of Defence 2000, 35). The document emphasises that "Australia relies on the extended deterrence provided by US nuclear forces to deter the remote possibility of any nuclear attack on Australia" (Australia Department of Defence 2000, 36).

Support for 'self-reliance within the context of the US-Australia alliance' is not exclusive to Australia's Coalition parties, which have normally assigned greater weight to the alliance than has Labor. The Australian Labor Party has also valued the alliance very highly (Brereton 2001, 347-349; Rudd 2001, 301-302; Fullilove 2007, 11-12). The 1987 Defence White Paper written under the Hawke government reads: "The defence relationship with the United States gives confidence that in the event of a fundamental threat to Australia's security, US military support would be forthcoming" (Australia Department of Defence 1987, 4-5). The 2009 Defence White Paper echoes the same view (Australia Department of Defence 2009, 12 & 48-50). Overall, there is a largely bipartisan consensus within Australia that 'self-reliance' and 'the dependence on the US-Australia alliance' are not antithetical.

Australia, of course, acknowledges that "a major attack on Australia, aimed at seizing and holding Australian territory, or inflicting major damage on [Australia's] population, infrastructure or economy, remains only a remote possibility" (Australia Department of Defence 2000, 23; 2009, 49). If so, a major rationale for maintaining the US-Australia alliance is essentially to insure Australians against the fear of a large-scale attack on their territory (Australia Department of Defence 2007b, 34).

Clearly, insurance against such an unlikely scenario cannot sufficiently account for the persistence of ANZUS. Mark Beeson (2000, 256) argues that it is highly
doubtful that such an insurance policy would ever be utilised, and even if it were, such a redemption would not depend solely on Australia's earlier investments in ANZUS. His argument is persuasive because, as intimated above, ANZUS, unlike in the case of NATO, does not have an equivalent of NATO's Article Five which provides an explicit tripwire mechanism for US military action in case a NATO partner is attacked. Article Four of the ANZUS Treaty stipulates that each party should follow its constitutional processes in response to alliance contingencies. Given the lack of a tripwire or physical deployment (such as US troops stationed in Australia), whether or not the United States would come to defend Australia depends on ongoing US strategic interests. Citing the US refusal to provide protection for Australian troops in Borneo during the Indonesia-Malaysia confrontation between 1962 and 1966, for example, June Verrier (2003, 461) claims that the absence of shared interests was the controlling factor here, not Australia's investments in the alliance. The Dibb Report, commissioned by the Hawke government during the mid-1980s, also acknowledges that there are no guarantees inherent in the alliance (Dibb 1986, 46). In sum, as the US-Australia alliance is not targeted toward a specific and enduring 'particular' strategic interest (i.e., specific threat neutralisation) apart from regional stability, threat centric logic by itself is insufficient to justify ascribing the persistence of the US-Australia alliance exclusively to insurance against potential threats.

A Potential China-Taiwan Conflict and Divergent Alliance Expectations

There are political factions within both Australia and the United States prone to view Chinese power with intensifying apprehensions. For them, the growing power of China is adequate justification for arguing that the United States and Australia should build in constraints to an intensifying Chinese regional threat. To such policy analysts or

9 Nevertheless, the Report argues that, while Australians cannot be completely certain that the United States would come to Australia's defence in a given crisis, it is also an open question to would-be aggressors (Dibb 1986, 46). A potential aggressor must consider the possibility that the United States would intervene (Australia Department of Defence 1997, 18).

However, it is the US intention that would dissuade a potential attacker rather than the existence of the alliance itself. A potential invader should consider that the United States engaged in the Korean War in 1950 without alliance relationships with South Korea. Given the US interest in checking a Chinese challenge to its hegemony in the region, China should consider the possibility that the United States would respond to Chinese aggression against Australia whether ANZUS existed or not.
observers, ANZUS does have a certain value that could be exploited if China were to become more threatening or expansionist within Asia over time. To them, the alliance persists because it serves as an instrument for the competitive side of a hedging strategy against the rise of China (Malik 2005a; 2006/2007, 594).

However, a potential Chinese threat is less important than other factors in shaping any common alliance policies between the two countries. As argued in Chapter Two, ANZUS is unlikely to play a central role in neutralising a real or potential Chinese threat. More importantly, as will be elaborated later in the fourth section of this chapter, Australia entertains divergent perceptions of China as a geopolitical actor from those held by the United States. Australia is consequently afraid of becoming entrapped in future Sino-American security confrontations, especially over Taiwan. From the Australian perspective, in such a scenario, ANZUS would only increase the possibility that China would attack military facilities in Australia jointly run by the United States and Australia. Paul Kelly (2003, 90) rightly observes that Australia’s concern is not a possible US retreat but of its ideological overreaction to an increasingly powerful China. Under these circumstances, it is difficult for the United States to use the alliance as a balancing mechanism against a potential Chinese military threat.

Given that the US-Australia alliance is not playing a central role in threat neutralisation, what can explain the persistence of the alliance? The following section

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10 Some argue that Australia has no choice but to side with the United States should the Taiwan conflict occur. Mohan Malik (2006/7, 595) contends that Australia cannot afford to “entertain or preach the notions of neutrality and abstinence when all its current and future force acquisition decisions will have the effect of tying it closely to the US military.” However, K. F. Amponin (2003, 5) argues against this view: “The perception Australia unquestioningly follows the US’s lead out of obligation for this alliance, even when it is outside Australia’s interests, is unfounded. With respect to its geography, the containment of communism in Vietnam was more in Australia’s interest than the United States. --- Furthermore, in the late 1980s and early 1990s, Australia “formally recognized North Vietnam, North Korea, and the People’s Republic of China, and was the only democratic country to legally endorse the incorporation of the Baltic States into the Soviet Union. These actions were definitely outside the US lead.” (Emphasis in original)

Also, various security analysts argue that Australia’s involvement in a future Taiwan contingency should not be taken for granted. They claim that whether it participates would depend on which country (China or Taiwan) initiates the conflict, and even if Australia were to come to the defence of Taiwan, the level of Australia’s commitments may not meet US expectations (Australian Parliament 2006b, 120-123).
argues that the United States and Australia retain the alliance, because it provides them with a degree of insurance for pursuing post-Cold War regional security order-maintenance and order-building.

The US-Australia Alliance and Order Insurance

In Chapter Two, it was argued that, despite the absence of predominantly threat-centric rationale underwriting a defensive alliance, allies nevertheless retain the alliance when it provides them with a degree of insurance benefits in relation to order-building and order-maintenance. In that chapter, I defined ‘order insurance strategy’ as retaining or cultivating security arrangements to respond to an undesirable long-term security trend which may occur in the process of order-maintenance or order-building. It was further argued that key benefits of order insurance reflected within an alliance are two-fold. First, an alliance provides its members with an interest that takes into consideration one’s own and/or one’s ally’s position in a regional security environment. Second, an alliance serves as a foundation stone for its members to try out various multilateral security arrangements. Yet, at the same time it functions as a fallback option against disadvantageous side effects or downside risks that might be realised in the process of their pursuing multilateralism.

This section maintains that the US-Australia alliance indeed generates such order insurance benefits for both Australia and the United States. For Australia, the alliance ties Australia to the ‘Western’ security community, and at the same time enhances Australia’s standing in Southeast Asia. For the United States, the alliance enables Australia to assume a greater security role in the region, often one in conjunction with Washington’s own policies. Enhancing Australia’s independent standing helps the United States to maintain its influence in Southeast Asia and the Pacific as an offshore balancer by infusing Australia with greater capacity to shoulder part of the political and diplomatic ‘burden’ on its and the West’s behalf in the Asia-Pacific.

In addition to generating those positional interests, the alliance has become a basis upon which the United States and Australia can test new security initiatives. In particular, the alliance helps Australia participate in the regional order-building processes where the United States is not involved (such as the East Asia Summit) and functions as a de facto check against the growing Chinese influence on the regional
order-building processes.

The last part of this section will examine the above arguments in the context of the EAS and the TSD. To reiterate, the two instances of Australia’s participation in regional institutions (EAS, led by the ASEAN states and China and from which the United States is excluded, and the TSD, of which the United States is an integral part) will be compared to gain a more comprehensive understanding of how the US-Australia alliance operates as order insurance in different contexts.

Australian Perspective

The ‘West’ and Australia’s Positional Interests

As a state situated close to Asia, Australia has been attempting to engage in significant ways with Asian states. Nevertheless, this Anglo-Saxon country in Oceania feels most at home in its relationships with Western states and has a history of wariness towards its northern neighbours (M. Evans 2005, 2; Malik 2006/7, 587; Lyon 2007, 1-3). Australia’s wariness is not directly toward a certain threat, but is inherent in its geography, culture and political beliefs. Thus, Australia has a strong interest in being a part of the Western security community, with which it shares a cultural heritage and values such as democracy and market-driven economy, no matter whether there is a real or potential threat to Australian territory.  

Though the main motivation of Australia for signing ANZUS in 1951 was an apprehension of Japanese remilitarisation, a secondary concern was that it did not want to be excluded from the Western alliance system. Australia had a ‘frame of mind’ that drew it to western countries in terms of defence cooperation (Young 1992, 7; Edwards 2005, 16; Tow 2006b, 4). That is why Australia preferred SEATO to ANZUS as a security mechanism in the early stage of the post-war period, for the former brought the United States and the United Kingdom together in the region (Young 1992, 3). As the fear of resurrected Japanese re-militarism had disappeared and SEATO was terminated

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11 The argument put forward here is different from what Ted Hopf has advanced (2001, 30-33). He argues that the ‘authority’ of liberal-democratic capitalism embedded in the alliance provides a glue for alliance persistence. While his argument focuses on norms, my argument is based on the interest in relation to Australia’s fear of insecurity and fear of isolation from regional order-maintenance and order-building.
in the 1960s, ANZUS was perceived by Australians as part of a western alliance system that functioned primarily to contain Soviet activities in the region. They provided the United States with information critical to America’s strategic programs and operations through joint military intelligence facilities on Australian soil, hence assuming a major role in the strategic nuclear balance between the West and the Communist East (Brabin-Smith 2004, 2-3; Beazley 2006). In turn, Australia was able to gain access to Western (especially US) strategic assets and strategic thinking. As noted previously, Australia was less concerned about the USSR posing a direct threat to its own territory.

In the post-Cold War period, despite the lack of immediately discernible threats, Australia’s security apprehension still lingers, compelling Australia to desire membership in the ‘Anglosphere’ (Bennet 2002, 111). William Tow and Henry Albinski (2002, 171) count this desire of being part of a western alliance as one of the factors contributing to the persistence of the alliance. They observe that “sustained security commitments exist in the case of ANZUS because both the US and Australia still view themselves and each other as integral parts of the West –what Benedict Anderson might term an ‘imagined community’ spanning beyond sovereign boundaries.” Former Minister of Australian Department of Defence Ian Sinclair also points out that the most significant benefit of ANZUS is the major link it provides between Australia and the principal member of the western alliance (Australian Parliament 1997, 22).

Connecting the Western Pacific to the western alliance system is important to Australia, as it considers ‘great power’ balancing crucial to its own security. Australia worries that great power contests may disturb ‘the status quo of Western dominance,’ which it regards as conducive to its security interests (White 2002, 261). In this sense, what John Ikenberry argues is worth noting: “The United States’ ‘unipolar moment’ will inevitably end. If the defining struggle of the twenty-first century is between China and the United States, China will have the advantage. If the defining struggle is between China and a revived Western system, the West will triumph” (Ikenberry 2008, 25). This function of the alliance that contributes to bringing the ‘western security system’ into Asia via the United States becomes therefore critically important to Australia.

In this regard, the US-Australia alliance is more important as part of the overall US global alliance network than as an individual alliance. In a speech addressed to a parliamentary seminar in 1997, Deputy Secretary of Australia’s Department of Defence Hugh White acknowledged that the nature of the US-led alliances in the Asia-Pacific as
a whole has contributed to their continuation (Australian Parliament 1997, 158). It is in this context that Australia is concerned that any withdrawal by itself from the American alliance network would have a highly detrimental effect on regional order-maintenance. From the Australian point of view, the end of the US-Australia alliance could lead to the disruption of the fundamental stability in the Asia-Pacific in particular and of the world more generally. Some American (and a very few Australian) unilateralists advocate the exit of the United States from the region (Bandow 1999, 8 & 12). They contend that the United States should first withdraw from the US-Australia alliance as the least threat-centric, an act which would have an impact on its exit from all the other alliances. If that were to happen, however, Australia would be left alone and would lose access to the US intelligence, technology, and strategic communities that Australia finds crucial to enhancing its influence in Asian security matters.

‘Asia’ and Australia’s Positional Interests

I have so far argued that the US-Australia alliance fulfils interests Australia has in relation to its position in the ‘West’ (especially with respect to the United States). Additionally, Australia also perceives alliance interests in relation to its position in ‘Asia’ (especially with respect to Southeast Asia). ANZUS enhances Australia’s standing in the region in a way which would not otherwise be possible (Downer 2000a; McLennan 2002, 24; Howard 2007). More specifically, Australia’s status as a member of the inner circle of the United States enables it to play an intermediary role between Asia and the United States (Rosecrance 2006, 367; Capling 2008, 619). This is because most regional states acknowledge the importance of Australia’s close security ties with the United States for the following reasons.

First, the alliance (along with the US-Philippines and the US-Thailand alliances) provides a formal basis for the United States to maintain its security influence in Southeast Asia, which most Southeast Asian states view as a positive factor for regional stability (C. Snyder 2006, 328). During the 1990s, when the US-Philippines alliance became de facto terminated, most Southeast Asian states worried that the United States would withdraw from the sub-region (Goh 2005, 30). In this context former Secretary of the Australian Department of Foreign Affairs and Trade Richard Woolcott, who served in diplomatic positions in various Southeast Asian states, observed that the majority of Australia’s neighbours found agreeable the enhancement to the American commitment
to the region provided by the US-Australia alliance and the lack of an imposition on them (Australian Parliament 1997, 191). Without themselves hosting US bases in the sub-region, they can still count on a US strategic presence there through the strong US-Australia alliance relationship. That is why various regional states which have not been allied with the United States due to domestic or ideological reasons are still not opposed to the alliance.

Second, states outside the US alliance network value the US-Australia alliance, as Australia can often draw the attention of the United States to their own views. Also, they can test US intentions via Australia. For example, Dewi Fortuna Anwar (2001, 216), former Indonesian President Bacharuddin Jusuf Habibie’s foreign affairs adviser, argues, “Australian membership in ANZUS was undoubtedly useful for it provided Indonesia with a back door to the US military capability when the normal channels were closed.” Rowan Callick even goes so far as to claim that even China values Australia’s security association with the United States, as it can indirectly “test the temperature in Washington without the risk of losing face” (quoted in Brown and Rayner 2001-02, 11). If these observations are true, the Asian states at least begrudgingly, if not enthusiastically, acknowledge the US-Australia alliance and other components of the US alliance system contributing to the regional order-building process.

However, regional states do not always regard Australia’s unique position vis-à-vis the United States positively. As some maintain, they have criticised Australia for seeming to be a ‘deputy sheriff’ to the United States (Anwar 2001, 217-219; Leaver 2001, 16-17; C. Snyder 2006, 323-324 & 327-329). The cases in point include the Howard doctrine as applied to East Timor in 1999, Australia’s support for the Iraq War in 2003, Australia’s decision to join US missile defence research and development in 2004, and the Howard government’s opposition to the Kyoto Protocol and the International Criminal Court. In this sense, an enhanced US-Australia alliance deepening ties between those two countries could potentially complicate the relationship between Australia and its Southeast Asian neighbours and raise Asian threat perceptions of an ANZUS prone toward enforcing its own strategic will in the region.

Nevertheless, it has been suggested by other observers that it would be wrong to imply that Australia’s close relationship with the United States is unwarranted in the

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12 Australia’s Labor Prime Minister Kevin Rudd signed the Kyoto Protocol in 2007.
eyes of Asian elites (C. Snyder 2006, 328). As long as Australia does not impose itself too prodigiously as an American strategic proxy, the US-Australia alliance can -and has- increased Australian standing in the region. That is because Asian states view the alliance as a useful instrument of their own low-intensity balancing strategy involving the United States vis-a-vis China by bringing multiple players, including Australia, into the region (Roy 2005, 310; Goh 2005, 29-35).

Indeed, Australia’s security affiliation with the United States has helped Australia strengthen its defence cooperation with most ASEAN countries, which worry about a power vacuum emerging in the region. Australia has facilitated security dialogues with Thailand, Vietnam, the Philippines, Malaysia and Indonesia, and has very close security relations with Singapore (Simon 2008, 21). Australia is a member of the FPDA along with the Great Britain, Malaysia, Singapore, and New Zealand. The United States acknowledges Australia’s position in this regard. For example, the 2003 ‘Allied Contributions to the Common Security’ report by the US Department of Defense notes that “Australia maintains close diplomatic and defense ties with almost all the countries of East and Southeast Asia and, through its membership of the Five Power Defense Arrangements (with Malaysia, Singapore, New Zealand and the United Kingdom), helps ensure the security of maritime Southeast Asia” (U.S. DoD 2004b, 20). Various observers have argued that some members of the FPDA expect that “Australia’s ANZUS links could potentially provide US support for the FPDA in the event of a crisis” (G. Keating 2006, 51). This argument has gained further credence by remarks offered by various US officials affirming the network of alliances between the United States and the Pacific Rim states, including ANZUS, which linked Australia and the United States with Asia (Gnehm 2001b). For example, General Colin Powell and Assistant Secretary James Kelly repeatedly emphasised Australia’s role in leading US policy in Indonesia (Alcorn 2001; Anwar 2001, 219; Satu 2004, 75).

Australia has also become engaged in various forms of military interactions with ASEAN countries. Australia is conducting military exercises with more Southeast Asian countries than during the Cold War period (Brown 1987, 27; Cheeseman 1989, 78). For the list of various military exercises Australia conducted with Southeast Asian states and/or the United States during 2006-2007, see Appendix 5 of the Defence Annual Report 2006-07 at http://www.defence.gov.au/budget/06-07/dar/2006-2007_Defence_dar_online05.pdf (accessed on May 11, 2009).
12; Ball 2001a, 268). In many cases, the United States also participates in such exercises. For instance, in 2005 the Howard government upgraded its counter-terrorism cooperation with the Philippines and conducted joint patrols with the Armed Forces of the Philippines, coordinating those efforts with the US Special Forces group operating in the southern Philippine sector (Tow 2006b, 11). Australia has even developed limited military links with China, including port calls, joint naval exercises, and routine Australian defence ministerial visits to Beijing (Harris 2005a, 235; Tow 2005b, 456).

Multilateral Order-Building and the Alliance

Australia has been engaging in a wide variety of multilateral arrangements in the region, including the FPDA, the Cairns Group of fair trading agricultural countries, APEC, ARF, CSCAP, the Pacific Patrol Boat Program, and AFTA-CER (ASEAN Free Trade Area - Closer Economic Relations Agreement) (Reid and Siracusa 1994, 138; G. Evans 1995a; 1995b, 99-113; Smith 1999, 202; Tow 1999, 10; 2006b, 11). Yet, there have been attempts by various Asia-Pacific actors to exclude Australia from regional multilateral groupings. For example, in the early 1990s, Malaysia initiated the East Asia Economic Group (EAEG) in which Australia was not to be a member. Though the EAEG proposal was ultimately incorporated into APEC (whose membership includes both Australia and the United States), “Mahathir Mohamad’s understandings of the membership (and parameters) of Asia” still linger in the region (Breslin 2007, 5). Mahathir was prime minister of Malaysia from 1981 to 2003, and his opinions had a strong influence on other Southeast Asian leaders. His criticism of Western values in general led him to cast Australia as a perennial outsider in Asian affairs. As a result, though Australia had a leadership role in building APEC in 1991 and ARF in 1994 (Gorjao 2003, 184-188), it has been excluded from APT and ASEM. This trend was reinforced as Southeast Asian states went through the 1997-8 Asian financial crisis and developed an intensified sense of the ‘Asian way’ via the APT processes and the Chiang

14 For the list of senior PLA visits to Australia and senior Australian Department of Defence visits to China between 1999 and 2004, see Annex A and B of ‘China’s Emergence: Implications for Australia’ (Australian Parliament 2006b).

15 The DFAT White Paper (Australia Department of Foreign Affairs and Trade 2003, 40-46, 63-69 & 150-153) lists a number of key areas in which Australia would engage in multilateral approaches with other states, such as global and regional security, trade, human rights and the environment.
Its concern about regional order-building trends contributes to Australia’s valuing the US-Australia alliance. Australia’s security association with the United States likewise is viewed favourably by various regional powers. They wish to include Australia in such order-building as a check, for example, against the expansion of Chinese influence on multilateralism. They see Australia’s presence in multilateral mechanisms in this sense, because Australia and the United States usually coordinate their regional security policies. Australia can ‘substitute’ for the United States in those security architectures where the United States is not a member. Thus, it can be argued that the US-Australia alliance helps Australia participate in the regional order-building processes and arrange its policy options with the United States in a way that limits the possibility that regional multilateral order-building would develop in ways detrimental to the ANZUS allies.

Australia’s recent inclusion into the EAS – a development originally opposed by some seemingly intent on building an ‘East Asian’ as opposed to ‘Pan Asian’ security community (Malik 2006, 207-211) - illustrates this point. Several regional states had pushed for Australia’s inclusion into the Summit to check perceived Chinese ambitions. The United States found Australia’s entry conducive to its interests, because Australia (along with its other Asian allies) could better represent its own positions. The processes revolving around Australia’s entry into the EAS and the implications will be discussed in more detail later in this chapter.

In sum, Australia needs its alliance with the United States to maintain American influence in the region as insurance against the development of an exclusive multilateral regional order. This conclusion is at odds with those who argue that the US-Australia alliance alienates Australia from Asia (Latham 2005, 393). The US-Australia alliance is not in conflict with Australia’s ‘comprehensive’ or ‘closer’ engagement with Asia, but facilitates the durability of a US-Asia nexus as a regional order-building component. As John Howard frequently argued, Australia does not need to ‘choose’ between the region and the alliance (Howard 2005a) – a view supported by Australia’s current prime minister: “It is erroneous to conclude that Australia’s relationships with Beijing and Washington will somehow ultimately constitute a zero-sum game” (Rudd 2001, 310). That Australia has an alliance relationship with the United States in and of itself does not harm Australia’s image in the region. What does matter is how cleverly Australia
can balance its relations between ANZUS and Asia.

On the other hand, Australia does not have complete confidence in existing multilateral security arrangements in the sub-region. They have not been effective in dealing with regional security issues such as the Spratly Island disputes or Taiwan. It is not even clear how such disputes are settled or how such arrangements are going to fit into whatever security ‘order’ eventuates in the region. In this context Australian Secretary of Defence Allan Hawke urged in his address to Royal United Services Institute in 2000 that Australia should not dilute its alliance with the United States because of ‘well-intended but ultimately unworkable hopes’ of multilateralism (Hawke 2000). In this sense ANZUS functions as a fallback option against side effects or downside risks in the process of allies pursuing multilateral security initiatives.

The American Perspective

Uncertainties, US Military Strategies and the Alliance

During the Cold War period, the US-led alliances in the Asia-Pacific served American interests as a containment mechanism against communist-related threats. The alliances had specific targets, namely the Soviet Union, China, North Korea and communist insurgency movements in Southeast Asia. The United States operated ANZUS in the overall context of containing communism in conjunction with its other bilateral security alliances in the region. As noted above, the joint military facilities in Australia had functioned to provide the United States with information critical to its strategic programs and operations in the Indian Ocean and western Pacific regions (Ball 2001a, 239).

Given the end of the Cold War, then, what motivates the United States to continue the US-Australia alliance? To address this question, I focus on the core of American strategy in the Asia-Pacific, which is to maintain a regional order ‘led by itself’ (i.e., preventing the rise of any competing regional hegemonic power). Washington has sought to address security concerns that may challenge such an order, including intra-Asian rivalries, terrorism and proliferation of WMD (Revere 2005; Tellis 2006, 50-51). To date, potential challengers that would disrupt the US-led regional order are not currently specified. Under these circumstances, the United States wishes to
insure the status-quo US-led regional order against unspecified adversaries, even if it is uncertain what it is insuring against (e.g., the Sino-American strategic competition, Sino-Japanese rivalries, or Southeast Asian states becoming less stable due to terrorism) (Betts 2005, 10; U.S. White House 2006, 18 & 23; U.S. DoD 2006, 1-5).

Indeed, uncertainties have been widely discussed in US security discourse since the containment rationale largely fell away with the end of the Cold War. During the early 1990s, then-Secretary of Defense Richard Cheney argued that the United States "must hedge against the emergence of unexpected threats, the reversal of favourable trends or even fundamental changes in the nature of our challenges" (Cheney 1993, 6). The focus on uncertainty has been reinforced since 9/11, as shown in various US security posting documents. For example, the 2001 QDR states that "[t]he United States cannot predict with a high degree of confidence the identity of the countries or the actors that may threaten its interests and security," while the 2006 QDR claims that the United States should reorient its military capabilities and forces "to prepare for wider asymmetric challenges and to hedge against uncertainty over the next 20 years" (U.S. DoD 2001a, 3; 2006, 1). Therefore, avoiding uncertainties and deterring or dissuading potential order disrupters have been among the top priorities of US security strategies (U.S. White House 2002, 14 & 29-30; 2006, 27-32).

Under these circumstances, the United States has been increasingly operating its Asia-Pacific alliances as an 'insurance strategy' against uncertainties.¹⁶ The ways US military strategies have changed supports this argument. A military strategy is made up of three elements: military objectives, military strategic concepts and military resources (Lykke 2001, 179-185).¹⁷ Each element influences and is influenced by the other two. An ally's military strategy takes into consideration roles and potential contributions of the alliance in relation to military resources. By examining US military strategies and changes the United States has made to alliance operations and instrumentalities in accordance with the strategies, one may identify US motivations for preserving its alliances.

¹⁶ 'Insurance strategy', unlike the hedging strategy, does not presuppose a specific potential target or a specific contingency such as the Taiwan crisis or the Korean conflict.

¹⁷ The Joint Chiefs of Staff of the United States defines a military strategy as "the art and science of employing the armed forces of a nation to secure the objectives of national policy by the application of force, or the threat of force" (U.S. DoD 1987, 231).
US military strategies have been changing from specific threat-based to more general capabilities-based in character (U.S. DoD 2001a, 13-14). Using a capabilities-based approach, a state shapes its forces to be able to confront an (as yet unidentified) adversary that has a wide range of capabilities available to it rather than simply preparing to deal with a particular adversary in a specific region of the world (Troxell 2001, 158-159; Przystup 2007, 262). Accordingly, the United States transformed its overseas armed forces in a way that they became ‘lighter’ and more flexible for expeditionary missions at a distance (Rumsfeld 2002, 24-29). Also, the United States developed a greater appreciation for partnership-building, recognising that, by enhancing allies’ capabilities, it could act indirectly through them rather than conducting activities itself and alone and thereby also enable partners to do more for themselves (U.S. DoD 2006, 88; Przystup 2007, 265). What this means in terms of alliance politics is that the United States assists allies to handle regional problems on their own. Only when the problems degenerate into a situation that would overwhelm allies’ capabilities and undermine the US-led regional order would the United States intervene, utilising selected US military assets deployed around the world.

In the context of the US-Australia alliance Paul Kelly (2003, 91) notes that “the overall message is that Australia must assume greater responsibility commensurate with its role as the metropolitan power in the South Pacific and the important economic power in Southeast Asia.” The uncertainties that may generate order in Southeast Asia and the Pacific in ways unconducive to US interests, however remote the possibilities are, include 1) new global security issues such as terrorism that would make Southeast Asian or Pacific domestic politics unstable; and 2) the expansion of Chinese ‘soft power’ that could create a multilateral regional order on China’s terms.¹ Eight The following sections examine how the United States links the insurance factor to the US-Australia

¹ From the American point of view, the most likely scenario in which regional balance of influence is upset against its interests would be one in which its ‘soft power’ in the region would be eroded. China has been expanding its soft power in the region, where ‘Asian values’ debates still linger (Perlez 2004). The New Security Concept and the Shanghai Cooperation Organisation (SCO) “are viewed by some as challenging America’s regional presence” (Vaughn 2006, 8). Hugh White (2004, 2) points out that “[China] is already the key player in regional multilateral forums and seems likely to set the pace and the terms of further regional institution-building.” The United States has experienced the weakening of ‘soft power’ as a result of the Bush doctrine that was characterised by US unilateralism.
Southeast Asia, the Alliance and US Positional Interests

The United States deems Australia to be an important partner in dealing with sub-regional security issues. For example, international terrorism, particularly its manifestations in Southeast Asia, has been identified as a common security concern by American and Australian policy-makers. US counter-terrorism efforts in Southeast Asia work in tandem with commensurate Australian efforts. This is even more the case since the United States went through 9/11 in 2001 and Australia experienced the Bali bombing in 2002 (Kelly 2003, 91-94).

Though the United States has also been working with Thailand and the Philippines in its efforts against global terrorism, the latter two countries are preoccupied with their own domestic terrorist- and insurgent-related problems (an increasingly serious Muslim insurgency problem in Thailand’s southern provinces and in Philippines’ Mindanao) which are suspected to be linked to global Islamist terrorism. Given Australia’s relatively stronger economy and military capabilities than other sub-regional states and its cultural affinity with the United States, Washington finds its Australian ally to be a more stable and reliable partner than any other partner in the Southeast Asian sub-region. Washington has thus worked closely with Australia to organise counter-terrorism military exercises with selected ASEAN states, to coordinate military assistance to those states and to upgrade intelligence exchanges both within an ANZUS context and between ANZUS and ASEAN components.

Various analysts have noted the challenges that face American force planners who must manage a US Army stretched thin on multiple fronts as they also seek to address critical concerns in peninsular Southeast Asia. Two of them argue that Australia is ideally positioned to support US counter-terrorism objectives in a variety of ways through employing its own resources as well as in conjunction with other ASEAN governments (Lyon and Tow 2005, 45-46). Nevertheless, it should be noted that the United States confronts terrorism in Southeast Asia less because it directly threatens the United States, and more because, if not challenged, it may destabilise Southeast Asian states’ domestic politics. The United States desires to prevent radical forces from coming to power in Southeast Asia that might challenge the US-led existing order in the sub-region. The role the United States assigns to the US-Australia alliance in relation to Southeast Asian order-maintenance is thus utilising it in a way that helps Australia
assume a greater role in regional issues such as terrorism, rather than regarding Australia as a springboard to project its military power to Southeast Asia. Such US involvement also establishes a firmer ground for military intervention in the event of future contingencies overwhelming friends’ or allies’ own defence capabilities.

As previously intimated, the United States has a stake in facilitating regional states’ abilities to handle their security problems with greater self-reliance. As the United States exercises leadership through its alliances rather than as the primary actor, it “averts the impulse to counterbalance American power” (Sherwood-Randal 2006, 14). Also, steering allies away from ‘strategic apathy’ is among the purposes of alliances in US national security policy (Sherwood-Randal 2006, 15-18). In line with this reasoning, the National Defence Strategy of the United States (U.S. DoD 2005, iv) states that “we [the United States] will help partners increase their capacity to defend themselves and collectively meet challenges to our common interests.” It should be noted that the Bush doctrine of pre-emption enunciated in the 2002 NSS has been toned down in the 2006 NSS in line with greater US emphasis on developing allies’ defence self-reliance.

From the evolving American perspective, therefore, only when contingencies emerge that regional states themselves cannot manage should the United States intervene. In such cases, alliances provide the United States with a pro forma rationale for involvement. With experience accrued through regional military exercises and force inter-operability, the United States can theoretically, at least, respond quickly and effectively to unfavourable developments in the region that overwhelm regional allies’ or friends’ military capabilities. If the United States is seen as intervening in regional affairs illegitimately and interfering in a target states’ internal affairs, however, it could risk losing its ‘soft power’ via declining diplomatic influence. The US-Australia alliance (along with the US-Thailand and the US-Philippines alliances) thus serves as at least a self-acclaimed badge of strategic legitimacy for the United States to remain active in the region. Given the norm of ‘non-interference’ among Southeast Asian states in addition to their relatively weak military capabilities, the United States finds Australia (along with Singapore) to be the most capable partner that can assume a leading role in confronting future contingencies that could disrupt the US-led regional security order.

Thus, to assist Australia with assuming a greater role in confronting regional security issues, the United States has been providing its ally with greater strategic resources under the framework of existing US-Australia alliance arrangements such as
highly classified intelligence, military technology, training opportunities, and extraordinary access to the broader US strategic community (Australia Department of Defence 1987, 3-5; 1994, 95-99; 1997, 18-19; 2000, 34-36; 2009, 94-95; Australia Department of Foreign Affairs and Trade 2003, 88-89; Australian Parliament 2006a, 9). The US-Australia alliance relationship entails various bilateral arrangements that are not targeted as responses to specific threats, but are more generic to everyday defence operations.

In sum, what the United States gains from the alliance is ‘influence’ (i.e., the use of Australia’s geopolitical position and standing) to help maintain the US-led order in the region (Tow 2006b, 4). In this sense, from the American point of view, the alliance works as order insurance by giving Australia access to US core strategic assets and community, thus contributing to Australia responding to undesirable security trends in a more effective manner in accordance with the United States.

Multilateral Order-Building and the Alliance: Convergent Interests with Australia

Multilateralism remains weak in the Asia-Pacific, especially in the area of security. That is because there are still structural barriers that, by their very nature, currently impede the creation of an effective security regime in the region. That there has been historically no effective such arrangement to date relates to the existence of unique features in the Asia-Pacific security environment that inhibit effective multilateral security cooperation. In particular, comparing the Asia-Pacific security

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19 Some observers have argued that, since the 1970s when Australia could identify few threats to its security, intelligence cooperation has become a main driving force for alliance continuation. Desmond Ball (2001b, 237) claims that “the fundamental bases of the US-Australian alliance are not the ANZUS Treaty or the many dozen other defence cooperation agreements between Australia and the US, but the UKUSA Agreement of 1947-48 concerning SIGINT cooperation and exchange, and the maintenance of the joint facilities in Australia.” In an Australian parliamentary seminar in 1997, then-Head of International Policy for the Australian Department of Defence Allan Behm acknowledged “ANZUS is at the core of the Australian-US bilateral relationship, and at the heart of ANZUS is the intelligence relationship, of which the joint facilities form part” (Australian Department 1997, 110).

Such bilateral intelligence cooperation has enabled Australia to have access to state-of-the-art American military technology essential for Australia’s self-reliance defence policies (Ball 2001b, 236-237). Also, through its active security relationship with the United States (including intelligence cooperation), Australia has gained special access to US decision-making circles and its overall security community (Young 2005, 1-4).
environment to the postwar European one, such unique factors as gaps in national capacity, heterogeneity of component countries, no common external threat, ongoing territorial conflicts, and historical enmity are barriers (Duffield 2001, 85-86).

Acknowledging these structural barriers at the beginning of the post-Cold War period, the US stance on multilateralism in the Asia-Pacific was that it “was an idea whose time had not yet come” (G. Evans 1994). Harry Harding points out that, though the United States endorsed multilateral security dialogue in Asia, it did not follow words with deeds to any great extent (Harding 1994, 60). While acknowledging multilateral security dialogues’ emergence in the Asia-Pacific at the end of the Cold War, then-US Secretary of State James Baker nevertheless emphasised the continued role of US-led bilateral security alliances for the stability of the region (Baker 1990-1992, 5-6).

The Clinton administration changed the US posture on multilateralism. President Clinton advocated the creation of ‘a new Pacific community’ during his address at Waseda University in Japan in 1993. This revised American policy approach was reflected in the Australian Labor government’s efforts to facilitate APEC while keeping the United States engaged in the region (Tow 2005a, 205). However, Prime Minister Paul Keating made it clear that maintaining the US security commitment in the region is Australia’s primary security concern, not one secondary to multilateralism. In a speech addressed to Singapore’s Institute of Southeast Asian Studies in 1996, he argued that “[o]ne of the main reasons behind Australia’s support for APEC has been our conviction that closer American economic engagement in Asia and the Pacific will reinforce the essential political underpinnings of its security relationships” (P. Keating 1996).

Since the Clinton-Hawke/Keating years, the US-Australia alliance has functioned as order insurance for the United States in relation to multilateral order-building in the Asia Pacific. First, as noted above, the alliance enables Australia to enhance its status in the region. Several regional states, including Australia, pursue a ‘wider vision of East Asia’ rather than ‘a narrow vision of East Asia’ in regional order-building processes as a means of checking the growing Chinese regional influence (Breslin 2007, 1). Given Australia’s entry into the EAS, for example, the United States may well use its ally’s participation in that body to prevent the US offshore balancing role in Southeast Asia from being jeopardised by becoming too marginalised from

otherwise Chinese-led or ASEAN-led exclusivist institutions.

Second, Washington operates its existing alliances through linking them to one another, as "the promotion of integration through a multiplicity of bilateral processes is an important feature of regional integration in East Asia" (Breslin 2007, 5). In other words, the alliances serve as a foundation for the United States [and Australia] to test various multilateral security initiatives, as clearly stated in the Joint Communiqué of the 1998 AUSMIN talks.\(^1\)

In fact, since the end of the Cold War, the United States has been interlocking its bilateral alliances into more multilateral-like frameworks. This process was recently spelled out by US PACOM Commander Admiral Timothy Keating: "I'd emphasize multilateral over bilateral, whatever – exercises, engagement, theater security cooperation plan" (T. Keating 2007, 14). The US-Australia alliance has conformed to this trend. It has accrued multilateral characteristics via networking its own mechanisms with other alliances. For example, military exercises between the United States and Australia have been increasingly operated in multilateral settings.\(^2\) Also, the US-Australia alliance has linked to the US-Japan alliance in a more formal way. Australia has entered into the so-called Trilateral Strategic Dialogue (TSD) with Japan and the United States in 2006, and has participated in multilateral naval exercises such as Malabar with India, Japan, and the United States. The US-Australia and the US-Japan alliances have thus developed in ways that Japan and Australia, Washington's two key regional allies, link with each other more directly.

The United States [along with Australia and Japan] regards such evolving arrangements as 'mini-lateral' mechanisms and as a gradual but acceptable way to move toward multilateralism. Ralph Cossa (2004, 10) rightly observes that the United States has seen bilateral and multilateral efforts as being complementary rather than in tension

\(^1\) The communiqué states: "Ministers restated their view that the several US alliance relationships in the Asia Pacific and the forward deployment of US forces are a fundamental element of the security regime in the region. Ministers welcomed the fact that these arrangements provide a secure foundation on which the region is building a more multifaceted security regime and seeking to share security responsibilities." The text of the 1998 Joint Communiqué can be found at http://www.dfat.gov.au/geo/us/ausmin/index.html (accessed on May 11, 2009).

\(^2\) For a list of multilateral military exercises that the United States and Australia conducted during 2006-7 with other countries participating, see Defence Annual Report 2006-7 (Australia Department of Defence 2007a, 467-471).
with one another. If applied cleverly, these alliances can become building blocks that can lead to more effective multilateral security politics. In this sense, the alliances can act as a bridge to new regional security arrangements to deal with future uncertainties that could disrupt the US-led order.

To sum up this sub-section, the US-Australia alliance goes beyond being an instrument of threat response in the post-Cold War period to becoming a more complicated mechanism of order insurance for both allies with respect to regional order-maintenance and order-building.

Case Studies

To examine the arguments put forward above, developments relating to the formation of the EAS and the TSD will be investigated. The former case shows how the US-Australia alliance influences the processes of regional order-maintenance and order-building in which other regional states take initiatives, while the latter episode shows how the alliance influences the processes which Australia and the United States lead.

East Asia Summit

The East Asia Summit is an annual multilateral forum among leaders of ASEAN + 3 (the ten ASEAN countries, China, Japan and South Korea) and three additional states (Australia, New Zealand and India). Since its creation in 2005, it has so far had three summit meetings: in Malaysia in December 2005, in the Philippines in January 2007 and in Singapore in November 2007. The planned fourth summit in Thailand in April 2009 was cancelled, as Thai protestors of their domestic policies stormed the venue for the summit.

Given that the United States has not been a member, the EAS has been viewed potentially to be of strategic importance in relation to regional order-building, as “it could form the basis of a future East Asian Community, which might make collective agreements on trade or even security affairs without U.S. input” (Vaughn 2006, 1). It is in this context that issues involving who should be included and who should assume the leading role have been controversial. It is argued here that the US-Australia alliance contributed to Australia’s entry into the EAS as an order-building mechanism to hedge against East Asian exclusivism.

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EAS Membership

The controversy over the EAS membership traces back to the East Asian Economic Group (EAEG) proposed, as noted earlier, by Malaysian Prime Minster Mahathir in 1990. The concept of EAEG included ASEAN states, China, Japan and South Korea as its members, but excluded non-Asian states such as the United States and Australia. While ASEAN states eventually endorsed the East Asian Economic Caucus (EAEC), a watered-down version of EAEG, the United States and Australia strongly opposed such exclusive regionalism. In response, Australia supported the APEC that included itself and the United States as members.

The tension between inclusive and exclusive regionalism was intensified in the Asia-Pacific as that region confronted the Asian financial crisis in 1997. The United States dominated the policies of the International Monetary Fund (IMF), which some East Asian governments felt imposed harsh conditions on them in return for supporting their economic recovery. At the same time, many regional states appreciated China for not devaluing its currency during the crisis. The ASEAN+3 (APT) initiative was derived from these developments and factors – and especially by a determination by Asian states to become less reliant on Western-dominated financial mechanisms in the event future financial crises occurred. In this sense, it is worth noting that, though ARF formed in 1994 includes the United States, the APT formed in 1997 excludes it. Thus, the United States and Australia began to worry about the possibility that a multilateral regional order that would not be conducive to their interests would emerge.

The idea of building an East Asian community has continued to grow. The APT established an East Asia Vision Group in 2001 to examine ways of “strengthening and deepening East Asia cooperation.” In its report, the Group recommended “the evolution of annual summit meetings of ASEAN+3 into East Asian Summit” (East Asia Vision Group 2001, 17). At the 8th APT Summit in 2004, the Plus Three countries supported ASEAN’s decision to hold the first EAS meeting in Malaysia in 2005. However, the APT states could not reach a consensus over what other states –if any- should attend the inaugural EAS summit. China wanted to keep the EAS restricted

23 For details, see http://www.aseansec.org/16580.htm (accessed on May 11, 2009).

24 For details, see http://www.aseansec.org/16847.htm (accessed on May 11, 2009).
only to APT members, while Japan and several Southeast Asian states wanted to include at least some other Asia-Pacific states in order to balance against Chinese influence on the summit.

In an informal meeting held in April 2005, ASEAN foreign ministers required three guidelines for the membership of non-ASEAN states: (1) being full ASEAN dialogue partners; (2) having ‘substantive’ relations with ASEAN; and (3) signing ASEAN’s Treaty of Amity and Cooperation (TAC) (IISS 2005, 1-2). According to these guidelines, ASEAN foreign ministers decided in July 2005 to extend invitations to New Zealand and India, which signed the TAC, and Australia, which conveyed its intention to sign it by the end of that year. Neither the United States nor Russia was given an invitation, as the former refused to sign the TAC, and the latter did not have substantial relations with ASEAN. In December 2005, India, New Zealand and Australia were represented at the first EAS meeting along with the ten ASEAN and the Plus Three states.

Southeast Asian, Australian and American Positions on Australia’s Membership

As the question of Australia’s entry into the EAS was being dealt with, the various regional states made clear their respective positions relative to China and the United States (Vaughn 2006, 1). While some Southeast Asian states (especially Malaysia) did not want to include Australia in the summit on account of it being a ‘quasi-European’ state, Japan and other Southeast Asian states (especially Singapore, Vietnam and Indonesia) supported Australia’s entry (Cossa, Tay and Lee 2005, 1; M. Cook 2008, 302). Those ASEAN states which supported Australia’s entry wanted to expand the scope of the summit to preserve the pivotal place of ASEAN in regional diplomacy and to avoid the region being dominated by any one major power (Richardson 2005, 359). The country of most concern was China (Dupont 2005; M. Cook 2008, 303). China’s initial enthusiasm for the EAS set off alarm bells among those countries that were fearful of East Asia dividing into blocs variously aligned with either China or the United States or, alternatively, allowing China to preside over an ‘East Asia Co-prosperity Sphere’. According to one respected analyst, “this alarm prompted a campaign to include India, Australia and New Zealand and to ensure that ASEAN remained central to any future East Asian Community” (Malik 2005b).
summit was also due to various APT members’ close security relationships with the United States. Supporters of Australia’s entry wanted to maintain indirect US influence on the summit via its security regional allies (including Australia) participating in the summit to balance against China’s growing political weight (Harcher and Banham 2005; Vaughn 2006, 7). They also wanted to reassure the United States that East Asian community building would not result in the development of a bloc that would operate against US interests while giving an advantage to China, a point made strongly in a speech addressed to a parliamentary session in 2005 by Singaporean Minister of Foreign Affairs George Yeo. He argued that Australia’s participation in the summit along with New Zealand and India would give Washington the assurances it needed that it would not be marginalised in the region (Singapore Ministry of Foreign Affairs 2005). Australia’s entry (along with that of India and New Zealand) would enable Southeast Asian states to build the EAS into an inclusive politico-security community and with greater US support.

Australia’s entry into the EAS was finessed by reconciling its alliance obligations with its participation in that grouping. Though China (in 2003), India (in 2003), Japan (in 2004), South Korea (in 2004), and New Zealand (in 2005) had already signed ASEAN’s TAC, Australia did not sign it until just before the 2005 EAS summit. Australia’s hesitation to doing so was based on several concerns (Benvenuti 2006, 273-274). First, John Howard did not want to undermine ‘Australia’s obligations under the ANZUS Treaty’ by undercutting the US ‘neither confirm nor deny’ (NCND) posture on extended deterrence. Second, he did not want to rule out the possibility that Australia might have to pre-empt terrorist attacks launched based on foreign territory. Third, he did not like the idea of getting approval from Southeast Asian states to secure entry into a regional institution. Fourth, he was sceptical of ASEAN-sponsored regional community building. Hence, signing the TAC “became the litmus test of Australia’s resolve to engage with the region and the price for its admission to the East Asia Summit” (Benvenuti 2006, 274).

Yet, given the aforementioned strategic importance of the summit, Australia was required to reconcile its signing of the TAC with its existing security arrangements, including the ANZUS. To achieve this, a compromise was negotiated with ASEAN agreeing to written stipulations that ensured that not only would none of Australia’s existing security arrangements be compromised, but also would none of the country’s other existing international agreements need to be altered (IISS 2005, 2).
Indeed, the ultimately positive US response to Australia’s entry dispelled ‘residual Australian concerns’ in signing the treaty (Benvenuti 2006, 275). The United States declined to seek entry into the EAS itself because it worried that the EAS would undermine the APEC and the ARF, where it was already a member. It was concerned that these more inclusive fora might increasingly be displaced by a new regional forum under China’s leadership that would sideline the United States and become Asia’s primary multilateral group (Vaughn 2006, 1). As a result, US initial position on the EAS was indifference or opposition to it (Kelton 2006, 232). US leaders, however, wanted Australia and other US allies to be present at the summit to counter China (Harcher and Banham 2005; Kelly 2005). In May 2005 former US Deputy Secretary of State Richard Armitage observed that “[t]he U.S. will oppose overt efforts to block it from participating in the summit, but is not insisting on sending a representative to any meetings because it can ask Japan, Australia and other nations to speak for the American side” (Nihon Keizai Shimbun 2005). In other words, the United States expected that its regional allies participating in the summit, especially Japan and Australia, ensured that its interests would not be short-changed in any decision-making undertaking there (Dupont 2005; Cossa, Tay and Lee 2005, 25; Richardson 2005, 360). When Howard visited the United States in mid-July 2005, US President George Bush expressed his support for Australia’s signing the TAC and joining the EAS (Grattan and Singh 2005).

China and the EAS

The ANZUS tie worked indirectly to preclude Chinese efforts to shape radical change in the Asia-Pacific order via the EAS by converging with ASEAN’s interests to retaining its power position in that order-building process. China’s initial position on the summit was very enthusiastic. China thought it would utilise the summit as a vehicle for its influence on the region, so that it opposed seating non-APT members. Yet, as explained above, such attempts were not successful.

Once India, New Zealand and Australia were awarded membership, China contrived to marginalise them in the summit. One day before the first summit, it proposed a two-tier structure where only the APT would constitute a ‘core group’, with the other three states (India, New Zealand and Australia) becoming a ‘secondary group’. However, this attempt also failed. Mohan Malik (2005b) describes the situation:
ASEAN spurned Beijing’s offer to host the second summit, and decided that the EAS will be held annually with the ASEAN Summit in Southeast Asian countries only. Thus, ASEAN will be the hub of the EAS and the key driver within the APT. --- Realizing that its original goal of establishing an East Asian version of SCO to counter Washington was a non-starter, China quickly lost enthusiasm for the new grouping. --- So on the last day of the summit, the Chinese premier and diplomats suggested that anyone with interests in the Pacific - Russia, perhaps, or even the United States –could eventually take part, a move that would make EAC indistinguishable from the ASEAN Regional Forum or the APEC.”

From the American and Australian perspectives, the Chinese attempt to influence the EAS to become more exclusive was not as an order-building process so much as a relative gains initiative to isolate the United States. Yet, as the attempt failed, the EAS does not appear to develop in a way that would challenge the US-led order in the region (Cossa 2007, 8).

In sum, this episode illustrates that Australia’s close security ties with the United States (including the US-Australia alliance) compelled several Southeast Asian states and Japan to include Australia in the indigenous regional order-maintenance and order-building processes, in order to prevent such processes from becoming a vehicle of Chinese influence in the region (Capling 2008, 618-619). This means that “Canberra could then have a say in building any new regional architecture from the ground up” (Richardson 2005, 360). It also implies that the United States has an incentive for maintaining close security ties with Australia (including the US-Australia alliance) so as to influence indigenous regional order-maintenance and order-building via Australia. In this sense, it is argued that the US-Australia alliance functions as order insurance.

**Trilateral Strategic Dialogue involving the United States, Australia and Japan**

The Trilateral Security Dialogue -later known as the Trilateral Strategic Dialogue- was initiated by Australia as a minilateral initiative to strengthen trilateral security policy coordination among itself, Japan and the United States. At both the Hanoi ARF meeting and the AUSMIN dialogues in June 2001 Australia proposed the Trilateral Security Dialogue “in light of the weakening of multilateral processes such as APEC and the ARF in the economic and security spheres” (Jain 2006b; Auslin 2008, 7). The United States and Japan soon agreed to the proposal. After having had dialogues at the sub-ministerial level, the Trilateral Security Dialogue was upgraded to the
ministerial level in 2005 and initially convened as the Trilateral Strategic Dialogue (TSD) in March 2006 at Sydney. A subsequent session was convened in Hanoi in November 2006, which was, in turn, followed by intermittent sub-ministerial meetings throughout 2007. In addition, national political leaders Bush, Howard, and Abe reaffirmed the TSD during their meeting in September 2007 (Chanlett-Avery and Vaughn 2008, 12). It has so far had three ministerial meetings. The TSD has also clearly deepened the scope of Australia-Japan security collaboration.25

At the military level, the TSD has facilitated joint military initiatives and exercises among the three states, including a naval exercise near Kyushu island in October 2007 and the Pacific Global Air Mobility Seminar in 2008 (Wilkins 2007, 261; Chanlett-Avery and Vaughn 2008, 12; Auslin 2008, 10-11). Also, ‘at the outer edge of the TSD process’, the Malabar naval exercises, which began in 1994 between the United States and India, expanded to include Japan at the first round of 2007 exercises in April, and Australia and Singapore at the second round in September (Auslin 2008, 11; Chanlett-Avery and Vaughn 2008, 14).

However, the TSD has been criticised on several grounds. First, China could view it as a ‘little-NATO’ implemented to contain China (Beijing Review 2001; Jain and Bruni 2004, 276; Dupont 2006; Forrest 2008, 43-53). If it develops along such lines, the TSD might provoke China to undermine regional security. Second, some Southeast Asian governments see the TSD as an attempt by more powerful states outside the sub-region to supplant the weak ARF (Simon 2008, 5). Thus, it could hamper Australia’s and Japan’s regional influence. Third, critics maintain that the TSD discusses only broad or global issues, producing no concrete regional agenda for order-building. Even globally, TSD’s purpose sometimes seems ambiguous. For example, Purnendra Jain and John Bruni (2004, 281) point out that the Trilateral Security Dialogue assumed little importance during the Iraq war in 2003.

25 This trend is well attested in 1) the Sydney Declaration for Australia-Japan Creative Partnership in 2001, 2) a Memorandum on Defence Exchange in 2003, 3) Australia’s dispatch of cavalry troops to al-Muthanna province in Iraq to guard Japanese construction troops as a gesture to support Japanese expansion of its security influence, 4) the cooperation of the two states during the 2004 Tsunami, 5) the Australia-Japan security declaration signed in March 2007, and 6) the two states’ signing a security pact in December 2008 (Tow 2006a, 93; M. Evans 2007, 295; Wilkins 2007, 261; Simon 2008, 6; Bisley 2008, 40).
Despite these criticisms, the three states remain committed to the TSD. Some analysts contend that they indeed intend to utilise it to contain China (White 2007, 102). However, containing China is not a main purpose of the TSD, as Alexander Downer and Colin Powell have stressed at the outset of its formation in 2001: “any such security dialogue conducted by the three countries would be purely informal and would not develop into anything as substantial as an alliance structure” (Jain 2006b). This observation is more than simply diplomatic rhetoric. Australia’s consistent economic and increasingly politico-diplomatic ties with China, in fact, undercut the ‘China containment’ argument. Also, at the March 2006 trilateral Australia-US-Japan foreign ministers’ summit, Australia distanced itself from any suggestion of ‘ganging up on’ China due to its ‘very good and constructive’ relationship with Beijing (Malik 2006/7, 588-589; Nick Bisley 2008, 47-48). Though Japan has been trying to expand it to a quadrilateral dialogue that includes India so as to surround China with strategic partners, the idea has been dismissed by Australian Prime Minister Rudd (Auslin 2008, 12). Rather than it being an instrument of containing China, therefore, the TSD should be regarded as a ‘minilateral’ arrangement that serves as a step toward creating a more effective multilateralism.\footnote{To reiterate, the 1998 East Asian Strategy Report of the United States defines ‘minilateralism’ as “meetings between small subsets of nations, typically three or four, designed to address common security interests in a more focused setting” (U.S. DoD 1998, 42).}

Given the previously mentioned structural barriers in building effective multilateral institutions in the Asia-Pacific, the United States has been engaging in various minilateral arrangements (that are based on existing alliances) as short-term alternatives to multilateralism. Such arrangements are “aimed at leveraging its close alliance relationships into a broader arrangement focused on regional concerns” (Auslin 2008, 1-2). An early example is the Trilateral Coordination and Oversight Group (TCOG) in the late 1990s, which enabled the United States, Japan and South Korea to align to coordinate their North Korean policies. In this context, it is worth noting again that, while the United States operated its Asia-Pacific alliances exclusively during the Cold War period, it has been “breaking down the tight, mutually exclusive network” in the post-Cold War period (Jain and Bruni 2004, 274). As a result, the alliance network is now more inclusive. Pursuing ‘bilateralistically-networked’ security arrangements is a step toward building an effective multilateral institution. In this way the ‘hub and spokes’ pattern of the old order serves as a foundation for the new linkages among regional...
states that are being laid down like a web across the existing spokes (Bisley 2008, 39). These minilateral groupings lend themselves to the development of a kind of trust between the partners that could eventually lead to the emergence of multilateral regional security cooperation (Tow 2001, 199). It is in this context that the significance of the TSD should be understood. The three states explore the ways to use it as “a regional confidence-building mechanism rather than as an exclusivist appendage of the US security alliance network” (Tow 2005b, 463). That is why they have been developing it as a low-key consultation mechanism with global agendas, such as WMD and Iraq reconstruction.

In sum, the US-Australia alliance (along with the US-Japan alliance) serves as a base of a minilateral arrangement, the TSD, which may lead to a more effective comprehensive multilateral security architecture (Tow, Thomson, Yamamoto and Limaye 2007). However, it should be noted that “bilateral alliances and multilateral security consultative mechanisms are not mutually exclusive and that it will only enter into the latter if they do not threaten to undermine the former” (Cossa 2007, 34; Auslin 2008, 1-2). Though the United States and its regional allies may enter into more multilateral groupings as time goes on, they will tend to keep their bilateral alliances and minilateral groupings as important complementary venues for consultation and agreement as a hedge in the event that evolving multilateral groups were to become disadvantageous to their security interests, as US Secretary of Defense Robert Gates clearly stated in his address at the 7th IISS Asia Security Summit on May 31, 2008 (Gates 2008, 97).

**Insurance for the US-Australia Alliance**

In the previous section, it was argued that the United States and Australia derive order insurance benefits from their alliance, despite the lack of a threat-centric rationale. However, alliance for order insurance itself is not sufficient to account for the persistence of the US-Australia alliance. Though both favour the status quo US-led global order, the United States and Australia nevertheless entertain divergent perceptions of China as a security actor at the regional level. This may lead to sharper differences between the two allies on certain dimensions of regional order-maintenance and order-building that evolve, especially, those related to China. Under these circumstances, intra-alliance management (on such issues as burden sharing, division of
labour within the alliance, alliance security dilemmas of entrapment and abandonment and so forth) could eventually become strained. Yet, the still tangible benefits of the alliance for order insurance have induced the United States and Australia to sustain that arrangement by cultivating measures that will help ANZUS to weather various challenges that (may) arise as a result of unintended policy mismanagement.

In the following subsections, initially the differing perceptions of China between the United States and Australia that have been gradually challenging the alliance will be discussed. It will then be argued that Australia sent troops to Iraq in 2003 and has joined the US Missile Defense (MD) research and development for insurance for the alliance. It will be further asserted that the United States assisted Australia in the latter's efforts for the INTERFET during the late 1999 for the same reason.

Divergent Perceptions of China

The United States and Australia have had disputes over bilateral issues such as agriculture and environmental matters, human rights issues, and trade policy toward China and Japan. Yet, "[n]one of these differences has been strong enough to cause any great tension in the relationship [between the two allies]: nor does this seem likely, at least in the short term" (Trood 1997, 142). However, the divergent perceptions of China between the two states have widened to such an extent that they may present a serious challenge to future alliance cohesion.

The United States and Australia have common interests in managing the existing US-led global security order. However, their perceptions of order do not always converge in every aspect, as the frame of reference of the United States is clearly affected more by global developments while that of Australia lies at the regional level. While the United States and Australia cooperate to accommodate China in the region, they have varying judgments regarding the point at which China might become a threat to regional stability and order. The United States is more immediately concerned (Leaver and Sach 2006, 628). Conversely, Australia entertains less fear of a 'rising China' than does the United States and sees it primarily representing economic opportunity. China has been Australia's largest trading partner since 2007 (Crean 2008). The Chinese and Australian economies are highly complementary. China purchases raw materials from Australia and does not compete with it for agricultural products.
According to the survey conducted by the Chicago Council on Global Affairs in 2006, 69% of Australians trust China to be a responsible actor in world affairs, while 58% of Americans do not trust China in the same category (The Chicago Council on Global Affairs 2006, 52 & 69).

Accordingly, there are some areas where the United States and Australia have different positions on China. Australian Foreign Minister Downer observed in 2006 that “[Australia’s China policy] had its own dynamics” (Embassy of the People’s Republic of China in India 2006; Leaver and Sach 2006, 628). This leads to various policy divergences. Canberra recently did not oppose the European Union lifting its arms embargo on China, while the United States did not support the change in EU policy. Australia’s response to Beijing’s passing of a new Taiwan anti-secession law in 2005 was also relatively tepid. These are illustrative of China’s potential to create problems for the US-Australia alliance.

Among such differences, Australia’s role in a potential China-Taiwan conflict has been the most controversial in American policymaking circles. The United States does not want to encourage Taiwan to declare itself as an independent state, nor does it want to provoke China into attempting to take over Taiwan. Thus, the United States maintains a stance of ‘strategic ambiguity’ (Auer and Kotani 2005, 59-60 & 78-79). However, should a China-Taiwan military confrontation precipitated by China take place, the United States would very likely move to defend Taiwan against Chinese aggression in accordance with its 1979 Taiwan Relations Act. That being the case, the question is whether Australia would join the United States in defence of Taiwan.

Australia supported the US action of deploying two aircraft carrier battle groups into the East China Sea during the 1996 Taiwan crisis. As a result of that support, China and Australia were estranged for a while. To restore good relations, Howard visited China the following year to affirm Australia’s one-China policy (Scobell 2007, 86). By 1999, Sino-Australia relations had improved to the extent that Richard Armitage, then a campaign adviser to presidential candidate George W. Bush, informed his Australian hosts during a visit that the United States might not support the alliance any longer should a cross-strait conflict occur and Canberra fail to support the United States (Edwards and Tow 2001, 170; Scobell 2007, 86). He warned that “we [Americans] would expect you [Australians] to bleed for us in the event of such a war,” expressing that “the future of ANZUS could hinge on whether such Australian support was
forthcoming” (Edwards and Tow 2001, 170; Fraser 2001, 233; M. Evans 2007, 297; Scobell 2007, 86). However, Australia has not been totally compliant to Washington on this issue. Its stance is well illustrated by Foreign Minister Alexander Downer’s remarks made in August 2004 when visiting Beijing: “Australia would not automatically take the [United States’] side against China in the event of an attack across the Taiwan Strait” (C. Armitage 2004). The US response to his observation was negative, and Downer subsequently modified his statement. This episode indicates a change from Canberra’s unmitigated commitment to ANZUS vis-à-vis Taiwan in 1996 to a certain ambiguity regarding such a contingency. A survey conducted by the Lowy Institute in 2005 reports that 72% of respondents did not agree with the proposition that “Australia should act in accordance with our [Australia’s] security alliance with the United States even if it means following them to war with China over the independence of Taiwan,” while only 21% agreed with it (I. Cook 2005, 14). Australia worries about being ‘entrapped’ into the Sino-American conflict over Taiwan, while the United States has a high expectation that Australia should support the United States in any such contingency. Noted Australian defence analyst Hugh White remarks that the Taiwan issue is “the single largest divergence in perception we [Australians] have had with the United States ever since we became allies” (quoted in Leaver and Sach 2006, 628).

From the Australian perspective, it is not easy to reconcile alliance loyalty with Australia’s practical economic interests in China. From the American perspective, it is not easy to reconcile between its expectation of Australian assistance in the Taiwan contingency and Canberra’s practical economic interests relative to China, of which Washington is well aware. Under such circumstances each ally needs to increase its partner’s understanding of its own position on China in order to protect the US-Australia alliance from challenges that may arise from future Chinese efforts to apply ‘divide and rule’ tactics geared toward disrupting it. At the same time, each ally needs to cultivate measures that will help it to weather various challenges that (may) arise as a result of divergent perceptions of China between them. In what follows several policy decisions each state has made in consideration of insuring the alliance are presented.
Australian Compromise

Dispatching Troops to Iraq in 2003

The United States invaded Iraq in 2003, charging that Iraq had been developing WMD. However, unlike during the first Gulf War in 1991, the United States failed to secure a UN resolution that authorised military action. Many states, including Germany and France, doubted the credibility of US allegations against Iraq and opposed the invasion. Only a very few states joined the United States with combat troops at the initial stages of the invasion: the United Kingdom, Spain, Poland, Denmark and Australia. Despite the political risks entailed in assisting the United States in Iraq in particular and in the Middle East in general, Australia became militarily involved as a means of insuring its alliance with the United States.

Australia's Participation in the Iraq War in 2003

Since the 9/11 terrorist attacks, Australia has strongly supported the United States in its ‘global war on terrorism’. Soon after 9/11, Australia offered military support to the United States, invoking ANZUS, even though Central Asia is outside the formal geographic purview of the treaty. Australia was one of only a few countries which initially conducted the actual fighting alongside the United States in Afghanistan and Iraq.

Australia’s contribution to the Iraq war in 2003 was particularly controversial in Australia. The Australian Labor Party, and especially then-Opposition Leader Mark Latham, strongly opposed dispatching troops to Iraq. However, the Howard government succeeded in painting the issue as anti-Americanism versus pro-Americanism instead of anti-war versus pro-war (McDonald 2005, 159). It portrayed any criticism of the Iraq war as ‘a potential dagger to the heart of the US alliance’ (McDonald 2005, 59). The Coalition attacked the Labor Party, charging it with “a fundamental anti-American tendency that would undermine the alliance and therefore threaten Australian security” (McDonald 2005, 159). In the face of strong domestic support for the alliance, the Labor Party had to vote in favour of the resolution in 2004 that endorsed Australia’s participation in the Iraq war (Ungerer 2004, 577-578).

As time passed, the lack of evidence that Iraq had stockpiled WMD increased
opposition to assisting the United States in Iraq, especially among elite policy-makers and independent analysts (Gurry 2003, 231). Though the Howard government remained reluctant to withdraw its commitment to the Iraq war (Benvenuti 2006, 280), the newly elected Labor government announced that a withdrawal of Australian combat troops would occur by the end of 2008 (Rudd 2007). Australia indeed withdrew its 550 combat troops in June 2008 and now has about 140 troops serving in Iraq for the protection of the Australian embassy and for ‘non-combat contributions in coalition headquarters’. However, it should be noted that Australia would continue its support for US actions in Iraq through the continued deployment of naval and air assets and the provision of some military training for Iraq forces (Lorimer 2008). The Labor Party has maintained this stance since it was an opposition party. In his address to the Foreign Correspondents Association in August 2007 then-Shadow Minister for Foreign Affairs Robert McClelland announced that “[o]ur frigate in the Persian Gulf, our Orion surveillance aircraft, our Hercules transport aircraft and our 110 strong Security Detachment in Baghdad will stay to assist our allies in Iraq” (McClelland 2007). Such support indirectly helps the United States to deal with the two major wars (in Afghanistan and in Iraq) with which it is still involved.

As noted above, there has been rising criticism of Australia’s assistance of the United States in Iraq. First, Iraq was not considered as a direct security threat to Australia (Kelly 2003, 88). Second, the attack against Iraq without a UN resolution undermined Australia’s tradition that requires UN authorisation in intervening in international conflicts (Lyon and Tow 2005, 30 & 37-38). By participating in an unauthorised war, Australia risked its international credibility. Third, Australia could once again be perceived as a proxy for the United States, which would damage Australia’s relations with Asia (Dibb 2003, 7-8). For all these reasons, Australia has become less rather than more secure through its participation in the war, according to the critics. For example, Mark Beeson (2006/7, 598) claims that the perpetrators of the attack on the Australian Embassy in Jakarta in 2004 and the Bali bombings in 2005 “were keen to emphasise that they should be seen as payback for Australian


28 In April 2009, US President Barack Obama announced his plan to withdraw most of the US troops from Iraq by August 2010.
Despite all these commensurate risks and costs, what motivations have been driving Australia to assist the United States in Afghanistan, Iraq and its global war on terror? Some argue that Australia’s commitment to the Iraq war in 2003 is “paying an insurance premium on future great power support for Australia in the event of a security crisis” (Smith and Lowe 2005, 468). Australia has sent troops to Korea, Vietnam, the Gulf, and Afghanistan to induce future US aid when Australia would require it, even though the conflicts in those places were of only indirect security concern for Australia, they argue. However, this explanation of threat insurance is, by itself, not persuasive. As previously noted, in addition to the lack of a foreseeable threat to Australia, there exists no guarantee that the United States would return Australia’s loyalty in the same way (Hogue 2000, 146). June Verrier (2003, 460) rightly argues that “[t]his is an extraordinarily naive assumption that takes no account of the inevitability of separate national interests, pragmatic Realpolitik, history - or short memories.”

To discern the real motivation for Australia’s contributions to the Middle East, it is important to understand that the United States has been seeking ‘legitimacy’ that Michael Wesley (2004, 4-5) defines as “the capacity of the United States to demonstrate to both international and domestic audiences that its military actions are supported by others in the international community.” Though Australia’s contributions have not had decisive operational impact on battlefields, they have offered the United States the very legitimacy for its Iraq intervention it had sought. The United States fully recognises this fact. Australia’s commitments to the Middle East have increased the US propensity to view ANZUS favourably by linking that alliance to America’s overall global security agenda. As mentioned earlier, the United States places great value on its unique relationship with Australia because it is viewed as a ‘model’ for the type of cooperation that the United States seeks to foster with other allies in a post 9/11 world. The United States identifies Australia as one of its “closest and most trusted allies and security partners” (U.S. DoD 2003, 19).

It is in this context that Prime Minister Howard delivered a parliamentary statement in 2003 that Australia’s alliance with the United States “has been and will
always remain an important element in the government’s decision-making process on Iraq” (Darwal 2005). He went so far as to state in his 2004 address to the Australian Strategic Policy Institute that “I have no secret of the fact that the alliance relationship was a factor in the Government’s decision to join the US-led campaign in Iraq” (Howard 2004b). As his remarks indicate, Australia’s repeated deployments in support of US efforts in the Middle East over the past quarter-century have had the fundamental and abiding goal of its continuing to be regarded as a respected and faithful ally of the United States (White 2006, 21).

Furthermore, “broad US-Australian convergence on Iraq, Afghanistan and other global security challenges, such as Iran and North Korea, somewhat helped to disguise noticeable differences between Canberra and Washington over the question of China” (Benvenuti 2006, 280). In sum, given the benefits of the alliance for order insurance which Australia finds critical to its security interests, Australia has assisted the United States in the Middle East under the ‘alliance’ auspice to increase the latter’s stake in the alliance and has done so to hedge against potential challenges to future alliance continuation that (may yet) arise from differing perceptions of China between the two states.

Joining the US Missile Defense (MD) Research and Development

With the first combat casualties by ballistic missiles and the alleged success of the Patriot Air Defense system in knocking out Iraqi Scuds during the Gulf War in 1991, the US Congress enacted the Missile Defense Act that specified deploying by 1996 a ground-only theatre system of interceptors to protect US territory. When the Republicans gained control of both US Houses of Congress in 1995, the stage was set for a major push, not just for developing and deploying theatre systems, but for a Missile Defense system, to be deployed by 2003.²⁹ However, President Clinton delayed a decision whether to deploy such a system after a series of failed tests, saying it was too early to judge whether the proposed system to intercept incoming missiles in space would work. Yet, the George W. Bush administration had been far more enthusiastic, accelerating the US programs designed to develop and deploy defensive missiles to shoot down incoming intercontinental ballistic weapons.

Missile defence programs have been controversial. Apart from its technical and budgetary problems, the MD program has threatened to undermine the fundamental strategic stability among the major nuclear powers (the United States and Russia) that was reflected in the now defunct Anti-Ballistic Missile (ABM) treaty and, by extension, associated treaties like the Strategic Arms Reduction Treaty (START). Under the ABM Treaty provisions, deployment of almost any type of defence against long-range missiles was prohibited. The ABM helped keep the peace for more than 30 years on the premise that a state with a missile defence might be more tempted to launch a first strike. The advancement of US MD unsurprisingly drew predictably strong criticism from Russia and China. They have indicated that the MD deployment might force them to expand their offensive countermeasures to thwart the system and intensify their efforts to modernise their nuclear forces. In other words, the MD might trigger a new arms race.

Despite these criticisms, the United States has pressed forward its MD projects and has pushed its allies to support program development. Against this backdrop, this study argues that Australia decided to participate in US MD research and development in consideration of insuring the US-Australia alliance.

*Australia and US MD Research and Development*

Formal intelligence sharing between Australia and the United States traces back to 1947, when the world's five predominant Anglo-Saxon countries agreed to gather and exchange signals intelligence (SIGINT). As part of this arrangement, Australia and the United States established Joint Defence Facilities at Northwest Cape in 1963, Pine Gap in 1966 and Nurrungar in 1969 (Young 1992, 147-172; Ball 2001b, 235). Since the establishment of the Joint Facilities on Australian soil, Australia has cooperated with the United States in ballistic missile launch detection (R. Hill 2003b; Australian Parliament 2006a, 56). Though Nurrungar was closed in 1999 and all operations at the Northwest Cape were transferred to Australian control during the same year, the two states have continued jointly running the Pine Gap Facility.

Nevertheless, Australia was not involved in US missile defence development during the Cold War period. For example, it refused to link the joint facilities to the Strategic Defense Initiative (SDI) - US President Ronald Reagan's vision of space-based weapons that promised to shield the United States from Soviet nuclear attack - despite appeals for its participation by the United States (Verrier 2003, 458). In the post-
Cold War period, the Keating Government continued to refuse to join the US missile defence projects. It supported only a limited theatre missile defence system, which would shield Australian troops in a war zone. The Howard Government had also been cautious at participating in the MD projects. For instance, as expressed in the joint communiqué of the 1999 AUSMIN talks, Australia encouraged the United States to pursue amending the ABM in a way that did not undermine its underlying deterrence rationale.

However, more recently the United States has pressed Australia to join its MD research and development under the guise of filling the technological gap between the two states for inter-operability (Garran 2000). Under US pressure, the Howard government positioned itself as being sympathetic with the US missile defence plans and participated in some related research programs, as indicated in Australia’s Defence Update 2003 (Tow and Hay 2001, 43-46; Australia Department of Defence 2003, 17). In December 2003 Australia finally and explicitly endorsed the US MD ‘shield’ concept and signed a Memorandum of Understanding with the United States in January 2004 “outlining future Australian participation on cooperative missile defense activities” (R. Hill 2003b; US Department of Defence 2004; McDonald 2005, 156). This meant that, though it had not committed “to any specific activity or level of participation in the US program,” the Howard government had extended its de facto support for the US MD research and development (Australian Parliament 2006a, 57).

During the Howard period, the Labor opposition generally opposed to joining the US MD program (Brabin-Smith 2004, 3). Opposition leader Kim Beazley (2001) stated in 2001: “It is possible for an Australian government to skilfully separate deep and legitimate concerns over missile defence from the daily functioning of the Joint Facilities. If Mr. Downer hasn’t got the skills to do this, he should get out of the way and yield to someone who has.” However, the Labor Party modified its position when it won government late in 2007, subsequently expressing its willingness to participate in the MD research and development through discussions in February 2008 between US officials and Foreign Minister Stephen Smith. The new government also discussed the possibility of cooperating on a joint defence system with the United States, as had the previous Howard government (K. Roberts 2008).

30 Australia’s 2009 Defence White Paper (published under the current Labor government) states that Australia opposes “the development of a unilateral national missile defence system by any
Supporters of Australia’s participation in US MD research and development argue that the advantages include “the defence of Australia and Australian forces deployed overseas; greater deterrence; opportunities for scientific and industry participation in research and manufacture; development of policy and strategy” (Australian Parliament 2006a, 58). Yet, even setting aside the criticism that there are not many advantages in each area mentioned, the costs seem to outweigh the benefits, especially on account of the lack of plausible scenarios in which Australia would be attacked by ballistic missiles. Investing a huge amount of money in technically questionable defence systems is undesirable (Branbin-Smith 2004, 6). Moreover, as former Prime Minister Malcolm Fraser points out, Australia being the site of a facility the purpose of which is mainly to protect the United States from attack could in itself open the country to being targeted (cited in Gurry 2001, 13). In fact, this is the primary claim critics have made. During the Cold War period, Joint Facilities were on Soviet target lists, a fact acknowledged in the 1987 Defence White Paper (Brown 1987, 12 & 22; Australia Department of Defence 1987, 12; Beazley 2006). In the post-Cold War period, critics continue to claim that “if Australia were to allow facilities at Pine Gap to be used as part of the establishment of the forward echelon of Anti-Missile Defence for the United States, it would clearly become, not a tenth-rate target but a first-rate target in the event of hostilities between America and some other country” (Fraser 2001, 231; O’Brien 2006). Australia’s endorsement of US MD research and development may also have sent a controversial message to Australia’s Asian neighbours about continued Australian compliance to its senior ally’s will at their expense. One analyst argues that “any attempts to include Australia in a ballistic missile defence network will undoubtedly face opposition from ASEAN which has committed itself to enforcing a South-East Asia nuclear weapon free zone, as well as opposition from New Zealand and the other South Pacific countries” (Anwar 2001, 222). Moreover, Australia’s participation along with other states such as Japan may well trigger negative responses from China, provoking an arms race in the region (McDonald 2005, 156).
Reflecting on these criticisms, former high-ranking Australian defence officer Richard Brabin-Smith (2004, 8) suggests that the “most persuasive option for Australia is to continue with our intelligence relationship and the use of DSP/SBIRS data to give alert and initial tracking. --- There is no need to go beyond this and to acquire our own systems. There is neither, threat nor priority. The world would need to be significantly different for this judgement to change.” In this sense Australia’s decision to join the US MD research and development remains ambiguous in terms of policy rationales and implementation.

Australia’s participation in US MD Research and Development, and Insurance for the Alliance

The question is, then, in the midst of all these criticisms and suggestions, what has been driving Australia to join the US MD research and development. Some may argue that Australian motivation is to hedge against a potential Chinese threat (Fraser 2000). However, while it is clear that Australian planners must consider the potential of a ‘China threat’, that factor alone has not been shaping Australia’s foreign and defence policies. Nor does Australia want to provoke China by generating Chinese suspicions that Australia is collaborating with the United States to contain their country. At an operational level, and unlike SDI which was intended to knock down hundreds or thousands of missiles, MD plans are targeted at small or burgeoning nuclear ballistic missile forces (Brabin-Smith 2004, 2). As US Secretary for Defence Robert Gates emphasised, the limited objective of the MD projects makes clear that Australia’s participation is not intended to target China, which has a relatively formidable stockpile of nuclear armed ballistic missile capabilities (J. Lee 2007, 610). This would also rule out China pinpointing Pine Gap or other joint US-Australian command and control centres on the pretext of neutralising MD capabilities.

To ascertain the motivation for Australia’s decision to join the MD research and development, it is important to understand that developing MD technology is now one of the core strategic interests of the United States. With the demise of the Soviet Union, the threat of strategic nuclear weapons has lessened. Once the ‘Evil Empire’ collapsed, most people assumed that the missile defence systems would be shelved. However, they have not been. The perceived threat of ballistic missiles and WMD weapons has grown in the post-Cold War era. During the Cold War, the question of who should be deterred
was clear. However, in the post-Cold War era, due to the proliferation of ballistic missiles and WMD weapons, there are many players to be deterred with a large number of states developing ballistic missile systems with WMD capabilities. This complexity has increased the probability of deterrence failure. As the prospects for deterrence failure increase, US interests in defensive capabilities have intensified, and missile defence has become one of its core security strategies. Acknowledging these interests, Alexander Downer in 2000 declared MD to be a core issue of alliance politics. He argued, “I can’t for the life of me believe the US would keep Pine Gap going and maintain ANZUS if that [refusing the use of Pine Gap to detect missiles heading to America from rogue states] were Australia’s policy” (Downer 2000a).

It is in this context that Stuart Harris (2005a, 236) has observed that “the reasons for the Australian government’s decision [to join the US MD research and development] are unclear, other than, as with its involvement in Iraq, to cement the US alliance relationship.” By joining the US MD research and development, Australia seeks to show alliance loyalty to the United States, in addition to expanding interoperability and defence industrial cooperation with it. Such a compromise increases the United States’ stake in its alliance with Australia and thus contributes to the US-Australia alliance withstanding strategic challenges that (might) arise as a result of divergent perceptions of China.

The American Compromise: US Involvement in the INTERFET in 1999

Following the end of Portugal’s colonial rule of East Timor in 1975, Indonesia occupied the newly-freed polity. A strong independence movement arose among the East Timorese, which the Indonesian government suppressed with brutal violence. However, in response to international pressure over the ensuing three decades, Indonesia finally accepted a UN-supervised referendum on East Timorese independence which was held on August 30, 1999. In the referendum, 78.5 % of the East Timorese voted for independence. Pro-Indonesian militias that were supported by some segments of the Indonesian army subsequently instigated violent rampages, which caused more than 1,300 deaths and dislocation of more than 460,000 of the East Timorese people (Hadar 1999, 2; Margesson and Vaughn 2005, 2).

To restore order in East Timor, the United Nations passed Resolution 1264 on September 12, 1999 authorising the formation of a peacekeeping force, termed the International Force for East Timor (INTERFET). INTERFET was comprised of more
than 11,000 troops from 22 countries (Schwartz 2001, 10). From the initial stage of the INTERFET, Australia took a leading role, sending 5,000 military personnel at the peak of the mission, about half of the total troops involved in that operation (Smith and Dee 2003, 19). This was Australia's largest military involvement in any theatre of conflict since the Vietnam War. At the initial stages of the mission the United States was reluctant to commit itself to the mission at the level Australia expected. As the operation continued, however, the United States increased its commitment. In what follows it is argued that a consideration of its alliance relationship with Australia triggered this shift.

Australia's Interests in the INTERFET

Australia had strong interests in the stability of East Timor. First, that policy is located near Australia's sea-air gap. Thus, its instability would lead to a possible and highly problematic inflow of refugees into Australian territory. Second, East Timor's instability would aggravate domestic political turmoil in Indonesia. This is because there are a number of separatist movements in Indonesia, including ones in West Papua and Aceh. Third, separatist movements in the Indonesian archipelago could spill over into other states in the ASEAN sub-region, such as Malaysia and Singapore. Fourth, ethnic conflicts in the sub-region might eventually trigger intervention by external powers and thus "threaten the balance of power in the region and force Canberra to assume a more assertive and costly diplomatic and military role" (Hadar 1999, 7; Roche and Martin 2005, 5-6). Fifth, essentially important was Australian domestic pressure on the humanitarian issue.

In addition to preventing these problems from emerging, Australia wanted to demonstrate its relevance in regional order-maintenance by leading the INTERFET. At the beginning of the crisis, most Southeast Asian states refused to assume a significant role, though they had the same stakes in the stability of East Timor as Australia had. A year after the intervention Alan Dupont (2000, 163) observed that a fear of alienating the Indonesian government, which was the most powerful member of ASEAN, had kept the other members of that organisation from levelling criticism at its handling of East Timor. The inability of the existing multilateral fora, including ASEAN and the ARF, to act as crisis response mechanisms was revealed in this instance, as they were neither

[31] INTERFET was integrated with the United Nations Transitional Authority for East Timor (UNTAET) in February 2000. For details of the 1999 UN Mission in East Timor (UNAMET), INTERFET, and UNTAET, see Martin and Mayer-Rieckh (2005, 125-126).
diplomatically nor materially equipped to handle the crisis (Cossa, Tay and Lee 2005, 7). This was partly due to ASEAN’s long-standing adherence to its norm of ‘non-interference’ into another’s domestic affairs. ASEAN states worried that “East Timor could set a precedent for Western interference in the internal affairs of other member states using the norm of humanitarian intervention as justification” (Dupont 2000, 164). Under such circumstances, Australia saw an opportunity—and the imperative—to establish itself as a responsible security player in the region by assuming the leading role in the INTERFET.

However, Australia did not want to intervene unilaterally out of its fear of being projected as “a regional bully trying to impose its will on an Asian nation” (Hadar 1999, 7). The risk of Australia trying to resolve the problem unilaterally was that its intervention in East Timor against the will of the Indonesian government might have provoked a conflict with Indonesia (Roche and Martin 2005, 19). That is why Australia eschewed the option of unilateral action and sought a UN-led mission (Downer 2000b, 8). Also, once the UN passed the resolution authorising INTERFET, Australia invited the United States to join an Australia-led contingent, in order to demonstrate Australia’s ability to involve the United States in the region “while simultaneously projecting its own power” (Roche and Martin 2005, 19). In sum, as two observers have argued, “Australia’s involvement in East Timor very much became a power play designed to capitalize on ASEAN fears and establish Australia’s strategic position after the Cold War” (Roche and Martin 2005, 11), though one cannot discount the importance of humanitarian consideration. Neither of these factors, however, is purely threat-centric in nature.

US Initial Position on the INTERFET

Given the Clinton Doctrine (which supported US intervention against sovereign states to stop humanitarian atrocities) and the US involvement in the Balkans in 1999, Australia initially expected that the United States would be amendable to become directly involved in resolving the East Timor crisis. However, Washington was reluctant to make a substantial military commitment to the mission for several reasons. First, the very fact that it had just engaged in a regional war in Kosovo stretched US military resources and hindered the United States from making another humanitarian commitment in East Timor, where it also had little direct strategic interest (Hogue 2000,
The United States did not want to get dragged into a distant sub-regional conflict while sorting out the geopolitics of an expanding NATO theatre.

Second, the United States did not want to disrupt already weak ties with “an increasingly fragile Indonesian government” (Lyon and Tow 2005, 29). That is why, though US officials criticised Indonesia for the latter’s inaction in stopping violence in East Timor, the United States refrained from more substantive action to penalise Indonesia further (Hadar 1999, 2). Washington suspended military ties between the United States and Indonesia, but there had been no viable programs under way in any case, since the United States had stopped military training programs with Indonesia in protest of Indonesia’s violent suppression of East Timorese independence movements in 1991. Also, the United States was afraid that assisting independence movements in East Timor would provoke other secessionist groups in Indonesia (especially in Aceh) in a way that they would expect the United States would help them as well (Hadar 2000, 10).

Third, the United States wanted regional allies to take care of their problems on their own while it provided lower-key logistical and diplomatic support. That meant that Australia, a neighbouring country to East Timor, was deemed as appropriate to take the leading role of INTERFET. Coral Bell (2000, 173) argues that the United States stressed the ‘diplomatic/military division of labour’ between itself and Australia, as the East Timor case would set a precedent for “future crisis management involving Washington and its allies.” In this sense, the United States wanted to rely on its ANZUS partner to take care of regional problems on its own (The Age 1999).

For these reasons, at the initial stage of the crisis the United States focused on diplomatic efforts. It pressed Indonesia to accept the INTERFET through the IMF, the World Bank and the APEC. This American pressure was crucial to the success of the INTERFET, as it resulted in the acceptance of the INTERFET on the part of the Indonesian leadership, without which neither Australian nor any other regional power could have been persuaded to support – let alone participate in - an intervention (Schwartz 2001, 2; Howard 2008).

Nevertheless, the United States was reluctant to ‘send any boots on the ground’ (Howard 2008; Dobell 2008). US Secretary of Defense William Cohen was reported to have remarked that the United States needed to be ‘selective’ where it committed its forces (Richardson 1999). What he implied was that the United States had no plans for dispatching combat forces. Gen. Henry Shelton, then-chairman of the US Joint Chiefs of Staff said, “I cannot see any national interest there that would be overwhelming, that
would call for us to deploy or place U.S. forces on the ground in that area” (quoted in Burns 1999). Deputy Assistant Secretary of Defence for East Asia Kurt Campbell also said that “the United States would be reluctant to support a peacekeeping effort, and if it did, it would be with only a small force” (quoted in Hadar 2000, 2-3). Reflecting these sentiments, after Indonesia reluctantly agreed to endorse the INTERFET, the United States concluded that it would not send combat troops to East Timor. During INTERFET’s initial deployment phase termed ‘Operation WARDEN’, it sent only about 260 military personnel for communications and logistical support (Lyon and Tow 2005, 29).

The Shift of the US Position on the INTERFET and Insurance for the Alliance

As discussed above, the United States was reluctant to engage militarily in East Timor, as it believed it would serve none of its core strategic interests to do so. The response of many Australians to this US position was a sense that the United States was failing to provide the mutual aid required by ANZUS, unlike the ways they believed Australia had done so for the United States in the past (Roche and Martin 2005, 16; Howard 2008). The initial reluctance of the United States to become involved reminded Australians of the lack of US support in Konfrontasi and West Irian in the early- to mid-1960s, contrary to Australia’s expectations. Some Australians came to doubt whether Australia’s unwavering support of US security policies would ever be reciprocated by the United States. Such doubts raised concerns among some Australian policy makers and analysts that ANZUS might no longer be of as much value to their own country (Tow 1999, 9). To underscore this sentiment, Roche and Martin (2005, 16) cite a question asked of Defense Secretary William Cohen during his interview with Australia’s Today show on September 29, 1999. The Today show correspondent asked him:

Why didn’t America – just on that point - offer combat troops? For example, when the United States asked Australia to commit troops to the Vietnam War, we did. We put our hand up for the Gulf War. We did the same for Kosovo, and yet when we called for support for a peacekeeping force it was almost as if America had

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to have its arm twisted.\textsuperscript{33}

Indeed, Prime Minister Howard had expressed frustration over the US unwillingness to provide substantial military contributions (Grattan 1999; Howard 2008).

Amid “speculation in Australia about a new ANZUS crisis” (Dibb 2000, 13; Lyon and Tow 2005, 30), however, the United States changed its policy stance on the level of its participation in the INTERFET mission. Though it declined to send combat troops to East Timor itself, it provided approximately 5,000 US military personnel stationed on ships offshore of East Timor, within easy reach of Indonesia (Cross 2003). According to his personal files, former Director for Multilateral and Humanitarian Affairs Eric Schwartz of the US National Security Council observed that:

[T]he United States reached its maximum presence in East Timor on November 11, 1999, when we [the United States] had 235 troops in Timor; on November 27, the U.S. reached its maximum in Australia, with 353. The maximum total complement, which included a marine expeditionary unit off shore, was just over 3000 in early October. The United States provided strategic and tactical fixed wing airlift, tactical helicopter airlift, intelligence, communications support, a civil-military operations center, a logistics planning cell, and other support. The Australians particularly valued the off-shore presence of an amphibious readiness group, which included the marines and served as an important demonstration of U.S. interest and resolve, as well as alliance solidarity. In fact, some Australians referred to the U.S. off-shore deployment as the ‘strategic reserve’ (Schwartz 2001, 3).\textsuperscript{34}

Such US contributions were critical in the sense that they acted significantly to deter an escalation of violence against the East Timorese and the INTERFET forces on the part of the Indonesian government forces and pro-integration militias (Dickens 2001, 213; White 2008, 83; Dobell 2008).

The reason the United States effected such a shift in the level of its INTERFET

\textsuperscript{33} Cohen responded to the question by saying that “[w]hat we [Americans] expect is those in a region who have to confront a peacekeeping mission should bear the burden of that, and we will be supportive as much as we can. But the United States is very much stretched across the globe trying to make sure that we contribute to peace and stability, but we are not the global policeman.”

\textsuperscript{34} For details of US military contributions, see Collier (2001, 2-9), Lyon and Tow (2005, 28-30), and Roche and Martin (2005, 25-30).
participation was to protect its alliance relationship with Australia. If the United States had failed to assist Australia in a situation which Canberra regarded to be in its own critical security interest, Australians would have lost trust in their alliance relationship with the United States. This factor could have led Australia to refrain from fully cooperating with US global operations, if not putting the alliance itself in jeopardy (Roche and Martin 2005, 18). According to Schwartz (2001, 4), “as the final papers describing the detailed nature of the U.S. commitment went to the President in mid-September, a key question from the National Security Advisor was whether the U.S. package addressed Australia’s critical concerns.” Responding to the request of a loyal ally of the United States became a critical element in the US decision.

This US willingness to reconcile its position on the INTERFET in accordance with Australia’s core strategic interests is contrasted with the cases of Konfrontasi or West Irian during the 1960s. It is worth noting that there was a mutually perceived threat in the 1960s (i.e., the Soviet threat) that could have suppressed the differing interests between the two states in those cases. In the case of INTERFET, however, given the growing divergent Australia-American perceptions of China, which have a potential to put the alliance under a serious challenge, the United States could not overlook Australia’s regional interests.

In sum, Australia perceived it had a major stake in successfully inducing the United States to assume a substantial role in INTERFET. In consideration of Australia’s interests, the United States shifted from its initial reluctance and actively participated in the mission, though it was less interested in the strategic dynamics of the mission itself (Downer 2008). Such interests proved to be decisive. Forthright US action in return “reaffirmed the relevance of alliance ties with the US in the eyes of Australian security policy-planners” (Tow and Hay 2001, 38). As then-opposition leader Kim Beazley argued, Australia could ask no more of the United States in a distant region (Beazley 2001). The Joint Communiqué of the 1999 AUSMIN talks clearly expressed Australia’s gratitude for such US support. In this context the US reconciliation with Australia on an issue critical to the latter’s strategic interests increased Australia’s stake in the alliance, serving as insurance for the US-Australia alliance against challenges that (might) arise as a result of alliance mismanagement.
Conclusion

This thesis investigates as to why the US-led bilateral alliances in the Asia-Pacific have outlived the disappearance of the mutual threat or the deterioration of the mutual threat perceptions between allies that traditional alliance theorists insist constitutes the glue for alliance politics. Among the five alliances the United States has been maintaining in the region, the persistence of the US-Australia alliance is the most puzzling, as the alliance has been the least threat-centric. Therefore, the US-Australia alliance constitutes the ‘most-exceptional case’ to challenge realist theories of alliance persistence that involve threat.

In this chapter, it has been argued that the underlying alliance interests that override risks, costs, and ambiguity associated with retaining ANZUS are ‘insurance benefits’ for regional order-maintenance and order-building. Those benefits have become sufficiently important to both allies that the loss of the original primary function of the alliance (i.e., disappearance of the Japanese or the Soviet threats) is made irrelevant.

This chapter’s order-based explanation of the persistence of the US-Australia alliance include two key components: the ends (the benefits of the alliance as order insurance) and the means (arrangements that [will] help the alliance weather various challenges that [may] arise as a result of alliance mismanagement). The US-Australia alliance therefore persists because: 1) the alliance provides both the United States and Australia with a degree of insurance benefits in relation to their positional interests in the ‘west’ and Asia and multilateral order-building; and 2) the two states pay premiums for such benefits of compromising their stances on certain security issues critical to their partner (e.g., the Iraq War and the US MD research and development in the Australian case, and the INTERFET in the American case).

Networks and trust relationships, which the two states have established by promoting formal and informal interaction across a wide gamut of interests and actions, have facilitated the mutual understanding of this insurance mechanism. For example, since the ANZUS crisis in the mid-1980s, the two states have developed regularised annual, high profile AUSMIN meeting to facilitate effective communication between them. As long as each ally continues to recognise and appreciate the insurance mechanism, the US-Australia alliance will continue.
Finally, the larger implication of this chapter is that aggregating capabilities to balance or hedge against a specific threat, long considered by many theorists to be the primary basis for alliance persistence, is not a necessary condition for an alliance to persist. Instead, once originating threat-centric rationales of the alliance have disappeared, order-centric rationales can assume this role, playing an increasingly stronger role in a more fluid regional and international security environment and one more dependent on successful order-maintenance and order-building.
Chapter Four: The Persistence of the US-ROK Alliance

During the Cold War, the United States (US)-Republic of Korea (ROK) alliance was arguably the most threat-centric among the five alliances the United States maintained in the Asia-Pacific. The alliance had a clear rationale during that period. South Korea received security guarantees from the United States in the form of deterrence of and protection from North Korean attacks. In return, the United States gained a base for balancing against North Korea as part of a broader US containment strategy of communism in Asia. The 'mutually perceived threat' that 'mainstream' alliance theorists insist must be the glue of an alliance was North Korea, backed by its security ties with the Soviet Union and China.

This equation changed substantially during the post-Cold War period. South Korea’s conciliatory policies toward North Korea, combined with enhanced South Korean military capabilities relative to North Korea’s declining economy, led to a variance in American and South Korean threat perceptions. A ‘mutual threat perception’ has been less obvious between the US and South Korean allies in recent years. Nevertheless, the alliance does persist, and both American and South Korean policy makers have been committed to upgrading the alliance to what they both label a ‘strategic alliance’. It is in this context that the US-ROK alliance constitutes a key test case for examining the following questions: If the deterioration of the mutual threat perceptions leads to changes in alliance rationales, does the alliance itself become fatally compromised? Or do other rationales, including those related to alliance persistence, tend to predominate?

To investigate these questions, this chapter is comprised of five sections. It begins by observing factors that have challenged the alliance since the end of the Cold War. Despite their divergent policy interests, neither the United States nor South Korea appears to be allowing their alliance to dissipate.1 In the chapter’s second section, the argument that the US-ROK alliance continues because it is necessary to neutralise specific North Korean threats is critiqued. The main purpose of this section is to challenge a threat-centric rationale of the alliance.

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1 I treat the US-ROK alliance as being unviable 1) if the alliance treaty is terminated; or 2) if US Forces Korea (USFK) withdraw from South Korea, and the withdrawal entails no viable military exercises and intelligence sharing between the two states, (although the alliance treaty is still nominally in effect).
In the third section, I argue instead that the alliance functions as ‘order insurance’ for both South Korea and the United States, and it is this factor that drives alliance persistence. In the first part of this section, I show how the alliance provides both states with insurance benefits relative to their position in Northeast Asia and their respective approaches to Northeast Asian multilateral order-building. I also examine South Korea’s self-declared role as a ‘Northeast Asia balancer’ in 2003 and the Trilateral Coordination and Oversight Group (TCOG) that was formed in 1999 to resolve the North Korean nuclear problems as ‘mini-case studies’. While the United States and South Korea had divergent interests in South Korea’s role as a ‘Northeast Asia balancer’, both states had convergent interests in utilising the TCOG as an order-maintenance and order-building mechanism in the region. Through a comparison of these two cases, a fuller understanding of how the US-ROK alliance operates as order insurance in different contexts will begin to emerge.

In the chapter’s fourth section, I argue that both South Korea’s assistance to the United States in Iraq since 2003 and its acknowledgement of greater mission flexibility of USFK in 2006 were initiated to insure that the US-ROK alliance can withstand policy challenges that have arisen (or may arise) as a result of alliance mismanagement. For the same reason, the United States has been constrained from ‘going it alone’ with its North Korean policies, instead, consulting with South Korea on issues related to North Korea. Chapter Four ends with the argument that sustained alliance interaction has been shaped primarily by both the order insurance benefits of the alliance and a joint US-South Korean concern for ensuring alliance persistence.

**Questioning the Persistence of the US-ROK Alliance**

The Mutual Defense Treaty (MDT) between the United States and the Republic of Korea was ratified in 1954, a year after the Korean War cease-fire went into effect. via the MDT, the United States provided South Korea a security guarantee against a North Korean attack in order to dissuade conservative political forces in South Korea, including President Rhee Seung-Man, from continuing the war against communist North Korea (H. Lee 2005, 17-20; Morgan 2007a, 6). As the ideological rivalries of the Cold War hardened, however, the US-ROK alliance evolved into a balancing mechanism against North Korea in the context of a Northeast Asian bipolar power structure, with the United States, Japan and South Korea on the one side and the USSR,
(China) and North Korea on the other.  

As the Cold War ended, it was expected that the US-ROK alliance would weaken. The North Korean threat appeared to de-intensify as a result of the Soviet Union’s demise, and the stagnation of the North Korean economy in the early 1990s. Moreover, South Korea’s successful Nordpolitik enabled South Korea to establish diplomatic relationships with the Soviet Union (later Russia) in 1990 and China in 1992, which were previously key allies of North Korea.

In the United States, the decline of the US economy (e.g., its fiscal difficulties and trade deficits) and the rise of its allies’ economies (that the United States believed was achieved, in part, by their unfair trading practices and protectionist economic policies) put pressure on the US government to reduce its overseas commitments. Even before the dissolution of the Warsaw Pact and the demise of the Soviet Union in 1991, various US legislators submitted bills that required the reduction of the US defence budget and anticipated the scale-down of US overseas forces. Examples of such legislation were the Nunn-Warner Amendment in 1989 and the Defense Authorization Acts for Fiscal Years 1990 and 1991 (Castro 2001, 117 & 129). Pursuant to congressional requests, President George H. W. Bush introduced a plan to reduce the number of American military personnel in the Asia-Pacific. According to a report the Bush Administration released in 1990, ‘A Strategic Framework for the Asian-Pacific Rim: Looking Toward the 21st Century’ (known more widely as the first ‘East Asia Strategic Initiative’ (EASI I)), the existing force strength of 135,000 in Asia was to be reduced to 121,000 by the year 2000 in three phases. Although the report called for only a limited reduction of US forces in the region, it sparked rumours of a major withdrawal of American military forces in East Asia (Castro 2001, 118-119). With respect to USFK’s 43,000 troops as of 1990, EASI I advised removing 7,000 troops from South Korea in the first phase in 1990-1993 and 6,500 in the second phase in 1993-1995. For the third phase, it recommended that further reductions be determined after the second phase had been completed (U.S. DoD 1990, 7 & 16-17). In accordance with the EASI I, the United States indeed withdrew 7,000 troops in the suggested first phase.

^ The Sino-Soviet conflict led to the de facto termination of the Sino-Soviet Treaty of Friendship and Alliance since the late 1950s. The treaty officially ended in 1980 when China refused to renew it.
However, the East Asia Strategic Initiative in 1992 (EASI II) postponed the second phase of reduction of the USFK. The ‘United States Security Strategy for the East Asian-Pacific Region’ released in 1995 (more widely known as the East Asia Strategic Report (EASR) I or the Nye Report) declared that the United States would not make any further reduction and would maintain the number of the USFK at 36,000. The EASR II in 1998 reaffirmed the cancellation of the gradual reduction plan projected by the EASI I.

In explaining why the United States reversed its troop withdrawal process in South Korea despite the end of the Cold War, some analysts, mostly realists, argue that the emergent North Korean nuclear threat in the early 1990s became a paramount concern. On a different front, they also claim that the United States had little reason to weaken the US-ROK alliance, because that alliance, along with the US-Japan accord, could hedge against a rising China. Other observers focus on institutional features and/or ideational factors developed in response to the North Korean military threats during the Cold War period. For example, as previously noted in Chapter Two, Suh Jae Jung (2000, 24-79) argues that, since its inception in 1953, the US-ROK alliance has produced asset specificities in equipment, process, human network, team operation, communication, and learning, which bound the alliance together. Also, throughout the Cold War, the United States and South Korea developed an identity of ‘us’ in opposition to autocratic and communist North Korea. The identity of North Korea as ‘other’ had been consolidated through the practices of the US-ROK alliance, and at the same time this very identity served to intensify threat perceptions entertained by North Korea (Suh 2004a, 150-164; Bleiker 2005, 17-34). Such identities had strengthened the pro-American and anti-North Korean conservative forces in South Korea, which had ruled the country from 1948 to 1998. Thus, the ruling South Korean regime had an interest in preserving the US-ROK alliance, even though the North Korean threat was reduced by the early 1990s. In sum, various assessments have employed different factors in explaining the persistence of the alliance at the early stage of the post-Cold War period: residual or new threats, threat-originated institutional features, and threat-centred ideational factors.

However, in light of the changes that have occurred in South Korea since 1998, none of the above theories provides a sufficient explanation for the persistence of the US-ROK alliance. In 1998, the inauguration of the Kim Dae-jung administration in
South Korea took place, and the introduction of more conciliatory South Korean policies toward North Korea soon occurred. First, a threat-centric explanation is not satisfactory. It is true that a large number of North Korean artillery pieces (deployed near the DMZ) could severely damage Seoul, should a military confrontation occur; and the United States has continued extending its deterrence and defence guarantee to South Korea against just such an attack by North Korea. However, as detailed in the next section, a thorough comparison between South and North Korean military capabilities reveals that South Korea is well-prepared to defend itself against any type of conventional North Korean attack, even without US assistance. President Roh Moo Hyun made this point very clear in his address to the Standing Committee of National Unification Advisory Council in 2006:

I think that South Korea’s defense capability in essence caught up with and surpassed that of North Korea in the late 1970s or early 1980s. Assuming that we did surpass North Korea in military strength in, say, 1985, 20 years have passed since then. Our defense spending is ten times greater than North Korea’s, and this trend has continued for not just one or two years but 20 years. If you tell me we are weaker than North Korea in defense capability, you had better explain how we managed to face up to the threat from the North in the 1970s and answer whether all our former defense ministers should be charged with negligence of duty (Roh 2006).

In affirmation of this reality, plans have been implemented to move most USFK detachments to locations south of Seoul. The primary task of defending greater Seoul against any attack by the North will be left to South Korean forces. This has altered the alliance ‘tripwire’ mechanism significantly.

Some also have argued that the North Korean nuclear threat alone can account for the persistence of the US-ROK alliance (Bechtol 2001, 2-23; B. Bennett 2005, 75-98). Bruce Bechtol (2003, 18) asserts that the North’s possession of WMDs more than compensates for any deficiency it may have in relation to the South in terms of the conventional force balance. However, in late 2006 North Korea succeeded only in testing one crude nuclear bomb. It has yet to develop the necessary technologies to load nuclear weapons onto its ballistic missiles (Morgan 2007b, 71; Nikitin 2007, 13-14; Hecker and Liou 2007; D. Lee 2008, 447; Wright 2009). In other words, North Korea does not possess the credible nuclear strike capabilities necessary to overcome South Korea’s formidable conventional military capabilities (D. Lee 2007, 438-439). Also,
were North Korea to (threaten to) launch nuclear weapons against the South, the United States could respond in kind, even without the US-ROK alliance, given its overall global strategy of non-proliferation, pre-emption and counter-proliferation against WMD threats. Indeed, Doug Bandow (2005, 111-112) and Daniel Kennelly (2005, 37-38) argue persuasively that the presence of American troops in South Korea makes the United States more vulnerable to North Korean nuclear brinkmanship. Moreover, many South Koreans regard the North Korean nuclear weapons as defensive rather than offensive. That is, they do not perceive the North Korean nuclear capabilities as offensively substantial. These points will be elaborated in the next section.

The substitution of a (hypothetical) Chinese threat for the North Korean threat is also not persuasive in relation to the persistence of the US-ROK alliance. Given possible moves by China towards militarisation combined with revitalised Sino-Russian military relations, some Americans perceive the future role of China with trepidation. They further argue that the United States should impose checks against Chinese power and influence in the region and globally while still extending selective cooperation toward Beijing (Christensen 1999, 74; 2006, 110-124). According to this school of thought, the US-ROK alliance could become useful to counter any intensified Chinese strategic threat within Asia (Shaplen and Laney 2007, 91).

However, hedging against a potential Chinese strategic threat does not seem to be the primary factor shaping common alliance policies between the United States and South Korea. Though certain political factions within South Korea express apprehension regarding Chinese power, South Korean and American threat perceptions regarding China vary considerably. While Washington frets about a ‘rising China’, Seoul maintains less fear of such a possibility. Since South Korea and China established a diplomatic relationship in 1992, both countries have expanded economic and diplomatic interaction substantially. China has become South Korea’s largest trading partner and South Korea has become China’s sixth-largest trading partner (PRC Ministry of Commerce 2008). For this reason, Seoul has sought to avoid ‘entrapment’ into potential Sino-American military confrontations. This has been reflected by its insistence on attaching a condition (that the USFK should not be involved in a conflict in Northeast Asia against the will of the South Korean people) when South Korea agreed to greater mission flexibility for the USFK in 2006. Indeed, South Korea

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3 Interview with former US State Department’s Korea country desk director David Straub on May 8, 2007.
declared during the cross-strait crisis in 1996 that the purview mandated by the MDT between itself and the United States did not include Taiwan (Carpenter 1998, 13).

From the American point of view, moreover, the enhanced US-Japan alliance has assumed the role of hedging against contingencies that involve China, making the US-ROK alliance less relevant for that purpose. For example, Chung Jae Ho, Seoul National University's expert on China, cites a former Pentagon official as saying that Washington had ruled out the option of requesting South Korea to come to defend Taiwan in hundreds of simulations for such a contingency (Chung 2001, 795). Given that the USFK has been army-focused and that South Korea is over 800 nautical miles away from Taiwan, US forces in Okinawa or Guam, rather than the USFK, would be utilised should the United States defend Taiwan in a future cross-strait contingency (Cha 2002-2003, 95). In fact, the United States announced in late June 2004 that it would reinforce US air and naval assets in Okinawa and Guam (Miles 2004; Bitzinger 2006, 14; Kan and Niksch 2008, 1-3).

Second, ideational factors and institutional features also do not sufficiently explain the persistence of the US-ROK alliance since 1998. The Kim Dae-jung administration pursued reconciliatory policies toward Pyongyang, including unreciprocated economic assistance to the North. The summit meeting between the leaders of the two Koreas in 2000 solidified compatriotic attitudes toward North Koreans among many South Koreans. The subsequent Roh Moo Hyun administration (2003 - 2008) continued to engage North Korea. As a result of efforts by the two relatively liberal governments between 1998 and 2008, a significant number of South Koreans came to change their perception of North Korea.  

4 Doug Bandow argues that, even if the United States withdrew its forces from South Korea and Japan, its military presence in its own territories such as Wake Island, Guam and Hawaii would provide it with the continued ability to intervene in East Asia militarily if that became necessary (Bandow 1999, 16).

5 According to surveys conducted by the Korea Institute for National Unification (affiliated with South Korea's Ministry of National Unification), the percentage of respondents that regarded North Korea as an entity for cooperation or assistance increased during the Kim and Roh administrations (36.9% in 1995, 37.2% in 1998, 55.4% in 2003, and 64.9% in 2005). On the other hand, the percentage of respondents who viewed North Korea negatively decreased (59.6% in 1995, 54.4% in 1998, 41.1% in 2003, and 31.1% in 2005) (J. C. Park et al. 2005, 11-12).
Following 9/11, the ‘Bush Doctrine’ (spelled out in the 2002 NSS) contributed to the widening gap between the United States and South Korea in perceiving North Korea’s security identity and in their respective stances towards North Korean nuclear issues. President Bush made it clear that the United States would feel free to engage in a preventive war against rogue states that possess WMD capabilities and against terrorist groups directly threatening itself. This intensified fears in South Korea that the United States would conduct a surgical strike on suspected North Korean nuclear sites. If so, the US-ROK alliance could force South Korea to be dragged into a future American military action against North Korea against Seoul’s will. In this context, a survey conducted in 2004 by a South Korean survey company Research and Research revealed that 39 percent of Korean respondents viewed the United States as the biggest threat to South Korea, while only 32 percent considered North Korea as greater (Chosun Ilbo 2004). Thus, any shared social identity of ‘us’ between the United States and South Korea has been substantially reduced.

Though North Korea’s nuclear test in 2006 caused South Korea to qualify its reconciliatory policies toward North Korea, the former has not changed compatriotic attitudes toward the latter. Even after the nuclear test, the Roh administration continued both the Kaesong Industrial Complex and the Kaesong and Mt. Geumkang tourism projects in North Korea, despite American pressure against the projects. The Roh government also continued to refuse to fully participate in the US-led Proliferation Security Initiative (PSI) in order to maintain its engagement policy toward North Korea and to avoid an unnecessary intra-Korean crisis. Even after the conservative Grand National Party came back into power in 2008, these conciliatory policies toward North Korea continued until Seoul suspended tours to Mt. Geumkang after a South Korean tourist was killed by a North Korean soldier on July 11, 2008, and Pyongyang in retaliation stopped tours to Kaesong. Nevertheless, the Kaesong Industrial Complex has continued. Soon after North Korea’s rocket launch on April 5, 2009 that flew over Japan into the Pacific Ocean, the conservative Lee Myung Bak government reportedly decided to fully participate in the PSI. Even so, as of this writing, the South Korean government has been delaying its announcement due to North Korea’s threat to respond to South

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6 Chosun Ilbo points out that this survey result is a stark contrast with the one conducted by Gallup in 1993. In 1993, 44 percent of Korean respondents viewed North Korea as a military threat, while only 1 percent regarded the United States as a potential threat (Chosun Ilbo 2004).
Korea’s full participation in the PSI by shutting down the Kaesung Industrial Complex.

That having been the case, it is clear that South Korea has been a ‘reluctant’ American ally that does not fully trust Washington to manage North Korea (especially between 1998 and 2008). The two states have had divergent threat perceptions on North Korea, especially during the Kim and Roh administrations in South Korea between 1998 and 2008. As Glenn Snyder (1997, 185-186) and Victor Cha (1999, 36-50) have argued, when allies have divergent interests or perceptions vis-à-vis the same party, the fear of ‘entrapment’ becomes greatest. Conforming to this premise, South Korea has sought to exercise greater control over its own affairs through qualifying its commitments to the alliance and changing its institutional practices, thereby reducing its fear of entrapment. One example of this was South Korea’s initiation of the transfer to South Korea of the wartime operational control of Korean troops in the US-managed Combined Forces Command (CFC). South Korea perceives that, under the current structure of the CFC, there would be no choice but to be dragged into a war with North Korea if the United States should conduct a ‘surgical strike’ on the suspected North Korean nuclear sites, much less launch a full-scale war.7

In the midst of changing alliance instrumentalities and weakened alliance common identities, alliance management was put under serious challenge. This is largely due to growing anti-Americanism within the South Korean populace during the Kim and Roh administrations. During the Cold War period, the North Korean threat overrode issues related to South Korea’s sovereignty vis-à-vis USFK, such as granting military bases for USFK (including one at the centre of Seoul) and having jurisdiction over crimes committed by USFK members. However, once the North Korean threat was conceived by South Koreans as significantly reduced, that country’s public has paid greater attention to those issues. This has resulted in a visible increase in anti-Americanism in South Korea. Such feelings became particularly acute in 2003, when a US armoured vehicle accidentally ran over two South Korean schoolgirls. American media reported that South Koreans were burning American flags, and an American TV

7 South Korea initially proposed the transfer in line with its pursuit of ‘cooperative self-reliant defense’, or the “balanced development of the ROK–US alliance and self-defense side by side” (MND 2004, 94; Roh 2005). The United States welcomed the proposal. Though the two states had disputes over the timing of the transfer, at a meeting between defense ministers of the two states in 2007, South Korea and the United States eventually agreed that the control would be transferred to South Korea between 2009 and 2012.
program, “Sixty Minutes”, featured the commander of USFK, Leon Laporte, crying over the demonstrations. Anti-South Korea sentiments concurrently peaked in the United States. Scott Snyder, the Asia Foundation’s expert on South Korea, noted in 2003 that there was a ‘distinct anti-Korean backlash’ within US policy-making circles (Brooke 2003). In 2005, some radical South Koreans attempted to pull down the statue of General Douglas MacArthur, who had commanded the Inchon landing of US forces during the Korean War and was thus a figure that symbolises the ‘blood tie’ between the United States and South Korea. Several Congressmen on the US House Committee on International Relations sent a letter to President Roh, “warning that the issue might adversely affect the security relationship” (Forrester 2007, 3 & 7).

Given these developments, various analysts in both South Korea and the United States warned of alliance dissolution. For example, the South Korean newspaper, Hankook Ilbo observed that the US-ROK alliance had reached ‘a stage of fatigue’ (Hankook Ilbo 2004). A conservative news reporter, Kil Jeong-Woo of Choong-ang newspaper, went so far as to assert that the ‘death knell of the US-ROK alliance’ had begun to resound (J. W. Kil 2003). In the United States, former Deputy Secretary of Defense Kurt Campbell commented that the US-ROK alliance was ‘on the verge of divorce’ (Campbell 2004, 159; K. Lee 2006). Nicholas Eberstadt of the American Enterprise Institute criticised South Korea as a ‘runaway ally’ (Eberstadt 2004). Ted Galen Carpenter and Doug Bandow of the Cato Institute also argued that the United States and South Korea should consider an ‘amicable divorce’ (Carpenter and Bandow 2004, 123-144).

Despite these admonitions and trends, the US-ROK alliance endured. In addition to the Security Consultative Meetings (SCM) held since 1971, the two states set up new consultation mechanisms for alliance management, including the Future of the Alliance Initiative (FOTA) meetings (held since 2003 and superseded by the Security Policy Initiative (SPI) meeting in September 2004) and the Strategic Consultation for Allied Partnership (SCAP) held since 2006.

Both countries thus remained committed to preserving the alliance. The United States agreed with South Korea at the FOTA meetings to continue deploying more than 20,000 US soldiers in South Korea. It pledged to invest over $11 billion to enhance US-ROK defences (USFK 2003; Nam 2007, 172-175; Shaplen and Laney 2007, 88). South
Korea also invested for and in the alliance. For example, despite strong opposition from Roh Moo Hyun’s political supporters, his government contributed troops to the Iraq coalition in 2003. In 2005, it announced plans to invest over $5 billion to centralise USFK in the Pyongtaek area (Weaver 2005; Bitzinger 2006, 15). In addition, at the first ministerial level strategic dialogue in 2006, which was launched as a result of the APEC summit between President Bush and President Roh in 2005, South Korea acknowledged the ‘strategic flexibility’ of the USFK.

Both American and South Korean security policy makers, moreover, had stepped up their efforts to mitigate domestic political objections to the alliance with various justifications that made the alliance sustainable. For example, they were usually quite ready to present the alliance to the public as a safeguard for values such as democracy and market-driven societies (C. Hill 2007, 44-45). In addition, the two states worked to adjust the nature of the alliance commensurate with South Korea’s enhanced national power. At the summit meeting between President Roh and US President George W. Bush in November 2005, it was agreed to make the US-ROK alliance ‘comprehensive’, ‘dynamic’ and ‘mutually beneficial’. Furthermore, the two countries signed the Free Trade Agreement (FTA) in 2007, which was widely accepted as a material ground for the US-ROK alliance (K. Kim 2008, 106). Considering all these developments, Victor Cha, who served as Director for Asian Affairs at the US National Security Council from 2004 to 2007, claims that the US-ROK relationship was actually strengthened during the Roh-Bush period (Cha 2007, 103-107).

The US-ROK alliance has been on even firmer ground since the conservative and pro-American Lee Myung Bak administration was launched in early 2008. At the summit meeting between Bush and Lee on April 19, 2008, the two states agreed to maintain the number of the USFK at the current level of 28,500 and to upgrade the US-ROK alliance to the level of a ‘strategic alliance’. Though it has yet to be made clear what ‘strategic alliance’ means, it is reported that the two states envision a more symmetrical alliance in which mutual trust is broadened and strategic cooperation is expanded across the political, economic, social, and other relevant fields (Choi 2008, 1; S. H. Lee 2008, 130-131).

In sum, the US-ROK alliance has remained firm, despite the deterioration of the mutual threat perceptions. To reiterate the main question of this chapter, if threat
perceptions, threat-originated institutional features, and threat-centred ideational factors are insufficient to understand the persistence of the US-ROK alliance, then what can explain it? The remainder of this chapter investigates this question.

**North Korean Military Capabilities and the US-ROK Alliance**

Before ascribing the persistence of the US-ROK alliance to a non-threat-centric rationale, in this section the argument that the alliance continues because it is still necessary to neutralise North Korean military threats will be evaluated. It is argued here that South Korea has sufficient military capabilities to deter or defend against North Korean conventional military attacks on its own and that North Korea possesses nuclear weapons for defensive purposes. Under these circumstances, North Korea’s conventional and nuclear capabilities cannot account by themselves for the persistence of the US-ROK alliance.

**North Korea’s Conventional Military Capabilities and the US-ROK Alliance**

Conservative forces in South Korea argue that the main rationale for the US-ROK alliance, even in the post-Cold War period, is still threat-centric, i.e., neutralising North Korean military threats. They point out the forward deployed North Korean artillery near the DMZ and intermittent North Korean military provocations (such as the North Korean submarine incursion in 1996 and North-South Korea naval clashes in the West Sea in 1999 and 2002) as instances of North Korea’s maintaining intentions of invading South Korea. They claim that the North Korean People’s Army (NKPA) is superior to the Republic of Korea Armed Forces (ROKA) in that the former outnumbers the latter in major weapons categories as well as in manpower. For example, the Korea Institute of Defense Analyses (KIDA), affiliated with the Ministry of Defense, produced a report in 2004 that compared the two Koreas’ military capabilities. The report asserted that the South Korean army is at about the 80 percent level of its North Korean counterpart, the navy is at about 90 percent and the air force is at approximately 103 percent (KIDA 2004; Ryu 2006, 26-28; J. D. Kim 2009, 238-247). The conclusion of the report was that, overall, the NKPA is stronger than the ROKA. Another example is the testimony of CFC officials who have continuously reported to the US Congress that
North Korea remains a threat that justifies the presence of the USFK.  

However, many defense analysts in South Korea have criticised the ‘bean count’ method that the conservative analysts utilise when they compare the military balance between the two Koreas. Critics claim that ‘bean counting’, which emphasises the quantitative aspects of the militaries, does not reflect important qualitative advantages of the ROKA. It neither assigns appropriate weight to the type of military equipment nor includes key aspects of military readiness such as intelligence and communication assets that are necessary in conducting contemporary wars. By way of illustration, Ryu I-Geun points out that the aforementioned KIDA report counted North Korea’s T-40 and T-50 tanks which were introduced in the 1950s as high as 0.8 or 0.9 relative to South Korea’s modern K1 tank, and did not compare C4I (the command, control, communication, computer and intelligence) assets in which South Korea is clearly superior to North Korea (Ryu 2006, 26-28).

Applying methods that focus on the qualitative edge in weaponry rather than simply ‘firepower scores’, and that take military training, logistics, equipment support, and state of readiness into consideration, Rhee Yong-Whi, Kang Joung-ku and Hamm Taikyoung have concluded that ROKA began to wield more military power than NKPA even before the end of the Cold War (Rhee 1992, 134-136; J. G. Kang 2004, 276-278; Hamm 2006). Suh Jae Jung and Lee Samsung also maintain that South Korea is well prepared to defend against a North Korean blitzkrieg on its own (Suh 2000, 80-128; 2004b, 65-76; S. Lee 2003, 16).

A comparison of both states’ ‘military capital stock’ makes such claims more convincing. Since South Korea’s military spending began to surpass the North’s in the 1970s, the difference in military spending has widened to the extent that South Korea’s defense budget in 2006 is $23.7 billion, whereas North Korea’s is estimated to be $2.3 billion (Hamn 1998, 202-244; IISS 2007, 357 & 359). This gap has resulted in a distinct difference in the quality and quantity of weapons the two states have purchased. Due to budget limitations North Korea has been focusing on maintaining its existing (but outdated) military equipment and increasing manpower. On the other hand, South Korea has been upgrading its military equipment and enhancing defence research and

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8 For the latest one, see the testimony of General B. Bell before the Senate Armed Services Committee on March 11, 2008 at http://www.goodneighbor.or.kr/upload/SASC%20Testimony%20Highlights.pdf (accessed on May 11, 2009).
development (R&D). One example of this was South Korea’s Force Improvement Program from 1974 to 1995 that enabled South Korea to modernise the ROKA. According to SIPRI Arms Transfers Database, South Korea imported arms worth $17.5 billion in constant (1990) dollars from 1990 to 2007, while North Korea imported arms worth $1.4 billion during the same period.\(^9\)

Successive South Korean defense white papers have been gradually acknowledging South Korea’s capabilities in deterring and defending against North Korean attacks. In the early 1990s, various white papers concluded that South Korea surpassed North Korea in terms of war sustainability (ROK MND 1991, 123-135; 1992, 119 & 140-143). The 2006 White Paper claimed that South Korean military capabilities were qualitatively superior to North Korea’s, though inferior in quantity (ROK MND 2006, 75). Citing South Korea’s defense preparedness and overall national strength vis-à-vis North Korea, the same document concluded that South Korea should assume the main role in defending itself (ROK MND 2006, 32 & 224).\(^{10}\) Such self-confidence in its own country’s military capabilities led the South Korean national assembly to pass the National Defense Reform Act in 2006 that calls for cutting the troop strength of ROKA from 680,000 troops to 500,000 by 2020. Defense Reform 2020 published by the South Korean Ministry of National Defense claims that 500,000 ROKA forces equipped with ‘state-of-the-art weapons systems’ can successfully ward off the poorly paid and poorly trained 1.17 million DPRK forces (ROK MND 2005, 15-16). Also, in 2007 the South Korean government announced a plan to shorten the national conscription period from the current 24 months to 18 months by 2012.

Indeed, some American ‘isolationists’ have claimed since the end of the Cold War that South Korea is capable of defending against North Korean attacks on its own (Gholz, Press and Sapolsky 1997, 20; Harrison 2001, 64; Carpenter and Bandow 2004, 111-119). Moreover, various defence analysts acknowledge that South Korean military capabilities surpass those of North Korea’s. Edward Olsen, for example, argues that South Korea has had a qualitative military edge since the late 1980s (Olsen 1998, 149).

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\(^9\) These figures were generated from SIPRI’s Arms Transfers Database website at http://www.sipri.org/contents/armstrad/at_db.html (accessed on May 11, 2009).

\(^{10}\) The South Korean government refrained from referring to North Korea as its ‘main enemy’ in the 2004 and 2006 defense white papers.
The US government estimates generally concur; the ‘Report to Congress on the Military Situation on the Korean Peninsula’ prepared by the US Department of Defense in 1987 concluded that South Korea was superior to North Korea in several key areas (U.S. DoD 1987b, 1-2). The perception that the ROKA has been getting progressively stronger than the NKPA was further reinforced as North Korea went through economic difficulties in the early-1990s. In 1992, then-chairman of the US House Armed Services Committee Les Aspin said that “South Korea alone can bring to bear about six-tenths Desert Storm Equivalents of total ground combat force to deal with North Korea’s about six-tenths Iraq of total ground offensive power” (Aspin 1992, 24; 1995, 25). Comparing combat capabilities of both states, war game expert James Dunnigan estimated in 1993 that North Korea’s ‘combat power’ was inferior to that of South Korea (Dunnigan 1993, 591; Hamn 1998, 185-200 & 244). These assessments contributed to the United States transferring peacetime operational control of the South Korean forces to South Korea in the mid-1990s.

As the discrepancy in the two states’ military expenditures has widened even more since South Korea’s recovery from the 1998 financial crisis, many defense analysts have supported the view that South Korea has an increasing edge in conventional military capabilities over North Korea (Bechtol 2001, 21; CSIS 2002a, 21). In addition to material capabilities, they have downplayed North Korea’s combat capabilities in that the geography of the Korean Peninsula is favourable to defensive operations (O’Hanlon 1998, 149-150) and that neither Russia nor China would likely help North Korea should a war occur. US Defense Secretary Donald Rumsfeld reportedly affirmed in March 2003 that South Korea alone (without assistance from the United States) could defend itself against a North Korean invasion (Hankyereh 2003). American confidence in South Korean military capabilities led Washington to willingly accept the previously cited South Korean request for the transfer of wartime command operational control of Korean troops from the United States to South Korea. Indeed, the United States insisted that the transfer should be completed by 2009 earlier than South Korea’s suggested target year of 2012.

It can therefore be argued that it would not be necessary to aggregate military capabilities through the US-ROK alliance in order to deter or defend against North

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11 To calculate ‘combat power’, Dunnigan takes into account 1) weapons’ destructive power, ease of use, mobility, and reliability, 2) the quality of training and leadership, and 3) a host of other situational factors (Dunnigan 1993, 46-47).
Korean attacks using conventional weapons. Knowing that it could not win a war against South Korea, North Korea would not initiate a war, even if South Korea had to defend itself alone. As a logical consequence of this assessment, the bulk of the American soldiers have redeployed south of Seoul, thus removing, or at least heavily modifying, the traditional alliance ‘tripwire’ mechanism. This has occurred even though there still exist thousands of North Korean weapons deployed near the DMZ, which is only 30 miles away from Seoul. Such a move keeps the US troops out of the line of fire (because the Americans think the South Koreans can cope with North Korean attacks on their own) and therefore leaves the bulk of the defence of greater Seoul to the South Korean forces (E. Kang 2003, 322; Morgan 2007a, 11-12).

Nevertheless, a somewhat modified but still viable deterrence 'tripwire' remains as a component of the US-ROK alliance. If Washington totally draws down its forces in South Korea, North Korea could miscalculate and seek to exploit a perceived strategic vulnerability of South Korea (or of the United States). Such a misperception by North Korea of US intentions, however unlikely it may be, could occur in a future Northeast Asian crisis (e.g., intensification of Sino-Japanese hostilities 'spilling over' onto the Korean Peninsula). Misperception, however, if combined with North Korea’s tactical use of ‘brinkmanship’, could escalate into a conflict that is beyond North Korean leaders’ ability to control - and though it appears to be unlikely, it is still not outside the realm of possibility - resulting in North Korea attacking South Korea despite rational assessments that South Korea can survive any North Korean blitzkrieg and prevail over it in the end (Eberstadt 2002, 117–18). Or North Korea might feel that war would be the only option it has (Cha 2002c, 47). In any such scenarios the US-ROK alliance functions as ‘damage limitation’, rather than as threat neutralisation. In other words, the alliance enables South Korea to employ US assistance to minimise the initial damage.

12 President Roh made this point in 2006: ‘‘[L]et us imagine a situation where our enemies cannot conquer nor rule us even if they launch attacks. Will they have any rewarding advantage in waging a war when they cannot occupy nor conquer their foes after defeating them? No one with common sense will ever dare to start a war against a country that cannot be occupied or ruled. Having said this, isn’t it enough to have just sufficient force not to be defeated?’’ (Roh 2006).

13 Thomas Schelling and others define ‘brinkmanship’ as a strategic use of a ‘probabilistic’ threat of mutual harm or ‘hostile coercive bargaining behaviour’ (Schelling 1960, 199-201; Dixit and Skeath 1999, 436; Cha 2002, 63).
from a North Korean blitzkrieg and to stop it more quickly and effectively than it could by acting alone.

**North Korean Missile and Nuclear Capabilities and the US-ROK Alliance**

As North Korea’s stagnant economy has precluded it from keeping up with South Korea’s military spending, North Korea has been specialising in long-range missiles and nuclear weapons as a more cost-effective use of its military funding. On the other hand, South Korea, as a member of the Missile Technology Control Regime (MTCR), which limits the proliferation of ballistic or cruise missiles able to carry payloads of over 500 kilograms more than 300 kilometres, has been constrained from developing long-range missiles. Moreover, North and South Korea declared in 1991 that they would rid the Korean Peninsula of all nuclear weapons. The removal of the United States’ nuclear weapons from South Korea indeed followed this declaration and no nuclear weapons have since been known to exist in the southern part of the Korean peninsula (H. N. Kim 1992, 432). Thus, North Korea surpasses South Korea in ‘unconventional’ or WMD military capabilities (Suh 2004b, 65-76; Hamn 2006; Eberstadt et al. 2007, 17).

Various South Korean security analysts interpret North Korea’s missiles and nuclear weapons as its attempt to send a clear signal to South Korea and the United States that any pre-emptive strikes on North Korea would be met with a massive destruction of South Korean ‘civilian assets’ (E. Kang 2003, 319; D. S. Lee 2007, 440). Also, some Western observers, such as Terence Roehrig and Roland Bleiker, maintain that North Korean missile and nuclear programs have been motivated by threats from the United States (Bleiker 2005, 35-60; Roehrig 2008, 142). These analysts view North Korea’s WMD as defensive, rather than offensive, for regime survival. That is why, despite a ‘circular error probable of about one kilometre-large’ (O’Hanlon 1998, 164), North Korea has been focusing on increasing missile range instead of enhancing missile accuracy. This focus indicates that North Korean missiles are less intended to target military assets (with precision firing) and are more intended to conduct countervalue strikes for North Korea to have deterrence power against South Korea and the United States (Suh 2004b, 75-76).

It is in line with such views that President Roh expressed his understanding for “North Korea’s strategic logic for developing nuclear weapons” in his speech in the
United States in 2004 (Roh 2004; Rozman 2007, 205). It was reported that, when US Secretary of State Condoleezza Rice visited South Korea on October 20, 2006 (which was immediately after North Korea tested a nuclear weapon), President Roh criticised the United States for its hardline policies toward North Korea that he asserted led to North Korea’s testing its nuclear capability as a deterrent against US attacks. A sizable proportion of South Koreans also blamed the United States for provoking North Korea to develop nuclear programs. According to a poll conducted after North Korea’s nuclear test, 38.1 percent of respondents claimed that the United States should bear the greatest responsibility, while 35.6 percent blamed North Korea (SBS News 2006; Kim and Lim 2007, 77).

There was little movement by South Korea to shape a tougher military posture toward North Korea, even in the aftermath of the latter’s nuclear test. Rather, the Roh Moo-Hyun government worried that Pyongyang viewed US and Japanese behaviour toward North Korea as 'threatening' or provocative. It also worried that the United States and Japan could overreact to North Korea’s possession and testing of missiles and nuclear weapons by initiating military action with its neighbour (Hong 2006, 103). For example, when several Japanese government officials, including Chief Cabinet Secretary Shinzo Abe, mentioned the possibility of pre-emptive strikes over North Korea’s missile launch base after North Korea had test-fired seven missiles into the waters between the Korean Peninsula and Japan on July 5, 2006, South Korea’s Office of the President made public the discussion at the President’s Secretaries’ meeting on July 11, 2006. The meeting concluded that South Korea would “continue to respond decisively” to what they called the “arrogance and recklessness” of the incendiary remarks of the Japanese leaders who seemed intentionally to be trying to inflame further the existing crisis on the Korean Peninsula caused by the North Korean tests (ROK Office of President 2006).

No increase of conventional military capabilities by South Korea itself or through the US-ROK alliance would compensate for its inferiority vis-à-vis North Korea in missile and nuclear capabilities. It would only provoke North Korea to develop a greater quantity of inexpensive asymmetrical weapons (Hamm 2002, 15), as shown by the (failed) North Korean launch of a rocket on April 9, 2009. Under these circumstances, neutralising North Korea’s missile and nuclear threat is not driving the US-ROK alliance for both South Korea and the United States.
From South Korea’s perspective, the US-ROK alliance in the context of North Korea’s missile and nuclear capabilities has been insurance, intended to maximise Seoul’s strategic gains by reaching out to the North in its own reconciliatory way at the same time as the Americans extend nuclear deterrence guarantee to itself. The United States is also less concerned with threat neutralisation. It is more concerned with how Northeast Asia precisely fits into a still evolving US global strategy of non- and counter-proliferation of WMD (Chung 2001, 793; INSS 2007, 2; Morgan 2007a, 12). The United States has been approaching North Korean nuclear issues through the PSI in response to North Korea’s potential export of WMD and through the Six Party Talks to negotiate the dismantlement of existing North Korean nuclear programs.\footnote{North Korea announced that it would not come back to the Six Party Talks after the UN Security Council issued a presidential statement condemning its launch of a rocket on April 5, 2009. Yet, the United States remains committed to resuscitating the talks.} The US-ROK alliance, from the American perspective, is a fallback option against the stalemate or failure of such attempts.

Given that the US-ROK alliance does not play a central role in neutralising the North Korean threat, what drives the persistence of the alliance? In the following section I argue that the two countries retain the alliance primarily because of the degree of order insurance the alliance provides them for pursuing post-Cold War regional security order-maintenance and order-building.

**The US-ROK Alliance and Order Insurance**

This thesis is concerned with ascertaining why the US-led alliances in the Asia-Pacific region have persisted despite the modification of commonly perceived threats. To address this ‘puzzle’, Chapter Two identified ‘alliance for order insurance’ –an alliance that serves for order-maintenance and order-building in an uncertain or unpredictable security environment- as a key factor. It differentiated ‘order insurance’ from ‘hedging’ by noting that the latter strategy is usually directed against a specific (potential) target state or non-state actor, while the former is not preoccupied with any specific (potential) entity but is held in reserve against the emergence of an undesirable order. To reiterate, an alliance for order insurance addresses a ‘positional interest’ that takes into consideration one’s own and/or one’s ally’s status in a regional security order.
environment. Also, an alliance for order insurance serves as a foundation on the basis of which allies can test various multilateral security initiatives. At the same time, it functions as a ‘fallback option’ against disadvantageous side effects or downside risks that might be realised in the process of their pursuing those initiatives.

This section maintains that the US-ROK alliance indeed provides South Korea and the United States with a degree of order insurance in several distinct (but not necessarily compatible) ways, which motivates them to preserve the alliance. For South Korea, the alliance contributes to maintaining the United States as a balancer in the Northeast Asian sub-region and enhancing South Korea’s security leverage with respect to China and Japan. For the United States, the alliance enables it to maintain its strategic position in Northeast Asia, preventing South Korea from moving too close to China at the expense of US security interests. Also, the alliance generates a benefit to the United States relative to operating the US-Japan alliance and managing a ‘quasi-security’ relationship between South Korea and Japan. In addition, the alliance has become a basis upon which the United States and South Korea test new mini- and multi-lateral security initiatives.

The last part of this section of the chapter examines the above arguments in the context of South Korea’s initiative in its role as a ‘Northeast Asia balancer’ in 2006 and the TCOG that formed in 1999. They are appropriate ‘mini-case studies’ to test this study’s arguments. The former demonstrates how the alliance serves for order-building or order-maintenance when the two allies have divergent interests. The latter case illustrates the two allies’ convergent interests in a highly complex triangular relationship with Japan. Using these two cases will help us develop a more comprehensive understanding of how the US-ROK alliance operates as order insurance in different contexts. Preceding this case study analysis, however, the factors of positionality and interest-convergence in creating effective multilateralism warrant in-depth discussion.

South Korean Perspective

The United States and South Korea’s Positional Interests

The broad security options South Korea can pursue include isolation, self-help (internal balancing), neutrality, and alliance with a powerful state (Cha 2004, 111-112;
Scalpino 2007, 23; C. Kim 2007, 38-53). The first option has proven to be unsuccessful, as evidenced by the failure of 'a [Korean] hermit kingdom' in the late 19th century. The second one is expensive, if not impossible, given South Korea's relative economic and military status vis-à-vis its powerful neighbours in the Northeast Asian sub-region. Moreover, an excessive South Korea's arms build-up would precipitate an arms race in Northeast Asia, which in turn would make South Korea more insecure. The third option is not feasible, as South Korea's geography makes it a buffer state between naval and continental powers, rather than a 'rim land' state more conducive for declaring neutrality (Manning and Przystup 1999, 54-55; Chung 2001, 789). Unlike the first three options, Korean history shows that the fourth option has been the most successful. When (South) Korea sought to be dependent on a patron state for its own security (i.e., under the security umbrella of stable Chinese kingdoms during pre-modern times), Korea has experienced a relatively safe security environment.

On the other hand, instability and disruption on the Korean Peninsula itself have resulted from the escalation of rivalries or power shifts in the region (Song 2008, 60). The emergence of new Chinese kingdoms (such as Han, Tang, and Yuan) led to the break-down of Korean kingdoms (such as Kochosun, Koguryo and Koryo) (Yun 2005, 9-10). Also, the rise of Japanese power brought wars to the Korean Peninsula (e.g., the Japanese invasion during the period 1592-98 under Toyotomi Hideyoshi, the Sino-Japanese war of 1894/5 and the Russo-Japanese war of 1904/5) and the annexation of Korea to Japan in 1910 (Yun 2005, 9-10; R. Frank 2005; Olsen 2008, 8).

These historical experiences, combined with the aforementioned implausibility of alternative security options, have led South Koreans to develop a comprehensive perception of what types of threat might emerge in the region. They have concluded that they have an interest in maintaining a stable balancer in the region by allying with a powerful state. The US-ROK alliance is 'the modern incarnation' of just such an interest (Steinberg 2007b, 31).

Due to the rise of China and the remilitarisation of Japan, South Korea now finds itself allying with a powerful American friend all the more valuable. Never before in history have both China and Japan emerged as strong regional powers at the same time (Yun 2005, 9-10; McDevitt et al. 2007, 1). It is not clear to the South Koreans how this unprecedented simultaneous strong power status of two neighbouring states is going
to fit into whatever ‘order’ will eventuate in Northeast Asia. It is in this context that South Korea desires that the United States assumes some yet-to-be-determined role in any regional politico-security architecture that may emerge. More obviously, South Korea desires Washington to remain in the region as an external power that is capable of insuring against newly emerging *intra-regional* threats even while the question of who needs to be balanced or why remains unclear (Yun 2005, 10 & 32-37; S. H. Kim 2003, 31-33; 2007, 30-33). To reiterate the point made in Chapter Two, this insurance strategy differs from balancing, in that it provides a hedge against default relative to whatever balancing strategy may be needed in the future.

At this point, it must be explained what makes the United States the most desirable alliance partner for South Korea. First, the United States lacks territorial disputes with regional states, as South Korea’s former foreign minister Song Min-sun points out (Song 2008, 60). That the United States does not harbour territorial ambitions in Northeast Asia is contrasted with South Korea’s territorial disputes with China over Jeodo and with Japan over Tokdo. Second, the United States’ physical location outside the Asia-Pacific gives regional states greater leeway than they would have if the superpower were right next door to them (Tellis 2006, 53). Third, unlike China or Russia, the transparency and market-driven nature of US political and economic systems make it appealing to South Korea (Mastanduno 2002, 197-198; Cha 2003, 25-26). Fourth, while all South Koreans remember Japan’s past imperialism, a considerable number of South Koreans (especially those belonging to the older generation) still retain the favourable image of a United States that fought the Korean War against North Korea alongside South Korea. Fifth, if South Korea aligns militarily with either China or Japan, the other would feel very insecure, so that the relationship between South Korea and the ‘third’ country would deteriorate (Eberstadt et al. 2007, 15). For South Korea to get along well with its various powerful neighbours simultaneously, the US alliance remains the best option (Cossa 2005, 74).

In sum, South Korea finds the United States the most desirable alliance partner. One of the benefits that the US-ROK alliance provides to Seoul is keeping the United States as a balancer in the region to insure a favourable regional order for South Korea. South Korea preserves the alliance to help the United States maintain its position as a regional balancer against any order disruption scenario that may yet emerge.
Chapter Four

China and Japan, and South Korea’s Positional Interests

As previously noted, China and South Korea established a diplomatic relationship in 1992. Since then, the two countries have been expanding economic interaction. Michael Armacost (2004, 19) points out, nationalism and some intensified anti-Americanism in South Korea have boosted pan-Asian sentiments among South Koreans, making South Koreans feel closer to China. As a result, South Koreans take a relatively benign view of the rise of China and recognise China’s growing influence in the region. According to a survey of 138 National Assembly members conducted in April 2004, a slight majority of those interviewed believed it to be more important to maintain good relations with China than with the United States, while the vast majority expected China, rather than the United States, to be the most influential country for South Korea by 2014 (Dong-a Ilbo 2004).

Nevertheless, South Korea is not sure about how the rise of China will affect the regional order in general and the Sino-South Korean (or unified Korean) relationship in particular. This gives rise to South Korea’s reservations about aligning its policy too closely with China’s, since it is uncertain about China’s ultimate intentions toward the Korean Peninsula. For example, as is indicated by disputes since 2004 between South Korea and China over the identity of the ancient Koguryo Kingdom, South Korea recognises the possibility that China could engage in territorial disputes with a unified Korea based on its own interpretation of history (Kim and Lim 2007, 78-79). This experience caused South Koreans to re-evaluate the importance of their alliance with the United States, which David Shin credits with having a “sobering effect on the China fever in Korea” (Shin 2005, 205). There are additional sources of potential conflict between China and a unified Korea, including territorial disputes over Mt. Baekdu and South Korea’s influence over the millions of Chinese-Koreans in China’s Yanbian province (Michishita 1999, 72).

Given these uncertainties, South Korea finds it essential to retain or cultivate insurance against uncertain Chinese intentions and downside risks associated with accommodating China. The US-ROK alliance serves as an arrangement for such insurance. Without the US-ROK alliance, South Korea fears “being entrapped in an unwelcome embrace by Beijing” (Eberstadt et al. 2007, 15; S. H. Kim 2007, 29 & 36-37). That is, the alliance gives South Korea the positional interest of being an ally of China’s strategic competitor, so that South Korea gains more strategic weight vis-à-vis
Chapter Four

China. Narushige Michishita (1999, 72) argues that the presence of US forces in South Korea causes China to moderate its behaviour to avoid the possibility of the development of a US-China confrontation on the peninsula. Also, Robert Sutter (2006a, 51; 2006b, 139) reports that South Korean officials fear that, without the US-ROK alliance, South Korea’s diplomatic leverage with China would dissipate. In other words, the US-ROK alliance enhances South Korea’s position vis-à-vis China. As an example, its strong relationship with the United States has been credited with giving South Korea more control over the pace and scope of recent negotiations on a free trade agreement that China has vigorously pursued with it (Eberstadt et al. 2007, 23).

Yet, it should be noted that South Korea does not regard containment of China as a foreign policy goal. Retaining the US-ROK alliance is not done with the intent of encircling China alongside the United States and Japan. Indeed, since Seoul and Beijing entered into a ‘comprehensive cooperative partnership’ in 2000, they have been expanding diplomatic and security ties. A motivation for South Korea to expand such relations with China is to assure the latter that Seoul does not have the intention to contain China through the US-ROK alliance (Chung 2001, 782). South Korea’s reluctance to participate in the US missile defence (MD) research and development can be understood in the same context.

South Korea also has an interest in insuring against what it views as increasingly aggressive Japanese geopolitical instincts. During the Cold War, the US-Japan alliance had served as a restraint on the growth of the Japanese military as well as a balancing mechanism against the ‘North Triangle’ (China, the Soviet Union, and North Korea). This ‘cap in the bottle’ role of the US-Japan alliance has been called into question in the post-Cold War period, however, as nationalism has gained a stronger voice in Japan. Confronted by economic recession during the 1990s, the Taiwan crisis in 1996, the North Korean missile shocks in 1998, 2006 and 2009, and North Korea’s acknowledgement in 2002 of the earlier kidnapping of Japanese nationals, Japan’s Liberal Democratic Party (LDP), which regained power in 1996 after a break in its 38 year dominance in 1993, has become more and more conservative, calling with greater urgency for a ‘normal state.’ Japan has actively participated in peacekeeping missions and the PSI. It passed three wartime preparedness bills in May 2003, launched its own satellite surveillance system, and participated in the Cobra Gold military exercises in May 2005 and the Malabar exercises in April 2007.
Japanese security policy makers who advocate a more ‘normal’ Japan have nurtured two options in relation to the US-Japan alliance: 1) making Japan less dependent on the United States and causing Japan to remilitarise after rewriting Article Nine of the Peace Constitution, or 2) re-arranging the US-Japan alliance in a way that gives Japan a greater role in its own defence (Soeya 1998b, 226-233; Mochizuki 2004, 103-131; Mulgan 2005, 61-66). The pacifistic and anti-militaristic orientation after WWII and the acceptance of the American nuclear umbrella among the Japanese public restrained the Japanese security elite from choosing the first option (Berger 1996, 345-356). Instead, Japan has chosen the path of enhancing its alliance with the United States in the process of which it has assumed a greater regional security role with US support.

In this context South Korea has responded to the increased influence in Asia-Pacific security affairs on the part of its former enemy and occupier, Japan, with caution and, to some degree, envy. South Korea worries that the improvement in US-Japan relations has outpaced improvement in US-ROK relations (McDomitt and Przystup 2007, 5; Hankook Ilbo 2008). Media responses following US Secretary of State Condoleezza Rice’s article on Foreign Affairs in 2008, ‘Rethinking the National Interest’, illustrate South Korea’s fear of losing its influence in Asia-Pacific security matters. In her article, Rice calls Japan and Australia ‘alliance partners’ of the United States, while it refers to South Korea as its ‘global partner’ (Rice 2008, 7-8). Most of the South Korean media interpreted this characterisation as indicative of the fact that America values the US-ROK alliance less than the US-Japan alliance (Chosun Ilbo 2008b).

South Korea notes that the United States and Japan have designated Japan’s role in the security of the Korean Peninsula, exemplified by the US-Japan Defense Guidelines in 1997 and the US-Japan Roadmap for Realignment Implementation in 2006. Japan’s participation in a future Korean contingency, even for logistical support,

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15 According to Yoichi Funabashi, the US Department of Defense had discussed and proposed lowering the US-ROK alliance by one rank in 2003/4 compared to the US-Japan or the US-Australia alliance, but this idea was rejected due to strong opposition from the Department of State (Funabashi 2007, 245).
is unpalatable to South Koreans.\textsuperscript{16} If South Korea were not to maintain the US-ROK alliance, the United States would give more attention to Japan’s strategic interests than South Korea’s in such cases.

Also, it is not certain how any expanding Japanese security role in the region would specifically develop. Not only South Korea but also other East Asian countries have expressed strong concerns over (possible) Japanese militarism, which makes Northeast Asian alliance politics more complicated. Given the past history of Japanese imperialism and Japan’s claim over Tokdo, South Korea regards Japan as an antagonistic security actor. In the rightward shift on the part of Japanese leadership, South Koreans hear echoes of the historic Japanese imperial system (Jin 2006; Rozman 2007, 207 & 213). As a result, they perceive that Japan poses a military threat to peace and prosperity in the region. One scenario in South Korea’s 2006 draft of a Comprehensive Security Assessment (CSA) report noted the possibility that Japan could become unstable and, consequently, classified Japan as a potential threat (Funabashi 2007, 256).\textsuperscript{17} According to a survey conducted in 2008 by the Chicago Council on Global Affairs and the East Asia Institute, 66 percent of Korean respondents considered Japan as a somewhat significant or significant military threat (Whitney and Shambaugh 2008, 8).

In this sense, it is argued that South Korea’s ‘blue water navy’ plan and its purchase of high-tech equipment, such as submarines and AEGIS-equipped \textit{Sejong the Great}-Class destroyers, are intended to be directed at Japan as well as China, rather than toward a weak North Korea which lacks advanced weapons (Hamm 1999, 14; McDomitt and Przystup 2007, 5; Eberstadt et al. 2007, 17). Under these circumstances, South Korea values the fact that the United States is an ally of both South Korea and Japan.

\textsuperscript{16} The US forces in Japan have been under UN command as well as US command. According to a resolution passed by the United Nations in October 1950, the United Nations Command in Japan has grounds to send UN troops from Japan to Korea in the event of a Korean contingency (Levin 2004, 54). If that would be the case, Japan could participate in such missions as a member of the UN.

\textsuperscript{17} South Korea and the United States had been discussing the CSA since 2005 to anticipate East Asian security concerns. The United States did not accept South Korea’s draft, and the report has since been classified (Funabashi 2007, 256).
In conclusion, the US-ROK alliance is insurance against the development of an unfavourable regional order that the rise of China or an enhanced Japanese security role might bring about. Joseph Nye has well summarised the points made here. In an interview with a Korean newspaper, Chosun Ilbo, he commented:

If South Korea antagonises Japan and aligns with China, then China will dominate South Korea. In the opposite scenario, Japan will exert huge influence on South Korea. If South Korea checks both China and Japan through the United States, South Korea will wield more freedom of action. Even though there are many who are disappointed with the United States and there is a growing anti-Americanism, that is the very reason why it is beneficial for South Korea to maintain an alliance with the United States (Chosun Ilbo 2006 –English translation by author).

The Unification Process of the Two Koreas and South Korea’s Positional Interests

The US-ROK alliance also provides South Korea with an insurance benefit in relation to the unification of the two Koreas, though it is unlikely that this will occur in the foreseeable future. It is not clear how the unification would proceed or what form it would assume. The uncertainty about the Korean unification process compels South Korea to advocate some type of US role (as yet undetermined) via the alliance as insurance against a form of unification which is undesirable to the current South Korean government.

There are at least two factors underlying Seoul’s position. First, South Korea worries that it may not have sufficient input on issues related to unification if it does not maintain the US-ROK alliance. The armistice of the Korean War was signed only by China, North Korea and the United States. The fact that South Korea is not a signatory of the armistice has given North Korea justification for negotiating with the United States directly while excluding South Korea when Pyongyang deems such exclusion as advantageous to its own interests.

Second, notwithstanding previously cited trends of anti-Americanism, the South Korean public still believes that the US-ROK alliance is an indispensable asset for the unification of the two Koreas. Though various opinion polls show that a majority of the Korean public remains sceptical of Washington, other polls report that the same majority continues to support the US-ROK alliance, believing that without the alliance
the reunification of the two Koreas would be impossible. According to a survey conducted in 2005 by the South Korean government-affiliated Korea Institute for National Unification, 23.2% of South Korean respondents perceived that the United States is favourable toward the Korean unification, while 15.8% perceived China favourable for the unification and only 3.8% believed Japan was so inclined. The same survey revealed that 58.5% of Korean respondents chose the United States as the most important country that South Korea should cooperate with to realise the Korean unification as opposed to 35.6% for China and 3.8% for Japan. Also, 60.8% opined that the maintenance of the US-ROK alliance will help eventually achieve the Korean unification (J. C. Park et al. 2005, 33, 41-43 & 45). In sum, while they believe China and Japan prefer the status quo of a divided Korea (Wang 1998, 197), South Koreans find having the United States ‘on their side’ via the US-ROK alliance essential for South Korea to realise unification on favourable terms.

Multilateral Order-Building and the Alliance: Convergent Interests with the United States

All the powerful states in and near the Northeast Asian sub-region - China, Japan, Russia and the United States - have a direct stake in what happens on the Korean Peninsula. Given the necessity of reconciling their diverse interests, it can be posited that multilateralism would be an effective way of managing affairs there. Adopting Robert Keohane’s terminology (1984, 88-93), an effective multilateral security mechanism in Northeast Asia would provide ‘rules and principles’ with respect to security issues involving the Korean Peninsula; and these rules and principles would make states in this sub-region more likely to interact positively. The multilateral mechanism would also reduce ‘transaction costs’ for those who participate in it. In addition, such a mechanism would provide useful information that would help reduce uncertainty and facilitate cooperation among the sub-regional states.

South Korea, in turn, has an interest in fostering multilateralism in the sub-region to arrange security issues related to the Korean Peninsula among the great powers in a more efficient way. In this context, it perceives a need to supplement its

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18 Multilateralism would supply an international forum in which states would ‘get together’ to negotiate agreements, thus reducing transaction costs that would be higher in arranging separate deals (Keohane 1984, 90).
bilateral alliance with the United States with a substantial multilateral security mechanism for Northeast Asia. Indeed, South Korea has proposed various initiatives, including the ‘mini-CSCE-like framework’ in 1993 and, simultaneously, a track-two type of regional security arrangement, Northeast Asia Cooperation Dialogue (NEACD). The United States has also recognised the value of multilateralism in the sub-region, provided that any such regime does not seek to replace America’s existing alliances in Northeast Asia. For example, President Bill Clinton underscored this theme in July 1993 with a speech that envisioned a ‘New Pacific Community’ before the National Assembly in South Korea. Kihl Young Whan and Oh Kongdan (1994, 403) point out that “[t]he United States does not want to become an outsider, living with the shell of bilateralism in a multilateral world it has refused to join.” In addition, evidence can be cited to support the argument that regional countries are gradually moving toward creating a security regime. In the non-governmental arena, the Council for Security Cooperation in Asia-Pacific (CSCAP) was founded in 1993. On the governmental front, the ASEAN Regional Forum (ARF) was formed in 1994. Moreover, the ASEAN and the APEC both launched initiatives to deal with security issues within their respective infrastructures. For example, the United States and regional allies utilise APEC’s Heads of State Summits and ARF ‘side talks’ as opportunities to initiate new approaches to the diffusion of regional flashpoints such as North Korea or the South China Sea. These developments are notable because, as Keohane argues, new and more comprehensive regimes are more likely to be built on existing ones (Keohane 1984, 79).

Nevertheless, with but few exceptions, such as the expansion of the norm of non-intervention based on the 1976 Treaty of Amity and Cooperation in Southeast Asia and the development of the 2002 Declaration on the Conduct of Parties in the South China Sea, such arrangements have served primarily as a venue to ‘talk’ about various security issues without creating concrete implementation plans. That is mostly because there are unique features in the Asia-Pacific security landscape that act as negative or dysfunctional factors for multilateral security cooperation. In particular, in comparing Asia’s contemporary regional security environment to its European counterpart, scholars have generally agreed that such unique factors as gaps in Asian states’ respective national capacities, the heterogeneity of component countries, a lack of a common threat, protracted territorial conflicts, and historical enmities are all barriers to creating effective security regimes in that region (Duffield 2001, 85-86).

In such circumstances, the most-likely scenario from which an effective
multilateralism in Northeast Asia could emerge would be the creation and development of what Kim Sung-han terms a ‘quasi-multilateralism’ (S. H. Kim 2003, 44). This process does not require a NATO-like formal structure, but lower-key relationships and networks involving various participants that overlap and interconnect (S. H. Kim 2003, 45; Cha 2007, 110). Illustrative of this approach is the Six Party Talks that were formed in 2003 to resolve the North Korean nuclear issues (Harris 2008, 258-259). The Six Party Talks are comprised of South Korea, North Korea, the United States, Japan, Russia and China. Although informal in nature, it still represents “the first multilateral security forum in Northeast Asia” (Cha 2007, 108). Christopher Hill, then-the Bush administration’s Under Assistant Secretary of State for East Asian and Pacific Affairs, noted that “[t]his framework has the potential to develop into a mechanism that can cooperatively manage change on the Korean Peninsula, as well as usefully address a range of functional issues in the sub-region from energy and environment to economic and financial cooperation” (C. Hill 2007, 43). The countries involved (other than North Korea) hope that a broader Northeast Asian peace and security regime will emerge from the Six Party Talks. That is why, despite the aforementioned current stalemate of the talks, they remain committed to resuscitating them.

With the alliance, South Korea believes it can occupy a ‘seat at the table’ on more equal basis with the other major powers in the region (Eberstadt et al. 2007, 15; S. H. Kim 2007, 32; 2008, 146-152). On the other hand, as a completely independent security actor, South Korea would bring little experience in applying multilateralism as a viable security strategy (Cha 2003, 23). It understandably, therefore, feels more secure by maintaining a fallback option when managing North Korean issues through the Six Party Talks. The US-ROK alliance can work as an order stabiliser if the Six Party Talks produce side effects or downside risks in the process of a multilateral security order-building in the region or if the talks should ultimately fail. Because the US-ROK alliance functions as a fallback, South Korea has pursued its interests through the Six Party Talks. To repeat an analogy mentioned in Chapter Two, the US-ROK alliance is like a protection barrier in a path transverse along a cliff. In case one missteps, the

19 This point was affirmed by participants at the conference, Institutionalization of Security Cooperation in Northeast Asia, held by the Korea National Defense University on September 21, 2007. Those participants include Robert Manning from the United States, Wu Chunsi and Yang Yi from China, Georgy Toloraya and Alexander Zebin from Russia, Akiko Fukushima and Shinichi Ogawa from Japan and Choi Jong-Chul from South Korea. For details, see Jo Hong-Je (2007, 5-7).
protective barrier prevents one from falling to one’s death. At the same time, the existence of the barrier gives climbers composure so that they may walk along the path safely even without touching the barrier. Otherwise, they would not dare to walk along. In this sense, the US-ROK alliance has provided the stability that enabled South Korea to pursue its interests through the Six Party Talks. In sum, South Korea regards the US-ROK alliance as a foundation for the institutionalisation of the Six Party Talks (though that dialogue’s continuance seems uncertain at the moment).

The American Perspective

During the Cold War, the US-ROK alliance served American interests as a balancing mechanism against North Korea as part of a broader US containment strategy of communism in Asia. However, with the end of the Cold War and with South Korea’s comparative edge over North Korea in military capabilities, such a rationale is increasingly outdated. Moreover, the two Koreas have gradually moved toward reconciliation (though the relationship between them soured after the aforementioned North Korean rocket launch in April 2009) and South Koreans perceives Pyongyang’s military attack on Seoul unlikely. What, then, motivates the United States to preserve the US-ROK alliance? To address this question, I focus on the core security interests of the United States in Northeast Asia, namely, maintaining a relatively stable Northeast Asian order and precluding the rise of a hostile regional hegemon (U.S. DoD 1992, 21; Steinberg 2007a, 19).

Sino-South Korean and Japanese-South Korean Relations, and US Positional Interests

The Asia-Pacific regional order that has developed since the end of the Cold War and has involved structural change has been, from the American perspective, indeterminate. Among other factors, how China’s relationships with the United States and Japan will develop are keys to regional stability in Northeast Asia. There are differing views in Washington on whether China is a status quo power or a revisionist power. Some anticipate a ‘peaceful rise’ or ‘peaceful development’ of China that would be conducive to regional stability (A. Johnson 2003, 56; Shambaugh 2004/2005, 72-89 & 95-99; Yunling and Shiping 2005, 48-49; Sutter 2006a, 1-24; Art 2007, 33-39). In support of this argument, China has been playing a significant role in the process of dealing with North Korean nuclear issues. It has also been expanding positive military
interactions with the United States and Japan, including China’s participation as an observer in military exercises the United States conducted in Guam in June 2006 and a Chinese missile destroyer’s visit to Japan for a port call in December 2007. By contrast, the ‘China threat’ school contends that China, along with Russia, is (or will be) balancing against the United States (Betts 1993-1994, 54; Friedberg 1993-1994, 15-27; Mearsheimer 2003, 400). With regional states, this school-of-thought notes, China has been sustaining territorial disputes, including one with Japan over oil deposits in the East China Sea. Also, that school criticises the lack of transparency in China’s defence spending.

How regional states will respond to the continuing rise of China is also uncertain. Some argue that the Asia-Pacific is heading toward instability due to the balancing behaviour against China among other regional states. They note, for instance, that resurgent nationalism in Japan since the end of the Cold War has contributed to both the deterioration of that country’s political relations with China and a strengthened security relationship with the United States (Yifu 2009, 14-18). Others, on the other hand, maintain that regional states are not balancing against China’s rise, but hedging against or accommodating to it (Goh 2005, 1-4). David Kang (2003, 58; 2003/2004, 180), in fact, sees the regional states to be bandwagoning with China and suggests that a reconstitution of the old hierarchical Asian order centring on China is underway, providing a base for regional stability.

Given these uncertainties in the direction of the regional order, on the one hand, the United States has been accommodating China to lead it to fully assimilate market capitalism and to become a benign regional power. On the other hand, it is also searching for some type of role (as yet undetermined) against the possibility that Sino-US and Sino-Japanese rivalries develop in a way that undermines US interests in the region (U.S. White House 2006, 41-42; Steinberg 2007a, 20; Armitage and Nye 2007, 14, 20-21 & 22-25). Regardless of the regional politico-security architecture that finally emerges, the US-ROK alliance serves American interests by retaining South Korea on the American strategic orbit against the China-US and the Sino-Japanese rivalries developing in a direction that risks affecting the balance of influence in the region in favour of China. The US withdrawal from the alliance could move Seoul to establish a closer strategic relationship with China so as to avoid a dangerous isolation. Or, it could adopt security postures that would provoke Japanese counter-responses, thereby
It should be noted that the interests of the United States in preserving the US-ROK alliance do not stem from the desire of hedging against a specific Chinese threat such as a potential Chinese invasion of Taiwan. South Korea would be unlikely to send troops to defend Taiwan, not wishing to damage its relationship with China nor make itself vulnerable to North Korean aggression. US internal balancing (e.g., reinforcing its military assets in its own territories such as Guam and Hawaii) and the US-Japan alliance serve as a hedge in that regard. Rather, the United States retains the US-ROK alliance because it serves as insurance against South Korea’s potential strategic choices in favour of China in relation to the Sino-US and Sino-Japanese rivalries. These points are elaborated below.

Sino-South Korean Relations and US Positional Interests

Former US Deputy Assistant Secretary of Defense Elizabeth Sherwood-Randall notes that averting the desire by regional powers to balance against the United States is one of the reasons that the United States maintains its alliances (Sherwood-Randall 2006, 15). The US-ROK alliance is relevant in this regard in that the United States prevents South Korea from moving too close to China.

Such a US interest has become more important in the post-Cold War period. Previously, South Korea had extremely limited alliance choices, and its diplomatic leeway relative to the United States was very limited. South Korea benefited from the liberal trade market the United States provided it on top of the US security guarantee against North Korea. However, as South Korea and China have expanded economic and political interactions since establishing diplomatic relations in 1992, the enhanced China-South Korean relationship provides Seoul with greater diplomatic flexibility. Because of this, South Korea can develop its own strategies in relation to North Korea, even if such interests sometimes conflict with the interests of the United States (Armacost 2004, 21). Though both the United States and South Korea hope China fully assimilates market capitalism and remains a benign regional power, they have agendas toward China that sometimes vary with each other. For example, the United States perceives that South Korea’s stance on North Korean nuclear issues is closer to that of China than to that of the United States, as the Armitage-Nye report published in February 2007 points out (Armitage and Nye 2007, 8).
South Korea is moving closer to China politically, though to a still limited degree. The two states have increased military interactions involving exchanges among forces, policy planners and research institutions. The defense ministers of the two states met in China in 2007 and agreed to establish a military hotline. Park Chang-Hee at South Korea’s National Defense University judges this development to be a starting point for the shifting of the relationship between the two countries from one involving simple military exchanges to one featuring actual military cooperation (C. Park 2007, 3-5). In a summit meeting between Korean President Lee Myung-Bak and Chinese President Hu Jintao held in Beijing in May 2008, China and South Korea agreed to upgrade their security relationship to a ‘strategic cooperative partnership’. Also, at a joint press conference following another summit in Seoul three months later, President Lee affirmed that the two states would hold the first high-level strategic dialogue between their foreign ministries within 2008 (M. Lee 2008). This promised dialogue was indeed held in Beijing in December 2008 at the vice-ministerial level.

Nevertheless, for the present, at least, a ‘strategic partnership’ between the two states is more aspirational than real (Medeiros et al. 2008, 89-90). This is especially true given the uncertainties created by various unresolved controversies between the two states, including aforementioned disputes over the interpretation of the history of Koguryo Kingdom (Snyder 2008). Having said that, though, the United States worries that South Korea’s [or a unified Korea’s] military alignment, if not military alliance, with China would not be an implausible scenario in the distant future, given South Korea’s opportunistic posture between the United States and China (McDevitt 2004, 16). According to a survey of fifty-six American policy elites conducted by Chung Jae Ho in 2002/3, 86 percent expressed the opinion that South Korea would ultimately opt for China as a security protector, while only 46 percent predicted that South Korea would not withdraw from the US-ROK alliance (Chung 2005, 230). Indeed, South Korea once advocated its role as a ‘Northeast Asia balancer’ between the United States and China. If liberal political forces regain power in South Korea [or a unified Korea], such ideas could be revived.

If the United States were to withdraw from the US-ROK alliance, South Korea would more seriously consider courting China as a partner for military alignment (INSS 2007, 5; S. H. Kim 2007, 30; 2008, 141). A regional configuration in which the United States and Japan confront China and South Korea [or a unified Korea] would be highly
detrimental to Washington’s regional interests. Indeed, Ralph Cossa raises the concern that, if a unified Korea looked to China as its primary security partner and especially if they united against a potential Japanese threat, the implications for US interests in the region could be dire (Cossa 2001, 123; 2005a, 200).

In this context, the US-ROK alliance provides an insurance benefit to the United States against the development of such an undesirable scenario. By maintaining the US-ROK alliance, the United States can continue to position South Korea on its orbit. The United States compels security officials of both states to construct networks and relationships of trust by promoting interaction relative to a range of interests and actions (e.g., holding formal and informal meetings and hosting and training South Korean military officials). By increasing military interoperability between the United States and South Korea through the US-ROK alliance, moreover, Washington renders the South Korean military more dependent on US leading-edge technology and intelligence.20 China, by contrast, does not have commensurate cutting-edge technology with which to supply South Korea. In this context, South Korea would find it ‘unthinkable’ to ally militarily with China at the expense of its strategic ties with the United States.

**Japanese-South Korean Relations and US Positional Interests**

The US-ROK alliance provides a further benefit to the United States in relation to maintaining the US-Japan alliance, which the United States has regarded as a core element in its Northeast Asian strategy. The United States and Japan have redefined and upgraded Japan’s security role in the region, while at the same time Washington has kept Tokyo from being too independent of US policy (Soeya 1998b, 226-233; Harris and Cooper 2000, 31-37; Mulgan 2005, 61-66). Also, the US-Japan alliance has helped neutralise any Japanese desire to possess nuclear weapons or advanced ballistic missiles by providing comparable American military capabilities and extended deterrence

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20 The point made here is different from what Suh Jae Jung argues is ‘asset specificity’ (Suh 2000, 50-53). Suh observes that alliance interactions produce human and equipment assets specific to the alliance and are not easily replaceable by alternative forces. At the same time those assets prolong the life of the alliance. While Suh treats ‘assets’ as having autonomous influence, I argue that the United States creates and manages human and equipment assets with the intention of having South Korea on its orbit. That is, US interests precede the prolonging effects of the assets on the life of the alliance.
security guarantees. In this sense, the alliance has clearly helped prevent any Sino-Japanese security dilemma from spiralling out of control.

Against this backdrop, the United States worries that if the US-ROK alliance were discontinued, the US-Japan alliance would be put under greater stress (G. Flank 2007). Because the United States also bases troops on the Korean Peninsula, Japan and the Japanese public have been shown that they are not alone amongst Northeast Asian countries in hosting US forces (INSS 2007, 5). The United States without the US-ROK alliance would have only the US-Japan alliance to support its strategic interests in Northeast Asia. This would put greater pressure on Japan (Sherwood-Randall 2006, 30; Steinberg 2006, 6). If the USFK were to leave South Korea, until now latent anti-Americanism in Japan could intensify. It would be hard, under such circumstances, for the United States and Japan to sustain the US-Japan alliance (Michishita 1999, 74; Cho 2003, 99), which would mean “a major diminution of American influence in the Pacific” (Eberstadt 2002, 117). In such a case, Japan could well move toward greater remilitarisation to defend itself, triggering an arms race in the region among Japan, China and South Korea. Any such development could likewise draw South Korea closer to China against Japan. All of these scenarios are inimical to US regional interests for maintaining a stable Northeast Asian security order and preventing the rise of hegemonic competition in the region. Thus, the United States has an incentive in preserving the US-ROK alliance.

Unification of the two Koreas and US Positional Interests

Related to the uncertainties of the Sino-US and the Sino-Japanese rivalries is what roles the United States, China and Japan would assume in any unification process undertaken by the two Koreas and what the end result would be. At present, the United States does not directly link the US-ROK alliance to the collapse of North Korea; American policy analysts are not convinced that the North Korean regime will implode any time soon (a change of sentiment from the early 1990s).\(^{21}\) From Washington’s perspective, the US-Japan alliance is still available for such a contingency - which the South Koreans know is the case.

\(^{21}\) Interview with former US Department of State’s Korea country desk director David Straub on May 8, 2007.
Nevertheless, the US-ROK alliance serves as insurance against a potential Chinese attempt to expand its influence on the Korean Peninsula in whatever form prior to Korean unification occurring. For example, the United States worries that without the US-ROK alliance, South Korea alone may not be able to keep China from intervening in any such unification process militarily (S. H. Kim 2007, 29; Wortzel 2009, 345-352). A committed US military presence on the peninsula would enable Washington to respond to any such Chinese attempt.

As Richard Armitage and Joseph Nye have asserted, the continued US deterrence guarantee via the US-Korea alliance could give the United States a justification to urge a unified Korea to eliminate the nuclear programs North Korea has developed (Armitage and Nye 2007, 7; Chanlett-Avery and Nikitin 2009, 12). The United States finds such a function of the alliance important, as evidenced by a controversy in 2004 over the contingency plan for a North Korean collapse devised between the United States and South Korea. The controversy was mainly about who would control nuclear weapons North Korea may have developed after unification occurred. Yoichi Funabashi quotes a former Pentagon official as saying: “South Korea will claim the North Korean nuclear weapons as uri [our] weapons. So we [Americans] must tell the South Koreans that we will manage and dispose of those nuclear weapons” (Funabashi 2007, 250). Narushige Michishita (1999, 73) and Victor Cha (2003, 19) also argue that the US-Korea alliance would help to dissuade a unified Korea from seeking to maintain its own nuclear weapons or advanced ballistic missiles. Thus, the US-ROK alliance acts to assuage Japan’s concerns regarding a unified Korea that would become militarily stronger as a result of combining both North and South Korean military capabilities. In sum, the US-ROK alliance provides an insurance against an undesirable balance of power that might evolve from any Korean unification process.

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22 All alliances in which either North or South Korea were partners would be open to revision, depending upon how restructuring during or after the unification would proceed. It is highly likely, though, that South Koreans would favour the US-ROK alliance to continue to be in force at least in the early stages of reunification. Various think-tanks, including KIDA, RAND and CSIS, have recommended that the two states maintain the alliance even after the unification of the two Koreas (Pollack and Cha 1996, XViii; CSIS 2002b, 1-2).
Given the negative historical factors influencing the relationship between South Korea and Japan such as historical animosity, intensified nationalism against each other, and the territorial dispute over Tokdo, the United States has an interest in arbitrating the relationship between its two Northeast Asian allies. If Japanese-South Korean relations deteriorated to a point where China were to adopt a ‘divide and rule’ strategy to draw South Korea onto its orbit, the United States could find itself confronting an unfavourable power constellation in the region. Thus, Washington has an incentive to cultivate diplomatic mechanisms for managing the relationship between Seoul and Tokyo effectively as insurance against such a development.

An interesting twist to the above perspective, however, involves Washington rather than Beijing. According to Victor Cha, it is the United States that has exploited Seoul’s and Tokyo’s fears of abandonment to manage security relations between the two ‘quasi allies’.²³ He argues that the level of political and military cooperation between quasi-allies Japan and Korea is directly affected by their respective perceptions of their common great power patron’s (the United States’) security commitment (Cha 1999, 36-58). When both fear being abandoned by the United States, any external threat compels Japan and South Korea to become less contentious and more cooperative with each other. The corollary to his argument is that when either of them does not fear being abandoned by the United States or does not have a perception of an external threat, Japan and South Korea emphasise their mutual animosities.

Yet, the United States cannot indefinitely manage the relationship between South Korea and Japan by exploiting their fear of abandonment in the post-Cold War period. This is because the fear of abandonment does not adequately represent what Japan and South Korea currently face in their relations with the United States. Though Japan may have had some fears of abandonment when the United States was courting China in the 1990s, the Taiwan Crisis of 1996 and the accidental American bombing of the Chinese embassy in Kosovo in May 1999 acted to sour Chinese-American political relations and put the US-Japan alliance on a firmer footing. The subsequent upgrading of the US-Japan alliance by the Bush administration only served to bolster Japan’s

²³ To reiterate, Cha defines ‘quasi-alliance’ as “the relationship between two states that remain non-allied but share a third party as a common ally” (1994, 41).
confidence in its American alliance partner. Also, there does not really seem to be any reason that the United States would abandon South Korea in the face of an attack from North Korea or China. In addition to the fact that South Korea has the world’s 11th largest economy, one in which the United States has a huge stake, South Korea is of continued strategic importance to the United States relative to both North Korea and China.

It is in this context that the United States has been attempting to create firmer trilateral security relations amongst itself, Japan and South Korea. The United States has attempted to interlock the US-ROK and the US-Japan alliances more closely by promoting coordination and complementarities between the two alliances (Nam and Takagi 2004, 172). Ralph Cossa terms the relationship between the two ‘quasi-allies’ of Japan and South Korea resulting from this inclusiveness as a ‘virtual alliance’ (Cossa 2000, 72). The burgeoning of South Korea-Japan security relationships in the context of linking the US-ROK and the US-Japan alliances is one possible basis from which more formal multilateral security institutions might yet emerge in Northeast Asia (McDevitt 2004, 15). For example, as will be explained below, the TCOG was set up in 1999 among the United States, Japan and South Korea to coordinate their North Korean policies. The TCOG was “incorporated into side meetings in the Six-Party Talks” (Jackson 2008). In fact, US attempts to create greater three-way cooperation are in line with its promotion of ‘minilateralism’ throughout the region and across the regions. The Trilateral Strategic Dialogue among the United States, Japan and Australia mentioned in Chapter Three is a good example of such a minilateral approach. In sum, the US-ROK alliance, along with the US-Japan alliance, is a stepping-stone on the way to the creation of an effective multilateral institution in the region. This provides a tangible motivation for the United States to retain the US-ROK alliance.

Case Studies

This section has so far examined 1) what are the order-centric functions of the US-ROK alliance in relation to regional order-maintenance and order-building; 2) how relevant those functions are in explaining the persistence of the US-ROK alliance; and 3) what makes the United States and South Korea prefer sustained alliance politics for order insurance over other security mechanisms.

To elaborate the arguments projected above, developments relating to South
Chapter Four

Korea’s self-declared role as a ‘Northeast Asia balancer’ and the TCOG will now be investigated. The first case shows how the US-ROK alliance influences regional order-maintenance and order-building processes when the two allies have divergent order interests, while the second case shows how the alliance influences regional order-building when the two states have convergent order interests.

South Korea’s Self-declared Role as a Northeast Asia Balancer

Former South Korean President Roh Moo Hyun proposed the concept of ‘Northeast Asia balancer’ as South Korea’s role in the region. In his address on ‘state affairs marking the second anniversary of his inauguration’ on February 25, 2005, Roh mentioned the role of South Korea’s armed forces as a ‘balancer’ that solidifies the peace in Northeast Asia. Throughout March 2005, he continued to identify South Korea’s role as a sub-regional balancer. In his address on the 86th Independence Movement Day on March 1 of that year, he declared that South Korea was ‘beefing up’ its national power in ways that qualified South Korea to play a distinct balancing role. Three weeks later, Roh offered the same message in another speech at the Korea Third Military Academy. South Korea’s balancing strategy, he insisted, would have a major and favourable impact on Northeast Asia’s security order.24

Despite President Roh’s repeated identification of South Korea’s role as a Northeast Asia balancer and the public support for this position25, it was never very clear what the Roh government envisioned a ‘Northeast Asia balancer’ to actually be. Given that it had been seeking more autonomy in US-ROK alliance relations under the name of ‘cooperative self-reliant defense’ than any other previous South Korean government, Seoul’s posture was interpreted by Washington as an effort to pursue more independent policies from the United States. As Larry Niksch of the US Congressional Research Service observed, the United States suspected that, by pronouncing South Korea’s role in the region as a ‘balancer’, Roh intended to send China a message that South Korea would not utilise the US-ROK alliance as an instrument directed against


25 According to a poll conducted in April 2005 by the public service office of South Korea’s Office of President, 75 percent of respondents regarded it as positive (J. H. Lee 2005).
China (Niksch 2006, 12). In this sense the United States worried that South Korea’s self-appointed balancer role in the region would lead South Korea’s foreign policy to shift toward China at the expense of the US-ROK alliance (R. Frank 2005). Assistant Secretary of the US Department of State Christopher Hill was reportedly annoyed by the concept of Northeast Asia balancer and was noted to have said that South Korea should stick to the US-ROK alliance (Onish 2005).

Most South Korean media and political critics of the Roh government regarded its self-proclaimed balancer role as an ill-founded attempt by South Korea to create a triad of equals with China and the United States. They criticised the concept because it did not consider the geopolitical reality of the US predominance in the region and for exaggerating South Korea’s security leverage. For example, the South Korean Daily Munwha Ilbo commented on April 7 that South Korea faced the possibility of distancing itself from trilateral security collaboration among the United States, Japan and South Korea (Munwha Ilbo 2005). Then-opposition leader Park Geun-hye warned the government on April 8 that such an attempt to deviate from the traditional US-ROK alliance was detrimental to South Korea’s national interests (Sung-Heon Lee 2005; Dong-a Ilbo 2005). Overall, the South Korean critics were concerned that the concept might undermine the US-ROK alliance, as a result of which South Korea would end up losing its US security guarantees.

In response to such criticism, the Roh government shifted the focus of South Korea’s balancer role from one between China and the United States to one between China and Japan. A high ranking South Korean government officer reportedly emphasised that South Korea’s role as a Northeast Asia balancer should focus on balancing the power of its two strong neighbours, China and Japan, who were expected to enter into greater rivalry with each other in the future (Donga Ilbo 2005; Chang 2005, 69). On April 25, 2006 South Korea’s National Security Council (NSC) affirmed that South Korea’s balancer role would mainly be realised in the context of South Korea-China-Japan relations (ROK NSC 2005, 6).

On the other hand, the traditional role of a balancer has been to prevent the rise of an actor who disrupts the existing order. This is how Great Britain functioned in the 19th century and was also the role the United States assumed after the World War Two. Given that South Korea clearly lacks sufficient relative material capabilities to become
such a balancer, what the Roh government advocated was a South Korean role as a ‘mediator’ or ‘facilitator’ between China and Japan. The Roh government posited that South Korea was in a good position to be a mediator or facilitator, as it is a democratic country (unlike China), free from a past history of atrocities (unlike Japan), and shares core values with the United States. In the capacity of a mediator or facilitator, Moon Chung-in, then-Chairman of the Presidential Committee on Northeast Asian Cooperation Initiative, claimed that South Korea would work to modify security rivalries between its two Northeast Asian neighbours and eventually create an effective multilateral security mechanism, thus contributing to building a more cooperative sub-regional order (Moon 2005a, 14-17; 2005b).

Nevertheless, as Moon implied in an interview with a Korean newspaper (Yonhap News Agency 2005), what underlay South Korea’s self-declared role as a balancer between China and Japan was its desire to occupy a position of influence between them. South Korea believes that both China and Japan have interests in having South Korea on their side. China does not want to see an anti-Chinese trilateral grouping emerging among South Korea, Japan and the United States. Japan would need to prevent South Korea [or a unified Korea] from assisting China should a military conflict occur between Japan and China. Given the interests of both states in preventing the other from having South Korea on its side, South Korea can maximise its leverage if it accommodates the interests of the two states without completely aligning with either one of them. Accordingly, South Korea has been increasing security interactions with China, while maintaining its security relationships with Japan in the context of linking the US-Japan and the US-ROK alliances.

It should be noted that South Korea deemed the US-ROK alliance essential in developing its role as a Northeast Asian balancer (Sheen 2009, 151). As South Korea’s NSC acknowledged, the alliance is an instrument that enables South Korea to have greater influence in its relations with other countries in the region than it would without it. The NSC also perceived that, since South Korea, as a balancer, aimed to prevent conflicts that would result from competition among regional states, its interest was congruent with those of the United States’ (ROK NSC 2005, 6).

However, the United States had been critical of South Korea’s self-proclaimed balancer role between China and Japan, with the harshest criticism coming from the
Pentagon. The United States continued to interpret Seoul’s strategy as indicative of South Korea’s determination to move closer to China. Washington believed that was incompatible with the US-ROK alliance (Cho 2005, 214-225), a point made clear to Korean Ambassador to the United States Hong Seok-hyun by Deputy Under Secretary of Defense Richard Lawless prior to President Roh’s visit to the United States in June 2005 (Seoul Shinmun 2005). If South Korea remained equi-distant between China and Japan, the United States could not create a ‘virtual’ or ‘extended’ alliance relationship between South Korea and Japan. Thus, US reactions to South Korea’s self-declared balancer role between Japan and China had been unremittingly negative. With such strong criticism from the American side, President Roh refrained from mentioning the concept any further. It was reported that, after Roh’s visit to the United States in June 2005, both states came to share the view that the United States is the ‘final balancer’ in the region (Chosun Ilbo 2005). Accordingly, the United States succeeded in pressing South Korea to modify its Northeast Asia balancer concept.

The short life of South Korea’s Northeast Asia balancer concept (from its inception in February 2005 to its modification five months later) illustrates how South Korea and the United States perceived the relative utility of the US-ROK alliance in terms of order-building or order-maintenance. South Korea perceived the alliance as an order facilitator for itself to pursue a balancer role between Japan and China. On the other hand, as a Pentagon officer who focused on East Asian affairs points out, the United States utilised the alliance as a ‘fulcrum’ for balancing US and South Korean interests, preventing South Korea from using the alliance to balance Japan (quoted in Funabashi 2007, 255). In sum, both allies drew positional interests from the alliance with respect to South Korea’s self-proclaimed role of ‘Northeast Asia balancer’. Such positional interests in order-building or order-maintenance (that are not necessarily convergent with each other’s stance as exemplified in this mini-case study) have been serving as a main factor for the persistence of the US-ROK alliance, along with other order insurance benefit that relates to multilateral order building to be examined below.

The TCOG

The United States operated the US-ROK and the US-Japan alliances exclusively during the Cold War period without interlocking them (Olsen 2002, 110). The division of labour between the two alliances within the overall context of
containing communism was clear: the US-ROK alliance would neutralise the North Korean threat, and the US-Japan alliance would deter Chinese and Soviet power in the 1950s and then Soviet power after the Sino-Soviet split in the 1960s. The historical animosity between Japan and South Korea prevented the two alliances from being linked in a meaningful way in any case during that period. Some token military exercises and mutual participation in RIMPAC and USFK air forces’ training with the Japan Air Self Defense Forces did take place (Green 1999, 8-10). Overall, however, pursuing exclusivism did not require Washington to arbitrate between Seoul and Tokyo for their security ties.

Yet, the near-collapse of the North Korean regime in the early 1990s and North Korea’s subsequent hostile actions (including the first North Korean nuclear crisis in 1993/1994 and military manoeuvres by heavily armed North Korean troops into the Demilitarised Zone in 1996) increased the three states’ stake in the trilateral consultation and coordination of their North Korean policies. First, the Americans needed to make South Korea feel more involved in its North Korean strategy, as South Korea entertained hard feelings toward the United States for having negotiated directly with North Korea without consultation with South Korea to resolve the ‘first’ North Korean nuclear crisis in 1993/4. Second, South Koreans wanted to be more informed of what the United States and Japan intended to do with the ‘redefinition’ of the US-Japan alliance in the mid-1990s, especially with respect to its coverage of the Korean Peninsula. Third, the Japanese felt excluded, as they were not included in the Four Party Talks among China, the United States and the two Koreas, that were formed in 1997 to deal with the North Korean nuclear issue (Harris and Cooper 2000, 51).

Such factors led the three states to attempt to create connectivity between the US-ROK and the US-Japan alliances. Michael Green points out significant features in this process. From the early- to mid-1990s officials from both foreign ministries and defense departments of the United States, Japan, and South Korea began consulting in a trilateral format. The Korean Peninsula Energy Development Organization (KEDO) was established mainly by the three states to implement the Agreed Framework between the United States and North Korea regarding nuclear power, further regularising the trilateral consultation process. Regular trilateral defense dialogues began in 1997. The United States and Japan, moreover, worked to include South Korean officials in many deliberations that related to their joint activities, especially those relative to the Korean
Peninsula itself (Green 1999, 17). Furthermore, the ‘Korea-Japan’ leg of the trilateral security cooperation was strengthened as a result of the North Korean missile test conducted over the East Sea in September 1998. South Korea and Japan had already conducted their first joint naval exercise off Jeju Island in August. Two months later (and a month after the North Korean missile test) they declared a ‘New Japan-ROK Partnership for the Twenty-First Century’ that included plans for increased consultation and exchange among the two states’ defense and cabinet officials.

The North Korean missile test also led the United States to direct former US Secretary of Defense William Perry to overhaul the United States’ North Korean policies. In the ‘Review of US Policy Toward North Korea’ (more widely known as the ‘Perry Report’), he recommended that South Korea, Japan and the United States create a tripartite institutional framework, the TCOG, to consult on and coordinate their North Korean policies. The three states’ governments concurred and mandated that their deputy foreign ministers would meet for talks at least quarterly (Ehrhardt 2004/2005, 679-680). The main rationale of the TCOG was that talks held by any of the three with North Korea should be done within the framework of their mutual agreement (*Digital Chosun Ilbo* 2008).

First meeting in April 1999, the TCOG was convened officially eight times that year, six times in 2000, and four times in 2001. Each meeting - usually lasting two-and-a half days - was quite casual with only several hours of formal sessions. Such a setting allowed participants to communicate in an atmosphere in which concerns could be raised and positions clarified at a more personal level than a more formal format would allow (Ehrhardt 2004/2005, 679-680). Independent observers have assessed the TCOG meetings as having been extremely beneficial to the management of the two alliances (Cossa and Oxley 2000, 66; Schoff 2005, v; Pritchard 2007, 178-180).

The TCOG meetings even survived rising tensions between South Korea and Japan in 2001, after Japan failed to respond positively to South Korea’s concerns over there being no mention in Japan’s middle school textbooks of Japanese colonial rule of Korea in the early 20th century. The tension heightened when Japanese Prime Minister Junichiro Koizumi visited the Yasukuni Shrine that honours those who died fighting for Imperial Japan – an entity that had imposed a colonial rule on Korea for thirty-five years. Nevertheless, the TCOG group continued to converse until mid-2003, though it
became more a consultation mechanism rather than one of actual policy coordination (Mitchell 2002, 29).

In August 2003, the Six Party Talks were launched. All three states of the TCOG were members of the talks along with China, Russia and North Korea. The TCOG states did not want to give the other three members of the talks the impression that the TCOG was a mechanism for contriving strategies among themselves. Thus, though they continued to confer, they stopped referring to ‘TCOG’ meetings. However, there was little difference between the TCOG meetings and those that continued among the three states, involving as they did the same people, the same agenda, and the same meeting format. These informal consultations (which were known as ‘non-TCOG TCOG meetings’) became a de facto allied caucus for planning common approaches to the Six Party Talks (McDevitt 2004, 15; Schoff 2005, 29; Jackson 2008).

As time passed, however, the increasingly divergent perceptions of the North Korean threat among South Korea, the United States and Japan made it increasingly difficult for the three states to have meaningful trilateral meetings. After June 2005, even non-TCOG TCOG meetings were suspended. Against this backdrop the three states have been utilising ad hoc trilateral meetings when the Six Party Talks faced a stalemate or needed a breakthrough. Though denying the resumption of the TCOG meetings, the three states have gathered intermittently and informally to discuss North Korean issues. For example, when the North Korean nuclear test in October 2006 suspended the Six Party Talks, the chief negotiators of the talks from the three states met in Hanoi in November 2006 on the sidelines of a meeting of the APEC forum to discuss the resumption of the Six Party Talks. They met in Washington D.C. on May 18-19, 2008 to discuss the disablement process of the North Korean nuclear facilities and again on March 27, 2009 to discuss North Korea’s preparations for launching a rocket.

To reiterate, the connection of the US-ROK and the US-Japan alliances in the context of the TCOG or non-TCOG TCOG meetings has not been forged with the specific intent of countering Chinese influence in the region. Rather, by providing a venue for a more concerted voice among the three states, these gatherings intended to encourage China (which is the chair of the Six Party Talks) to take a more active role in facilitating the talks. Indeed, China has not particularly opposed the trilateral meetings. Given that Seoul is reluctant to discuss China-related matters in the meetings unless the
matters directly concern inter-Korean issues or the Six Party Talks (Rozman 2007, 207), and as long as the meetings do not undermine the actual framework of the Six Party Talks, China may see them as a useful conduit into the Six Party Talks through the agencies of South Korea and even Japan that supplement its own meetings with the United States (Schoff 2005, 32).

In sum, before the Six Party Talks were launched, the TCOG, as an informal but regular network of security consultations among the United States, Japan and South Korea, served to build understanding and facilitate modulation on issues regarding their North Korean policies (Pritchard 2007, 178-180). Thus, it can be argued that, as a base for the TCOG, the US-ROK and the US-Japan alliances provided the three states with a firm ground upon which to participate and engage effectively in a more extensive trilateralism or mini-lateralism. Since the Six Party Talks were launched, the three states have attempted to send North Korea a signal that the US-ROK and the US-Japan alliances (which are bases of the non-TCOG TCOG meetings) function as a fallback option against disadvantageous side effects or downside risks that might be realised in the process of the three states’ pursuing the Six Party Talks or should they ultimately fail. Such a signal gives North Korea a warning that breaking the six party framework (i.e., order disruption) would be much more costly than complying with it (i.e., order-maintenance or order-building). Whether the warning works to bring North Korea back to the negotiation tables, especially after North Korea’s rocket launch and the subsequent UN sanctions against the country in April 2009, remains to be seen.

Insurance for the US-ROK Alliance

In a previous section of this chapter, it was argued that the United States and South Korea derive order insurance benefits from their alliance. Such benefits have become more obvious as the threat-centric rationales for alliance politics oscillated, providing a different type of glue that holds the alliance together. Even so, order insurance alone does not sufficiently explain why the US-ROK alliance persists. Both South Korea and the United States certainly favour the existing US-led global order. However, South Korea’s perceptions of North Korea at the regional or inter-Korean level have been significantly different from those of the United States.
During the Cold War, US global interests in containing communism and South Korea's regional or 'inter-Korean interests' in deterring the North Korean threat converged. In the post-Cold War era, the United States and South Korea still have a common interest in preserving US influence in the region. Yet they differ on how the regional order that should result from US involvement, especially in terms of relations between the two Koreas, should be shaped. The focus of the United States is largely on WMD non- and counter-proliferation. South Korea's focus, on the other hand, is the management of North Korea's nuclear situation in a way that contributes to a stable regional order, the avoidance of war and eventual national reunification. In maintaining this focus, South Koreans have incurred conflicts with their American counterparts (INSS 2007, 2). For example, in responding to the North Korean nuclear program, South Korea has been reluctant to fully participate in the US-led PSI, because it wants to maintain its engagement policy toward North Korea without unnecessarily provoking an intra-Korean crisis. This stance causes policy conflicts with the United States, which has attached greater weight to the PSI than has South Korea. Thus, the effect on alliance persistence of the American global/regional and South Korean inter-Korean/regional strategies is convoluted in relation to the US-ROK alliance. These differing concerns led to critical divergences between the two allies, and intra-alliance management has become problematic on a wide range of issues (e.g., burden sharing, division of labour within the alliance, and 'alliance security dilemmas'), especially between 1998 and 2008, when liberal political forces controlled South Korea.

However, the judgment of both South Korea and the United States has been that the benefits of their continued alliance affiliation are sufficiently responsive to their core national security interests. As long as the 'North Korea factor' and the 'China factor' can be controlled by neither wedging nor getting in each other's way to such an extent that the alliance itself comes under challenge, alliance persistence makes sense for both states. To maintain the linkage between alliance politics and order insurance, the United States and South Korea have adopted policy paths that minimise the possibility that unintended policy mismanagement would present a disruptive challenge to the alliance. In the following subsections, it will be argued that South Korea sent troops to Iraq in 2004 and agreed on the flexibility of the USFK in 2006 as insurance for the

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26 One such scenario would be that North Korea would sell nuclear technologies or weapons to any other states or non-state actors, and, in response, the United States would take military action against North Korea without consultation with South Korea (Steinberg 2007b, 32).
It will be further asserted that the United States has been restrained from ‘going it alone’ with its North Korean policies for the same reason.

South Korean Compromise

Dispatching Troops to Iraq in 2004

The Iraq War began in 2003 when the United States attacked Baghdad, alleging that Iraq had been developing WMD, including nuclear programs. However, the United States failed to secure a doubting UN’s endorsement of the invasion. As a result, only five states joined the United States in a ‘coalition of the willing’ during the initial stages of the war. The lack of international support compelled the United States to press its allies and friendly states to make a commitment to Iraqi reconstruction missions. It was in this context that the United States requested South Korea to dispatch combat troops to Iraq. In response to the American request, South Korea sent combat troops to Iraq in 2004, despite strong domestic objections. South Korea’s decision taken under the liberal Roh Moo Hyun administration contrasted with the more pro-American Roh Tae Woo government not having sent a military contingent to the Gulf War in 1991.\footnote{During the Persian Gulf War, South Korea sent only a 154-strong military medical team.} It is argued here that a consideration for insuring the US-ROK alliance shaped the Roh government’s decision to contribute militarily to the Iraqi reconstruction effort.

South Korea’s Participation in the Iraq War

South Korea had already been assisting the United States in the latter’s war against terror. It is true that, unlike such stalwart American allies as Great Britain and Australia, South Korea neither invoked the US-ROK alliance after the September 11\textsuperscript{th} attacks nor sent combat troops to Afghanistan. However, South Korea did dispatch a total of 2112 military personnel for \textit{Operation Enduring Freedom} in Afghanistan, comprising a medical support unit (Dongeui unit) and an engineering unit (Daesan unit), from 2001 to 2007. Seoul’s support for the war against terror continued in Iraq. After the United States invaded that country, South Korea dispatched a medical support group (Jema unit) and an engineer support group (Seohee unit) to Iraq on April 30, 2003. Though the United States declared the end of major combat operations on May 1, 2003,
signalling the commencement of the Iraqi reconstruction process, Iraq descended into civil war. With this unexpected development, US Deputy Under Secretary of Defense Richard Lawless asked South Korea to send additional troops to Iraq at the fourth FOTA meeting on September 4, 2003 (S. Park 2009, 194). Following this request, the Roh government announced on October 18, 2003 plans for an additional troop deployment.\textsuperscript{28}

While South Korea’s assistance of the United States in Afghanistan elicited little public opposition in South Korea, its assistance to Washington via \textit{Operation Iraqi Freedom} and with the subsequent Iraqi reconstruction effort met with strong political domestic opposition due to the lack of evidence that Iraq had stockpiled WMD. Most of the opponents were, indeed, President Roh’s political supporters. Several lawmakers from the ruling Uri Party went on a hunger strike against the dispatch. Even some of President Roh’s staff were reported to have threatened to resign should the President send combat troops (S. Seo 2003). On the contrary, the conservative opposition Grand National Party believed that the dispatch of additional troops to Iraq was necessary to strengthen the US-ROK alliance (Ko 2006, 264). With the help of the opposition party, the Roh government was able to have the Korean National Assembly approve sending a 3,600-person \textit{Zaitoon} unit to the Kurdish city of Irbil on December 13, 2003, the third largest contingent deployed to Iraq after those dispatched by the United States and Great Britain.

After that, despite strong domestic pressure for the withdrawal of the troops from Iraq, the Korean National Assembly gave four extensions of the \textit{Zaitoon} missions. The unit had engaged in various humanitarian missions and protected the offices of UN agencies until it concluded its four year and three month deployment in December 2008. The question thus arises: what compelled the Roh government to dispatch combat troops to Iraq, despite strong opposition from his own party and his supporters?

\textit{South Korea’s Commitments to Iraq and Insurance for the Alliance}

Before making the decision to deploy troops to Iraq, South Korea had attempted to link its propensity to support the United States in Iraq to the United States’ adopting

more flexible positions in resolving the second North Korean nuclear crisis of 2002/2003 (Sanger 2003; Ko 2006, 264). The Roh government, wishing to be more reconciliatory toward North Korea, hoped that the United States would adopt a softer line on the North Korean nuclear issue. However, the United States refused to observe any such a linkage, warning that the deployment of South Korean troops in Iraq would not bring a change in US policies toward North Korea (Steinberg 2007a, 15-16). When South Korea’s Foreign Minister Yoon Young-Kwan revealed South Korea’s concerns about linkage at a meeting with his counterpart Colin Powell on September 26, 2003, Powell reportedly informed Yoon that allies did not deal with each other in such a fashion (Sanger 2003). South Korea gave up bargaining with the United States over the proposed trade-off. The Roh government eventually decided to dispatch combat troops but not because it expected the United States to adopt more reconciliatory policies toward North Korea.

It did so to shore up what it viewed as a sagging relationship with the United States and, more specifically, to solidify the US-ROK alliance. South Korea recalled that, even though Japan contributed enormous financial assistance (US $13 billion) during the Gulf War in 1991-1992, it faced much criticism from Washington for not ‘doing more’, particularly for not dispatching Japanese troops. Since the September 11 attacks, whether or not an ally participates actively in US efforts on the war against terrorism has become a key litmus test that the United States has applied to assess alliance loyalty.

By late 2001, US officials were already criticising South Korea for not playing a greater role in US military missions and combined operations regionally and globally (U.S. DoD 2001b, II-11). Given this kind of pressure from the United States and an evidently weakened alliance relationship resulting from divergent South Korean and American threat perceptions of North Korea, the South Korean government worried that if it did not send combat troops to Iraq, the alliance would be put under serious strain. For example, it was reported that Foreign Minister Ban Gi-Moon speculated that, if South Korea had not dispatched troops, the scheduled and important US-ROK presidential summit of 2003 might not have been convened (Chosun Ilbo 2008a). Independent analysts have also argued that, in order to stabilise an increasingly strained US-ROK alliance, Seoul sent combat troops to Iraq as an expression of its desire to mitigate the tensions caused by its variance with Washington over the North Korean
nuclear issues (Nam 2007, 176). Notwithstanding Roh’s presidential election strategies of boosting nationalism and exploiting anti-American sentiments, he explained to the National Assembly that sending the South Korean troops to Iraq was a necessary and morally acceptable trade-off for the sake of maintaining the US-ROK alliance relations. He further argued that South Korea’s sending of troops to Iraq was the most economical way to provide for alliance stability in the eyes of the United States (Roh 2006).

The United States obviously welcomed South Korea’s decision to send combat troops to Iraq (Forrester 2007, 3; S. Park 2009, 195). It is true that some Americans criticised that South Korea sent only a third of what the United States had originally requested and that it positioned its troops basically out of harm’s way in Kurdish territory where no foreign garrison was under siege (Bandow 2005a). However, the fact that President Roh overruled the non-governmental organisation (NGO) activists within his own political base in providing assistance for Iraq’s reconstruction still pleased US policymakers (Snyder 2004a, 10). What the United States desired was the ‘legitimacy’ that could be derived only from greater support by the international community for its invasion of Iraq. From the American perspective, the South Korean decision provided the United States with additional such legitimacy especially after Turkey had reneged on its commitment to send troops on account of unexpectedly severe Turkish political opposition (Funabashi 2007, 235). President Roh’s visit to the United States after South Korea made the decision to commit additional troops helped restore some warmth between the two countries, a fact affirmed when President Bush praised Roh’s decision at a later meeting with the South Korean President in Bangkok in October 2003 (S. J. Lee 2005, 85). In sum, South Korea committed itself to deploy forces to Iraq out of concern that its existing alliance relationship with the United States could otherwise be jeopardised.

Agreeing on the Strategic Flexibility of the USFK in 2006

The United States has been transferring various USFK components to other theatres fairly steadily. Cases-in-point include the war against terror in Afghanistan in 2001 and the Iraq War in 2003. In the latter case the United States decided to pull out 4,000 USFK soldiers for Iraq without prior consultation with South Korea, instead only

29 In fact, South Korea’s Foreign Minister Ban termed such a South Korean posture ‘Balanced Programmatic Diplomacy’, i.e., ‘balanced’ between independence and alliance (Ko 2006, 266).
‘notifying’ Seoul of the decision in the aftermath (Choong-ang Ilbo 2004). Since then, the flexibility of the USFK – transferring elements of the USFK to locations beyond the Korean peninsula - has become a sensitive issue in South Korea, as Seoul has worried about being dragged into some conflict to which the USFK would be dispatched. Of particular concern in this regard was the potential for a Sino-American conflict over Taiwan in which China would attack USFK bases in South Korea should the USFK become involved in any such conflict.

Despite South Korea’s reluctance to formally support the flexibility of the US forces deployed in South Korea, the two allies “reaffirmed the continuing importance of the strategic flexibility of United States forces” at the 35th and 36th SCM meetings in 2003 and 2004. After having expanded the areas of mutual military support from the Korean Peninsula and North America to other areas of the world through the revision of the Mutual Logistics Support Agreement in 2004, the US Secretary of State Condoleezza Rice and South Korea’s Foreign Minister Ban Gi-Mun agreed on the ‘strategic flexibility’ of the USFK at the first ministerial level dialogue of the SCAP meeting in January 2006. A condition that “the U.S. respects the ROK position that it shall not be involved in a regional conflict in Northeast Asia against the will of the Korean people” is attached to the joint statement. The agreement was widely interpreted in Washington, however, as South Korea’s acceptance of USFK flexibility outside South Korea to deal with future regional contingencies. It is argued below that South Korea’s agreement was to insure its alliance with the United States. To do this, it is necessary to understand how important the United States perceives the strategic flexibility of the US overseas forces to be in relation to US ‘transformation strategy’.

US Transformation Strategy and the Strategic Flexibility of the USFK

Unlike during the Cold War, when the targets of US armed forces were clear, the United States has been increasingly concerned about ‘uncertainty and surprise’, ‘multiple complex challenges’ and ‘decentralized network threats from non-state enemies’ in the post-Cold War era (U.S. DoD 2006, vi). Accordingly, it has been changing the character of its military strategies from ‘threat-based’ to ‘capabilities-based’. A capabilities-based military strategy intends to increase one’s generic military

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capabilities rather than focusing on one or more specific opponents and to prepare to respond quickly to contingencies that are difficult to predict in advance (U.S. DoD 2001a, 13-14; Troxell 2001, 158-159; Przystup 2007, 262). This shift has been marked by the transformation of its overseas armed forces in the direction of becoming ‘lighter’ and more flexible for expeditionary missions at a distance (Rumsfeld 2002, 24-29). What this means in terms of alliance politics is that the United States values overseas bases and access points as ‘lily pads’ or ‘jumping-off points’ from which it can more easily respond to both global and regional contingencies (Campbell and Ward 2003, 96-98). Accordingly, the United States has been rearranging and relocating its forward-deployed forces to make them readily deployable for activities within and across regions.

With respect to the US-ROK alliance, the United States has been reorganising the USFK for ‘greater operational flexibility and mobility’ in accordance with the recommendations posited in the Bush administration’s 2003 Global Defense Posture Review. US officials have been negotiating with their South Korean counterparts to restructure the USFK within the framework of the FOTA that commenced in 2003. As a result, the United States has redeployed its forces scattered around the northern parts of South Korea to more southern parts of that country, especially to Osan and Pyongtaik. The main purpose of such moves was to make it easier for the USFK to be sea- or airlifted swiftly for out-of-peninsula missions. The USFK has integrated its air force assets into a Multi-Functional Aviation Brigade that is characterised as ‘aerospace expeditionary forces’ and has upgraded airways, oil reservoirs and air bases (Levin 2004, 46; D. H. Cha 2004, 45). The USFK has also been restructuring its 2nd Infantry Division to enjoy greater mobility. For example, the Division’s first brigade has been divided into 5-7 battalions in order to send off an appropriate battalion to a conflict more easily, depending upon the type of conflict that emerges (S. H. Lee 2007, 48). In addition, to help facilitating USFK’s flexibility, the United States transferred to South Korea some of the tasks that it had previously undertaken. These include Joint Security Area surveillance, Counter-Special Forces Air Force Support missions and Counter-fire Command and Control Task Force HQ missions (ROK MND 2006, 87). From the American perspective, such rearrangements make it easier for the United States to underwrite the deployment flexibility of the USFK. In sum, the reorganisation of the USFK should be understood in the context of the US global military transformation strategy that emphasises maximum manoeuvrability of its troops overseas.
South Korea’s agreement on the flexibility of the USFK has been controversial in South Korea. Critics opposed such flexibility in at least two respects. First, they contend that the reconfiguration of USFK deployment patterns signals Washington’s intention to target China rather than being geared toward addressing unspecified regional contingencies. According to these critics, should a cross-strait crisis occur, the USFK might be utilised in defense of Taiwan, with China possibly retaliating by attacking military bases of the USFK in South Korea (C. K. Lee 2006; Cheong 2006). Or China might pre-emptively attack and neutralise US bases in South Korea in a variant of this scenario. Indeed, these concerns led South Korea to insist on attaching the aforementioned condition to the statement. Yet, critics still argued that the USFK could be utilised for such contingencies (K. Park 2006, 4-6). Second, the critics point out that, as a consequence of the USFK being relocated to southern parts of South Korea for rapid out-of-peninsula deployment, the possibility of US pre-emptive strikes on North Korea has increased, for the USFK will become located outside the reach of North Korea’s retaliatory long-range artillery fire (Cheong 2006).

Despite these criticisms, South Korea has been closely cooperating with the United States in the latter’s efforts to establish USFK flexibility, including the southward relocation of the USFK mentioned above. While the United States is ready to utilise the USFK for expeditionary purposes, South Korea has been assuming an increasingly greater role in deterring and defending against North Korea. Such cooperation illustrates South Korea’s endorsement of and support for the flexible utilisation of the USFK desired by the United States (Nam 2007, 178).

What then has motivated South Korea to agree on USFK flexibility? In this context, it is worthwhile to ponder a question that the noted alliance politics observer Doug Bandow has asked: “If America’s troops in the South are not needed to defend South Korea and Seoul is unwilling to allow America to use those forces for any other security purposes, why should the United States keep any military units there?” (Bandow 2005b, 115). South Korea’s acceptance of the USFK strategic flexibility and its cooperation with the reorganisation of the USFK should be understood as South Korea’s insurance strategy to preserve the US-ROK alliance. Former Foreign Minister of South Korea Han Sung-joo suggests that the strategic flexibility of US forces today is
akin to the issue of the right of US ships to carry nuclear weapons in its alliance dispute with New Zealand unfolding in the mid-1980s. The right of the United States to ‘neither confirm nor deny’ that its forces were deploying nuclear weapons was a determining factor as to whether or not the United States continued a particular alliance (Han 2007, 12). Given the ‘transformation strategy’ of the United States, if South Korea had insisted on similar inflexible conditions for the USFK in South Korea that evolved in New Zealand, the US-ROK alliance which had already come under challenge due to divergent threat perceptions between the two states might have been discontinued (Snyder 2004, 4; B. G. Kang 2006, 96). Indeed, Assistant Secretary of US Department of Defense Richard Lawless reportedly warned the South Korean Ambassador to the United States Hong Seok-hyun that the USFK might be withdrawn if South Korea did not accept USFK’s right to be accorded flexibility in its mission orientation (Hankyereh 2005).

From the South Korean perspective, while the fear of alliance entrapment resulting from agreeing on the USFK flexibility may be a distant prospect, the drift of the US-ROK alliance on various issues was a matter of serious concern (S. H. Lee 2006, 3-4). South Korea’s agreement on USFK flexibility and its cooperation with the USFK reorganisation insured the continuation of the US-ROK alliance. Indeed, the United States regarded South Korea’s initiatives to solidify alliance insurance as a positive gesture for the US-ROK alliance, as was reflected in Commander of USFK General Burwell Bell’s comment: “The [USFK FOTA] agreement is a testament of alliance strength and solidarity” (B. Bell 2006; Nam 2007, 176).

The American Compromise: US Consideration of South Korea in its North Korean Policies

During the first North Korean nuclear crisis in 1993-1994, South Korea expressed concerns to the United States that the latter country was contemplating a

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31 The likelihood of a war between the United States and China over Taiwan, for example, is very low. Also, should a war occur, the US forces in Okinawa or Guam would be more effectively utilised than the USFK because they are more air-force and navy focused. Moreover, if such a war were to develop to the extent that the United States required a deployment of the USFK to Taiwan, it would mean it was a large scale war in which the USFK could not avoid but being entangled, regardless of a prior acknowledgement of the flexibility of the USFK (S. H. Lee 2006, 4).
surgical strike against suspected North Korean nuclear sites at an earlier stage of the crisis and that it was being inadequately consulted on such deliberations. It was also concerned that the United States’ signing the ‘Agreed Framework’ with North Korea at a later stage was done without sufficiently close consultation with South Korea. However, while dealing with the second nuclear crisis in 2002-2003, the United States resorted to diplomatic multilateral solutions involving intense policy consultations with the South. Below, it is argued that such a shift resulted partly from the United States’ consideration of insuring the US-ROK alliance.

US Consideration of the South Korean Stance in its North Korean Policies

The first North Korean nuclear crisis intensified in the early 1990s. After having conducted on-site inspections of North Korean nuclear facilities, the International Atomic Energy Agency (IAEA) found that its inspection results were not consistent with North Korea’s declarations as to the amount of plutonium it had separated from its nuclear facilities. This discovery was compounded by information from American intelligence that indicated the existence of two undeclared facilities that were suspected of containing nuclear waste materials (Marra 1995, 97). The IAEA called for inspection of these facilities, but the North Korean government refused to grant access to these sites. The negotiations between North Korea and the IAEA over the inspection of suspected facilities faltered in April 1993. North Korea continued to block inspection and announced that it was replacing 8,000 uranium fuel rods in the Yongbyon reactor, from which plutonium could be extracted and purified into weapons-grade material (C. K. Kim 2000, 146). This announcement provoked the United States to call for economic sanctions against North Korea. North Korea submitted a letter to the United States, declaring that North Korea had decided to withdraw from the Non-Proliferation Treaty (NPT) as of June 13, 1994.

With these developments, the United States considered conducting a surgical military strike against the suspected nuclear sites at Yongbyon (Oberdorfer 1997, 324-330). In contemplating that option, however, Washington failed to consult with South Korea (Easley 2006, 128). South Korean President Kim Young Sam was not informed about this ‘near-war’ possibility (Cummings 2006). According to his memoirs, he had to call an urgent meeting with US Ambassador to South Korea James Laney, the substance of which led President Clinton to call him in the next morning. Kim claims that he persuaded President Clinton to stop an imminent US surgical strike on Yongbyon
On the other hand, North Korea's NPT withdrawal actually led to both low and high level diplomatic talks between North Korea and the United States. While leaving the option of military action alive, the United States sought to resolve the crisis through direct bilateral negotiations with North Korea. As an outcome of heated and time-consuming negotiations between the two countries (including a visit from former US President Jimmy Carter to North Korea) the United States and North Korea signed an 'Agreed Framework' on October 21, 1994. At the heart of the 'Agreed Framework' was a commitment by Pyongyang to shut down its nuclear plants in return for the US-led financing and construction of two nuclear-weapons-free reactors and the supplying of heavy oil. Pursuing this process, the United States and North Korea gave South Korea no place at the negotiating table (Sigal 1998, 193).

This exclusion of South Korea by the United States produced a major crack in the US-ROK alliance. South Koreans lost their trust in their American ally's North Korean policies. They worried not so much about the North Korean nuclear program itself as they did about the possibility that the United States would go to war with North Korea without telling South Korea, even though the lives of millions of South Koreans would be put at risk by any such act (E. Kang 2003, 314). South Koreans felt betrayed that the United States had engaged in negotiations with North Korea while leaving South Korea out of such talks.

However, such US obliviousness did not feature in the American response to the second North Korean nuclear crisis, which occurred in 2002/2003. According to the Agreed Framework, North Korea was to shut down its nuclear plants in return for the construction by the American-led KEDO of two nuclear-weapons-free reactors and supplies of heavy oil. However, when the construction of the two light water nuclear reactors was delayed and the crude oil was not provided as scheduled, North Korea announced that it would restart its nuclear program. The United States called for inspection of the suspected nuclear facilities and full access for the IAEA inspectors to them. North Korea responded by escalating the diplomatic impasse through withdrawing once again from the NPT in January 2003.

The United States and South Korea adopted conflicting policies during this period, just as had been the case during the first North Korean nuclear crisis of 1993-1994. Concerns over divergence on their North Korean policies between the 'hawkish'
Bush administration and the ‘reconciliatory’ Kim Dae-jung administration were raised in both allied capitals. These differences were highlighted during President Bush’s meetings with South Korean presidents Kim Dae-jung in February 2002 and Roh Moo-hyun in May 2003: the Americans maintained a hard line against the North with the South Koreans being more cautious regarding Pyongyang (Tow 2003, 43).

In early 2003 the United States and North Korea exchanged threats of war, moving a normally pacifist Japan to voice consideration of moving pre-emptively against North Korea (Bleiker 2003, 719). Nevertheless, the United States did not seriously consider a surgical strike on the suspected North Korean nuclear sites as a viable option, as then-US Department of State’s Korea country desk director David Straub recalls (Joo 2006). Instead, to resolve the crisis, the United States supported a diplomatic multilateral gathering -the Six Party Talks- where South Korea would be a member along with North Korea, the United States, Japan, China and Russia.

Such a shift of US posture was surprising, as the Bush administration had previously entertained a hawkish stance toward North Korea. Behind this hawkish posture were the factors that 1) the United States was in the post-September 11th period with a corresponding more aggressive security posture directed toward North Korea, 2) the Bush administration’s foreign policy at the time was being shaped by hawkish neo-conservatives; and 3) President Bush had identified North Korea (along with Iraq and Iran) as part of an ‘axis of evil’ and as a possible target of a pre-emptive war.

Moreover, the US response to North Korea’s brinkmanship revolving around the second nuclear crisis was contrasted with the Iraqi crisis leading to the Iraq War of 2003-2004. As Roland Bleiker (2003, 720) and Peter Howard (2004, 810) both point out, North Korea posed a more serious threat (perceived and real) to the United States than did Iraq. North Korea, moreover, admitted that it had developed secret nuclear programs while Iraq denied having done so. The question thus arises: why did the United States not attack North Korea’s suspected nuclear sites while it did invade Iraq over the same concern; and why, instead, did it opt for multilateral diplomacy as the main means of resolving the Korean crisis?

*US Consultation with South Korea: Insurance for the Alliance*

Since the first North Korean nuclear crisis of 1993-1994, the US-ROK alliance
had come under serious strain due to divergent threat perceptions in Washington and Seoul regarding North Korea. As explained earlier in this chapter, the Kim Dae-jung government had pursued reconciliatory policies toward the North beginning in 1998, thus developing an interest in engaging Pyongyang, while the Bush administration had designated North Korea as a ‘rogue state’. The soured relationship between Seoul and Washington was clearly in evidence during the summit meeting between President Bush and President Kim in 2001, where the United States rejected South Korea’s ‘Sunshine Policy’ toward the Kim Jong-il regime (S. J. Lee 2005, 83). For South Koreans, the Bush doctrine of pre-emption announced in September 2002 raised fears that the United States would strike suspected North Korean nuclear sites, igniting war. South Koreans worried that the US-ROK alliance would then force South Korea to be dragged into a military confrontation with North Korea, which they found to be against their country’s own best interests. If a US surgical strike were to escalate into full-fledged war, both Koreas would be damaged. Second, massive numbers of North Korean refugees would flood into South Korea. Third, should the United States attack North Korea, China might not remain aloof but move its forces to the northern part of North Korea (Dong-a Ilbo 2007; Wortzel 2009, 345-352). For these reasons, the United States’ exercising any coercive military option against North Korea had become a ‘worst-case scenario’ for South Koreans.

The South Korean fear of a US military attack against North Korea was further heightened in 2003. During the South Korean presidential election campaign, candidate Roh Moo Hyun stoked nationalistic fears around this issue as part of his election strategy, while the United States openly supported a conservative candidate, Lee Hoi-Chang, from the opposition Grand National Party. After his election, Roh worried that the United States would ignore him and attack North Korea over his objections (Roh 2006; Cummings 2006).

A controversy over the revision of Contingency Operation Plan (CON-PLAN) 5029-05 compounded South Korea’s concern about the perceived warlike predisposition of the United States. Toward the end of 2004 the US-Korea CFC (headed by an

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32 President Roh recalled at the 50th meeting of the Standing Committee of National Unification Advisory Council on December 22, 2006: “When I was elected as the President, there were numerous reports of potential military strikes against North Korea in Korean and American newspapers. --- The public is bound to feel uneasy when they read such reports. Accordingly, I said that a military strike against the North should never happen” (Roh 2006).
American general) reported to the South Korean government that it would revise CONPLAN to Operations Plan (O-PLAN). Though both plans cover how the two allies should act in a contingency relating to North Korea, O-PLAN details more concrete and articulated procedures the two allies should follow (Arkin 2006). South Korea, understanding that it was obliged to follow O-PLAN but not CON-PLAN, opposed the revision. South Korea worried that if O-PLAN were to be implemented, it would bring with it the risk that an ill-considered US military action might initiate a full-scale war on the Korean Peninsula (Jung 2005). Moreover, as then-senior director for National Security Council Park Sun-Won points out, the South Korean government regarded the O-PLAN as the CFC's infringement onto its sovereignty, because a North Korean contingency would not necessarily result in North Korea's attack on South Korea that would warrant the involvement of the CFC (S. Park 2009, 202-204). The controversy was resolved when President Roh persuaded President Bush of the wisdom of South Korea's position at the summit meeting in April 2005 (S. Park 2009, 204).

As this episode illustrates, preventing the United States from conducting any unilateral military actions against North Korea became a key strategic priority of South Korea. President Roh made this very clear in his address at a luncheon hosted by the Los Angeles World Affairs Council in November 2004 (Roh 2004). In short, South Korea desired a multilateral diplomatic solution to the second North Korean nuclear crisis.

Through strong resistance to Washington's North Korean policy, various South Korean politicians and civil society groups together made it politically more costly for Seoul to maintain the US-ROK alliance (S. J. Lee 2005, 81). If the United States had sustained a coercive posture against North Korea and had continued to intimate the possibility of military action, the US-ROK alliance would have been jeopardised, as expressed in President Roh's remark that an attack on North Korea would lead to the end of the US-ROK alliance (cited in Cummings 2007). Various US defense analysts

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33 He said: "Once, before the Six-Party Talks were launched, some people were talking about the possible use of armed force against North Korea. Mere mention of military action reminds the Korean people of war. For Koreans, it is a matter of life and death. The anxiety of the Korean people who underwent war is quite different from that of the Americans. --- For this very reason, armed force has very limited usefulness as a negotiating strategy. It is my belief that the United States, which made a significant contribution to Korea's democracy and economic development, would surely respect this reality."
warned the US government that if the United States (or Japan) pre-empted North Korea, the US-ROK alliance would be destroyed (Ahn 2005).

Out of consideration for South Korea’s interests in avoiding a war on the peninsula, in addition to the United States’ own concern over China’s negative reaction to a US pre-emptive strike on North Korea’s nuclear installations and the likely failure of any attempt to deal effectively with North Korean underground facilities, the United States ultimately became more restrained in pursuing coercive military options against North Korea. It is true that the United States stated that it would keep ‘all options open’, meaning that a military strike against the North was not ruled out (K. J. Kim 2008, 96). However, while Washington talked tough, it also acknowledged South Korea’s concerns in avoiding a war on the peninsula (E. Kang 2003, 320; K. J. Kim 2008, 98). Former Director for Asian Affairs at the US National Security Council Victor Cha notes that, though Washington’s rhetoric projected its willingness to consider all options in relation to its concern for advancing nuclear non-proliferation in Northeast Asia, its actual policies have reflected an unwillingness to employ a military or other options to oust Kim Jong II from power (Cha 2007, 105-106; INSS 2007, 2-3).

Instead, largely ignoring its own declared policy of using pre-emptive military action to protect vital US national interests (even in the face of the resumption by North Korea of its plutonium-based nuclear weapons program) the Bush administration decided to employ multilateral diplomacy as the primary means through which to influence North Korea (E. Kang 2003, 320). The United States entered into the Six Party Talks in which South Korea also became a member, rejecting the option of direct two-party talks with Pyongyang (Feffer 2006, 51). It maintained close consultation with South Korea over the issue of dismantling North Korea’s nuclear program within the framework of the Six Party Talks, (though policy modulations between the two states were not easy due to the divergent US-ROK threat perceptions of North Korea). To reiterate, this US posture simply contrasted with the first North Korean nuclear crisis in 1993/1994, when the United States signed the Agreed Framework with North Korea without consultation with South Korea. Such a policy shift helped to reduce suspicions among South Koreans that the United States planned to relocate the USFK out of the reach of North Korea’s artillery fire in order to make a pre-emptive strike on North Korea that would be less costly to itself.
The Six Party Talks have been on and off. They were stalled between 2005 and 2006 due to the alleged North Korean money laundering and the subsequent imposition of international financial sanctions on North Korea. Nevertheless, the talks survived the North Korean nuclear test in October 2006. After the test, the 5th and 6th rounds of the talks were held between 2006 and 2007. The talks have been stalled again since December 2008 due to the conflicts among members over verification procedures relative to North Korean nuclear facilities. Moreover, in April 2009 North Korea announced that it would not come back to the Six Party Talks in protest against UN sanctions imposed on North Korea following its rocket launch on April 5, 2009.

However, the United States continues to be determined to utilise the talks as the main basis for resolving North Korean nuclear issues, placing efforts to work with South Korea to this end within the framework of the Six Party Talks. In other words, the US global priorities of non- and counter-proliferation do not supersede alliance compromise with South Korea, which approaches the nuclear issues with a more dovish stance based on ‘inter-Korean’ or regional perspectives.

South Korea still worries that the United States may some day conduct a unilateral military strike against North Korea (S. Lee 2003, 13). South Korea is also concerned that the United States might yet engage in direct negotiations with North Korea that would exclude South Korea on its policy interests. If so, the US-ROK alliance would be seriously undermined. Given the significance of the insurance benefits the US-ROK alliance provides to the United States (as discussed in the previous section), the United States will continue to refrain from exercising either option and will, instead, consider South Korea in its North Korean policies in order to insure the alliance. In turn, this US compromise for ‘insurance for the alliance’ gives South Korea an incentive to maintain the alliance as well (Cha 2002/3, 102-103).

Conclusion

This chapter has investigated why the US-ROK alliance has outlived a significant reduction in the mutual threat perception held by Washington and Seoul over North Korea – a factor that traditional alliance theorists insist constitutes the prerequisite glue for alliance politics. It has been argued here that a degree of insurance in relation to regional order-maintenance and order-building- what is called in this thesis
order insurance- has been driving the persistence of the US-ROK alliance. It has been further argued that for the order insurance benefits they extract from the alliance, both allies pay premiums such as what is described as insurance for the alliance (e.g., sending combat troops to Iraq in 2004 and agreeing on the flexibility of the USFK in 2006 in the South Korean case, and considering South Korea’s position on issues related to North Korea in the American case). I term this mechanism (exchange between insurance benefits and insurance costs) the order insurance explanation of the persistence of the US-ROK alliance.

Military inter-operabilities, networks and trust relationships that have been developed between the two states have facilitated the mutual understandings of this insurance mechanism. Though the ‘North Korean factor’ or the ‘China factor’ have caused (and may yet cause further) alliance challenges, a recognition of and appreciation for this insurance mechanism will be a strong incentive for each partner to continue the US-ROK alliance.

Finally, the larger implication of this chapter is that lingering threat perceptions, institutional features and ideational factors, considered by institutionalists or constructivists as the main factors of alliance persistence in a relative benign security environment where mutual threat perceptions between allies have deteriorated, are not necessary conditions for an alliance to persist.

Among the five formal alliances the United States still maintains in the region, the US-ROK alliance was arguably the most threat-centric during the Cold War period. Assuming that to be the case, if non-material factors that were initially developed to address Cold War threats would be sufficient to explain the persistence of an alliance in the post-Cold War period, the US-ROK alliance should be a ‘most likely case’ to support those causal links. Yet, as the first part of this chapter has argued, neither institutional features (such as alliance asset specificities) nor ideational factors (such as a socialised ‘we’ identity between South Korea and the United States in opposition to autocratic and communistic North Korea) have been driving the persistence of the US-ROK alliance. Instead, order-centric rationales have been playing increasingly stronger roles in its persistence.
Chapter Five: Alliance Discontinuation

Alliance perpetuation in the face of the disappearance of mutual threat or the deterioration of mutual threat perceptions between allies comprises the major concern of this thesis. It has been argued here that an alliance persists if its adherents find order insurance benefits from retaining their security ties to insure against a variety of future challenges to stability and order. The previous two chapters argued that an order insurance mechanism (i.e., an exchange between 'insurance benefits' and 'insurance costs') has played a key role in the persistence of both the US-Australia and the US-ROK alliances.

To cross-compare the relatively successful cases of US-Australia and the US-ROK alliance persistence, this chapter investigates the de facto termination of the US-New Zealand leg of ANZUS in the mid-1980s and the turbulence experienced by the US-Philippines alliance during much of the 1990s. The 'alliance failure' of the US-New Zealand leg of ANZUS during the mid-1980s is highly relevant to understanding the persistence of the US-Australian security relationship. The 'alliance endangerment' experienced by the US-Philippines alliance between 1992 and 1999 is comparable with the US-ROK security relations between 1998 and 2008. In both cases of alliance discontinuation weighed by this chapter, policy mismanagement exacerbated strains on alliances already troubled by the lack of mutual threat or divergent threat perceptions. These two cases are applied to examine a key dimension of the argument underlying this study's main argument: the discontinuation of an alliance occurs if, in the absence of a mutually perceived threat (perception), its members do not find order insurance benefits or if they have not paid insurance costs.

It is argued in this chapter that neither the United States nor New Zealand received order insurance benefits from the US-New Zealand leg of ANZUS during and after their nuclear policy dispute of 1984-87. In the case of the US-Philippines alliance between 1992 and 1999, despite the withdrawal of the US military forces from the Philippines, order insurance was still generated. Yet, both the United States and the Philippines had failed to introduce, cultivate, or retain measures to sequester the alliance from Filipino domestic opposition. An analysis and explanation of these two cases should prove constructive to understanding alliance persistence.
Chapter Five

The de facto Termination of the US-New Zealand Leg of ANZUS

Having experienced close alliance relations among its members for over thirty years as a component of the overall Western containment strategy against communism in the Asia-Pacific, ANZUS faced a major crisis in the mid-1980s. The crisis surfaced as the New Zealand Labour Party (NZLP) won its country's general election in July 1984 with anti-nuclear policy as one of its campaign pledges. The Labour Party's anti-nuclear platform originated in the 1970s, when churches and labour unions boosted anti-nuclear sentiments in the South Pacific (Tanham 1988, 92). In 1979 the NZLP national conference adopted a foreign policy platform that advocated non-alignment and the withdrawal from existing military alliances with states possessing nuclear weapons. It even voted in its national conferences throughout the early 1980s to withdraw from ANZUS (McCormick 1995, 393). Though the conference's recommendation was moderated in 1984 as an election it could win approached, the still strong anti-nuclear sentiments of the NZLP led to a campaign pledge to ban any visit of nuclear-powered or nuclear-capable ships and airplanes from entering New Zealand's territory (Alves 1989, 373).

A Labour government led by Prime Minister David Lange came into power on July 26, 1984. The United States could not acquiesce to the Lange government's anti-nuclear posture, as roughly half its ships qualified as nuclear-powered or nuclear-capable vessels. It also maintained a steadfast nuclear 'neither confirm nor deny' (NCND) posture on identifying which US ships and airplanes actually carried nuclear weapons (Cutler 1989, 78). Six months after Prime Minister Lange took office, the United States tested his anti-nuclear policies by requesting a port visit for the USS Buchanan on a NCND basis (Pugh 1989, 1). Unlike previous such visits before New Zealand's anti-nuclear policy was enunciated,¹ Lange denied the American request on February 4, 1985 after the United States refused New Zealand's request to affirm that the Buchanan was nuclear-free.

The United States responded to New Zealand's denial by cancelling numerous joint military exercises and by urging Australia to do the same (Langdon 1988, 9; Tow 1991, 366). It further cancelled a planned visit of New Zealand legislators to the US

¹ There were 148 visits of US ships to New Zealand ports between 1960 and 1984 (McCormick 1995, 394).
Pacific Command headquarters in Hawaii and dismissed the New Zealand defence attaché assigned to Pearl Harbor (Albinski 1987, 49-54; Tow 1991, 366). Moreover, the United States stopped sharing intelligence with New Zealand and restricted Australia from relaying critical intelligence to New Zealand (McCormick 1995, 397).

As a result of US retaliation for New Zealand’s refusal to grant entry to the Buchanan, US-New Zealand alliance relations were de facto terminated. Only limited intelligence sharing was continued in the form of ECHELON telecommunications surveillance. Though the American use of Christchurch airport for its Antarctic operation was retained, US transport aircraft from the Christchurch base to Antarctica was obviously ‘non-nuclear’ in composition in the eyes of both governments (Rolfe 2003, 127). In July 1986 US Secretary of State George Schultz informed Prime Minister Lange that the United States would no longer provide New Zealand with a defence guarantee (Langdon 1988, 9). Furthermore, the United States exchanged letters with Australia on August 11, 1986, indicating that, from its vantage point, ANZUS had transformed into a bilateral security arrangement between itself and Australia (Australia Department of Foreign Affairs 1986, XII-XIII). New Zealand also acknowledged the de facto severance of its alliance relationship with the United States in a bipartisan Report of the Defence Committee of Enquiry, stating that New Zealand had no use for an ANZUS treaty devoid of military cooperation, logistic support, or security guarantees (New Zealand Defence Committee of Enquiry 1986, 86).

The ANZUS dispute reached its climax on June 4, 1987 when the New Zealand Parliament enacted the New Zealand Nuclear Free Zone, Disarmament, and Arms Control Act. This prohibited the transit of nuclear ships and airplanes (whether nuclear-capable or nuclear-powered) through New Zealand territory. The passage of this legislation elevated New Zealand’s non-nuclear posture “from a government policy to a legislatively mandated action” (McCormick 1995, 393-394). In response to this development, the Reagan Administration imposed severe restrictions on New Zealand’s access to US military technology and weapons systems in late 1987 and imposed a longer probation period on any US armaments sold to that country (Albinski 1987, 49-54; Tow 1991, 373).

In sum, the ANZUS dispute led to the de facto termination of the US-New Zealand leg of ANZUS, dividing ANZUS into the two bilateral arrangements, one between the United States and Australia (i.e., the US-Australia alliance) and the other
between Australia and New Zealand; subsequently labelled ‘Closer Defence Relations’ (CDR) (Madsen 1999, 35). Against this backdrop, the following sub-sections investigate the dissolution of the US-New Zealand leg of ANZUS in order to contrast it with the persistence of the US-Australia alliance in the post-Cold War period.

The discussion begins with a review of New Zealand’s changing threat perceptions. The lack of mutually perceived threats that evolved between the United States and New Zealand in the 1980s was similar to that developing between the United States and Australia in the post-Cold War period. It is argued here that, unlike the US-Australia alliance that provides both Australia and the United States with order insurance benefits, the US-New Zealand leg of ANZUS failed to generate such benefits to either New Zealand or the United States.

New Zealand’s Threat Perception in the 1980s

The original rationale for ANZUS from the Australian and New Zealand perspectives was the antipodean fear of Japanese remilitarisation. However, this soon dissipated and was replaced by the threat of international communism, especially the communist spread in Southeast Asia. ANZUS assumed its importance as a component of the US global strategy as Australia and New Zealand had assisted the United States in the latter’s military intervention in Korea and later in Vietnam. However, there were no serious communist threats or initiatives to project strategic power into the South Pacific. For example, upon declining concerns regarding Southeast Asian communism and China’s role, New Zealand’s Review of Defence Policy 1972 concluded that: “[T]he threat of major hostilities affecting New Zealand has significantly diminished. We [New Zealanders] face no immediate direct threat to our security” (New Zealand Government 1972, 4).

Wellington’s strategic assessment was sustained throughout the 1970s and the 1980s, despite the Soviet Union’s intermittently suspicious activities in the South Pacific. Moscow set up a large overseas naval military base at Cam Rahn Bay in Vietnam in 1979 and was suspected to have dispatched submarines to the South Pacific in the early 1980s (Acharya 1988, 287-288; Young 1988, 780). Also, the Soviets signed a ‘fisheries agreement’ with Kiribati in 1985 and with Vanuatu in 1987. As part of its overall surveillance of the US strategic presence and operations in the area, the Soviet Union also expanded its diplomatic relations to various South Pacific states, including
Tonga (in 1970), Fiji (in 1974), PNG (in 1976), Western Samoa (in 1976), Kiribati (in 1979), Vanuatu (in 1986) and Nauru (in 1988). Nevertheless, it did not deploy any real naval presence in the South Pacific. Cam Rahn Bay was too far from the South Pacific for the Soviets to project any meaningful forward presence in the South Pacific theatre. Moreover, though the island states were willing to forge commercial deals with the Soviet Union, they refused to grant the Soviets permanent strategic facilities in their sub-region (Langdon 1988, 21). In general, New Zealanders posited that the Soviet Union did not have the capabilities to attack New Zealand militarily or to disrupt sea lanes of communications in the South Pacific that were vital to New Zealand for military or commercial purposes.

No centrally perceived threat, therefore, bound the US-New Zealand leg of ANZUS in the 1980s. Libya and Cuba launched brief and opportunistic diplomatic probes into the South Pacific, especially in Vanuatu and New Caledonia (Samuel 1986, 51; Cutler 1989, 75; Dorrance 1989, 702; McLean and Ball 1989, 2). However, New Zealand did not perceive these forays as directly threatening its own national security (though it worried about several island states' susceptibility to revolutionary influences cultivated by Libya and Cuba). Nor did New Zealand entertain serious fears about Southeast Asian states threatening it directly. New Zealand was well outside the range of Southeast Asian air power. Moreover, Australia served as a buffer state between Southeast Asia and New Zealand (White 2003). From New Zealand's perspective, Australia was committed to defending antipodean areas from any attack from Southeast Asia. As long as Australia was safe (which New Zealanders thought was certain), New Zealand was seen as likewise safe from military attack (White 2003). Reflecting this quite benign regional security environment, New Zealand's official threat assessments in the 1980s were that New Zealand was a very secure country (New Zealand Department of Defence 1987, 9-11). Therefore, the situation surrounding the de facto terminated US-New Zealand leg of ANZUS is comparable to that around the persistent US-Australia alliance in the post-Cold War period in terms of the lack of mutually perceived threat between allies.

**US-New Zealand Leg of ANZUS and the Lack of Order Insurance Benefits**

This section has so far illustrated that there were no mutually perceived threats to New Zealand's security in the 1980s. Threat-centric alliance theories would assure,
then, that the ANZUS failure in the mid-1980s was a logical consequence of the lack of mutually perceived threats between its members. However, as argued in Chapters Three and Four, the lack of mutually perceived threats or the deterioration of mutual threat perceptions between allies does not necessarily lead to the dissolution of an alliance if order insurance benefits serve as the glue that subsequently holds the alliance together. To support this argument, the following sub-section argues that the US-New Zealand leg of ANZUS did not generate order insurance benefits to both the United States and New Zealand. The lack of insurance benefits in conjunction with the lack of mutually perceived threats accounts for its de facto termination.

American Perspective

*The United States’ Global Positional Interests*

New Zealand’s ban on the visit of US nuclear-powered and nuclear-capable ships and aircraft to New Zealand’s ports and airfields was at the centre of the ANZUS dispute. Given that any nuclear conflict did not appear to be looming in the South Pacific, the United States could have accommodated New Zealand’s anti-nuclear policies in the mid-1980s by continuing to maintain a viable alliance relationship on New Zealand’s terms. However, the United States believed such a compromise would undermine the stability of the Western security order based on global US nuclear extended deterrence policy (Tow 1988, 55). Once it acquiesced to New Zealand, other allies in Europe or Asia might attempt to follow suit. Concerns over this ‘ripple effect’ were extensive in Washington because there were considerable anti-nuclear and anti-Western elements active within important various European and Asian allied states (Samuel 1986, 62; Langdon 1988, 10; Albinski 1988, 92). For example, an American failure to punish New Zealand’s disruption of US global extended nuclear deterrence strategy could have led some NATO allies to ban continued deployment of US missile systems in their countries at a time when this deterrence component was being strengthened in response to Soviet deployments of the SS-20 intermediate range ballistic missiles (IRBM) in Russia and in various Warsaw Pact countries (McKinnon 1993, 283).

It is in this context that the United States wanted to make it clear that any ally attempting to undermine the US global security strategy of extended nuclear deterrence
would be punished. By retaliating against New Zealand’s anti-nuclear ban on the *Buchanan*, the United States sent any other would-be wavering anti-nuclear states a clear signal that Washington would not allow any infringement on its strategy for safeguarding the Western security order. US Ambassador to New Zealand Paul Cleveland reiterated in 1986 that such a posture was the only option the United States had (Clements 1988, 409). US Assistant Secretary of Defense Richard Perle also argued that “New Zealand had to pay dearly for its action if the integrity of the Western alliance was to be maintained” (*The Press* 1985 cited in Clements 1988, 401).

Indeed, strict US adherence to its nuclear NCND stances during the ANZUS dispute and the severance of its alliance operations with New Zealand prevented ‘the Kiwi disease’ from spreading. In Europe, the United Kingdom, France, Italy and West Germany strongly opposed New Zealand’s anti-nuclear policies, while Denmark, Belgium and Norway withheld public support from New Zealand (Clements 1988, 405-406). Though Sweden and Ireland were not among the United States’ NATO allies, they ignored the possibility of visiting US naval ships carrying nuclear weapons in spite of the anti-nuclear sentiments of their respective constituencies (Clements 1988, 406). In Asia, Japanese Prime Minister Yasuhiro Nakasone and Singaporean Prime Minister Lee Kuan Yew expressed their concern over New Zealand’s damage to the western global defence posture (McKinnon 1993, 293). Indonesian and Malaysian leaders refrained from supporting publicly the New Zealand anti-nuclear stance in consideration of their relationships with the United States, even though they had been working to establish a Southeast Asian nuclear weapons-free zone as a component of the Zone of Peace, Freedom, and Neutrality (ZOPFAN) that ASEAN member states signed in 1975 (Clements 1988, 405). In the South Pacific, a few island states supported New Zealand’s anti-nuclear position. Many more, however, along with Australia, distanced themselves from it and welcomed visits by US ships unconditionally (Albinski 1988, 94; Hoadley 1988, 203; Clements 1988, 402). In sum, with respect to the West’s Cold War strategy, the United States had no interest in compromising its policies relative to New Zealand during the ANZUS dispute or in maintaining viable alliance relations with New Zealand afterward. By discontinuing the US-New Zealand leg of ANZUS, the United States was able to avoid serious damage to its global security strategy of

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2 Vanuatu, Solomon Islands and PNG supported New Zealand’s anti-nuclear position. Among them, Vanuatu and Solomon had denied the access of US Navy ships even before the ANZUS dispute (Cutler 1989, 78; Alves 1989, 368).
extended nuclear deterrence and reaffirm its position as leader of the Western alliance.

South Pacific, Australia and US Positional Interests

The United States' overall security interests in the South Pacific involved the strategic denial of hostile powers accessing the region and the maintenance of sea and aerial communications (US House of Representatives 1987, 76-84 & 88-97 cited in Young 1988, 775-776). During the Cold War, the United States identified such interests in the context of its global containment strategy. Put differently, the US security interest in the South Pacific was primarily a function of security interests in Asia and the Indian Ocean, as evidenced by a near absence of a diplomatic presence and practically no support for development in the South Pacific (Young 1988, 776; Dorrance 1989, 698 & 702). Instead, the United States wanted Australia and New Zealand to assume predominant roles in handling security issues in their own neighbourhood (Dorrance 1989, 712).

Unlike the case with Australia in Southeast Asia, the United States found few comparable interests in enhancing New Zealand's security position in the South Pacific. First, the United States already had limited defence cooperation with several Pacific island states, i.e., PNG, Fiji, Tonga, and Guinea (Dorrance 1989, 711). Moreover, the United States was responsible for the security of its own territories in the Northern Pacific area, i.e., Guam, the Northern Marianas, and American Samoa. These networks would provide the grounds for the United States, theoretically at least, to respond to unfavourable developments in the South Pacific that might otherwise overwhelm regional capacities to respond in that part of the world. This reality was well recognised by all external parties and it was thus unlikely that such developments would even occur.

Emanating from this, the United States did not view alliance relations with New Zealand as essential to realising its anti-Soviet postures, though New Zealand was seen as part of the crowd keeping the Russians out of the region. New Zealand had its own interests in denying the Soviet's strategic access in the South Pacific, in particular, to prevent the Communist country from increasing its power and influence in the region (McKinnon 1993, 288). In this context, New Zealanders, both the public and the elite, remained 'Western' in their strategic orientation. According to Defence and Security: What New Zealanders Want, published by New Zealand's Defence Committee of
Enquiry in 1986, 72 % of New Zealanders still supported ANZUS (New Zealand Defence Committee of Enquiry 1986, 62-65). Prime Minister Lange claimed in his memoirs that New Zealand fully intended to remain in the Western alliance (Lange 1990, 96). Despite the Soviet Union encouraging the Lange government to hold firm in its nuclear dispute with Washington, the New Zealand Prime Minister sent a strong message to that country's representatives in New Zealand reaffirming Wellington's overall strategic allegiance to the United States and to the Western camp (Hayward 1985; Langdon 1988, 15).

Third, and most importantly, as long as the US-Australia leg of ANZUS remained strong, the United States did not find close alliance relationships with New Zealand necessary for insurance against any unfavourable order emerging in the South Pacific. Australia had been instrumental for maintaining US influence in the sub-region throughout the Cold War. As elaborated below, Australia represented the US position when Pacific states negotiated for the South Pacific Nuclear-Free Zone (SPNFZ) treaty by insisting that the treaty should not undermine US NCND policies on US ships or planes with nuclear power or nuclear arms (Madsen 1999, 37). Also, during and after the ANZUS dispute, Australia clearly maintained its position of allowing the entry of US ships to Australian ports on a NCND base (Cutler 1989, 77 & 93).

Australia's greater security role in the South Pacific could therefore, in the eyes of Washington, compensate for the loss of the US-New Zealand security link in the sub-region. Australia had numerous defence relationships with South Pacific states, including the Defence Cooperation Program and the patrol and surveillance system (Langdon 1988, 19 & 21). The United States understood well and acknowledged such Australian roles and its significant position it played in managing sub-regional security issues (Albinski 1988, 97-98). Thomas-Durell Young notes a comment by one US diplomat that the New Zealand antinuclear episode highlighted how unimportant New Zealand was to US interests in the region in light of Australia's presence and activities (Young 1988, 783). Due to the de facto termination of the US-New Zealand leg of ANZUS, Australian Defence Minister Kim Beazley stated in 1987 that Australia would assume a greater, more active role in addressing South Pacific regional issues (Australian Parliament 1989, 433-436; Young 1992, 217). The Dibb Report and the subsequent 1987 Defence White Paper made it clear that Australia's focus lay in regional security. Under these circumstances, the rupture of the US-New Zealand leg of
ANZUS only marginally affected US order insurance interests in the sub-region (Mack 1989, 19-21).

South Pacific Forum and the SPNFZ

In Chapter Three, it was argued that the US-Australia alliance provides a foundation which allows the United States and Australia to test new security initiatives (such as the TSD). It also enhances Australia’s participation in regional order-building processes in which the United States cannot be directly involved (such as the EAS). The US-New Zealand leg of ANZUS did not generate comparable interests with respect to regional multilateral order-building in the 1980s.

During that time there were two key multilateral fora in the South Pacific area. One was the South Pacific Commission (SPC) formed in 1947 and composed of all sub-regional states and territories along with Australia, Britain, France, New Zealand and the United States. The other was the South Pacific Forum (SPF) formed in 1971 and comprised of Australia, New Zealand and twelve other South Pacific countries. While the SPC did not cover political issues, the SPF was a consultative body where sub-regional political and economic issues were discussed (Dorrance 1989, 708). It was the SPF that initiated the establishment of a SPNFZ.

In the early 1970s New Zealand’s first postwar Labour government began to promote a SPNFZ among the SPF states and to promote it through the United Nations (Langdon 1988, 8). The Australian Labor Government also proposed a SPNFZ at SPF’s 1983 meeting (Langdon 1988, 12). But it was not until 1985 that efforts for a SPNFZ had materialised as an actual treaty. The continued French nuclear weapons tests on Moruroa and Fangataufa atolls and American missile testing at Kwajalein led Australia, New Zealand and other South Pacific states to gather at Rarotonga in the Cook Islands on August 6, 1985 to sign the SPNFZ Treaty (Cutler 1989, 80). The majority of the SPF states had to ratify the treaty for it to be activated, and the treaty came into effect on December 12, 1986. However, the United States did not sign it.

The US decision not to join the Treaty of Rarotonga for the SPNFZ was a

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3 On the economic front, the Pacific Islands Forum Fisheries Agency (FFA), formed in 1979 and comprised of 17 countries, has been helping member countries manage their fishery resources and regulate US tuna fishing operations in the region.
surprise to Australia, who had worked to accommodate US interests when helping to write the Treaty (Langdon 1988, 12-14). While it initially required signatories not to possess nuclear weapons, test them or dispose of nuclear wastes at sea, Australia insisted the Treaty should allow signatories to decide on the permission of the transit of nuclear weapons through its ports in consideration of US naval ships and airplanes visiting Pacific states’ territories on a NCND basis (Samuel 1986, 54; Young 1988, 786). The US refusal to sign the treaty was also unexpected because the United States did not previously object to the nuclear-free zones in Latin America and Antarctica nor to the ones for the ocean floor outside national boundaries and in space (Young 1988, 786). US sub-regional policy was not particularly well-served when the United States failed to support Australia on such a significant policy initiative in the sub-region. This was especially true after the United States had encouraged Australia to exhibit diplomatic leadership on this issue (Young 1988, 786-787).

However, the United States had to consider the French position of insisting to continue nuclear tests in the sub-region and it worried that the SPNFZ would strengthen the nuclear-free movements in other areas that might conflict with (potential) US military deployment there (Power 1986, 467-472; Dorrance 1989, 704). More importantly, as Henry Albinski observed, the anti-New Zealand feelings that had grown among US policy makers in response to the actions of the Lange government made it difficult for the United States to agree with SPNFZ protocols without seeming to be caving in to anti-nuclear factions (Albinski 1988, 94-95).

New Zealand’s anti-nuclear stance thus discouraged the United States from supporting a South Pacific nuclear free zone backed by a sub-regional multilateral forum (the SPC). In this sense the US-New Zealand leg of ANZUS did not generate order insurance upon which the United States could embrace a new multilateral security initiative.

New Zealand’s Perspective

The United States, Australia and New Zealand’s Positional Interests

Until the ANZUS dispute erupted, both Australia and New Zealand maintained close security relationships with the United States along with Great Britain and Canada.
within the broader context of a de facto Anglosphere security system. This was characterised by defence standardisation, intelligence sharing, interoperability and cooperative programs in defense research and development (Young 1991, 281). However, the two Antipodean states had always attached different values to their loyalty to the United States. In Chapter Three, it was argued that Australia has a generic interest in retaining its membership in the Western alliance, whether or not there is a [potential] threat to its security. It was also argued that Australia’s status as a member of the inner circle of US allies enables it to play an intermediary role between Southeast Asia and the United States, contributing to maintaining and building a favourable (sub)regional order. Unlike Australia, New Zealand did not accept that enhancing its security status in Southeast Asia through viable alliance relations with the United States was necessary for maintaining a (sub)regional order conducive to its national interests. When major factors are considered, this trend should not be surprising. New Zealand is further away from Southeast Asia than is Australia. Australia, moreover, has vast open lands and “has an apprehension that it is a vulnerable piece of real estate” (Dibb 2000, 5). Robert Ayson describes such a difference by suggesting that Australia’s ‘sea and air gap’ from its near northern neighbours becomes for New Zealand a ‘sea and air chasm’ (Ayson 2000, 294-295). The geography of New Zealand led it to have different attitudes toward ANZUS (or the Western alliance in general) from those of Australia (Dibb 2000, 5). Though ANZUS was cited as the central feature of New Zealand’s defence policy in defence white papers prior to the Lange government, New Zealand often focused more on the cost of being a member of the Western alliance (e.g., combat involvement in the Vietnam War and politically restricted Soviet markets). An obvious risk of close alliance relations with the United States from Wellington’s perspective was a possibility that New Zealand might be exposed to or involved in an unwanted nuclear war. Prime Minister Lange worried that if New Zealand allowed US nuclear-propelled or capable ships or aircraft access to New Zealand’s soil, it would only increase the possibility of nuclear conflicts in the South Pacific (Lange 1984-85, 1010-1011). Since New Zealand’s strategically benign security environment did not ‘fit’ US global extended nuclear deterrence strategy, he believed, no strategic reason existed for US nuclear-capable ships or aircraft to visit his country (Lange 1984-1985, 1011). Thus, to Lange, the US threat of lifting nuclear deterrence to New Zealand was invalid (Samuel 1986, 57).

Along with geography, geopolitics shaped New Zealand’s unique world views
within a Western alliance framework. Though New Zealand had shared a commitment to Southeast Asia with other former British Commonwealth states in the context of ANZAM (Australia, New Zealand and the Malayan Area), SEATO and FPDA, it became more focused on its own region than on Southeast Asia after the Nixon Doctrine was announced in 1969 and Britain’s East of Suez was proclaimed in 1971 (Ayson 2000, 398). Defence of New Zealand: Review of Defence Policy 1987 published by New Zealand’s Ministry of Defence did not even include Southeast Asia in a list of New Zealand’s direct security concerns. With respect to maintaining its minimal security connections to Southeast Asia, New Zealand had been working with Australia and other FPDA security partners more closely than with the United States (New Zealand Government 1983, 18; New Zealand Department of Defence 1987, 22-23; Hoadley 1988, 204; Ayson 2000, 391).

Third, New Zealand’s main security interests in the South Pacific were keeping South Pacific island states economically and politically stable and free from external interference (Babbage 1986, 3). To realise such interests, New Zealand had its own modest security programs with sub-regional states. For example, through its Mutual Assistance Programme (MAP) New Zealand provided training to military forces of most South Pacific states; in exchange it gained access to training experiences in and with them (Rolfe 1997, 2-3). While pursuing its own security initiatives in the sub-region, New Zealand also cooperated with Australia in South Pacific security issues (as will be discussed below). As long as Australia maintained a good security relationship with the United States, and Australia was committed to defending Australia’s northern approaches, New Zealand regarded the US-New Zealand leg of ANZUS as less critical to regional security order maintenance (McKinnon 1993, 293; White 2003). For New Zealand, the insurance for the favourable South Pacific order was its security tie with Australia, not that with the United States. Andrew Mack indicates that it is this factor that was central to the two countries’ differing evaluations of ANZUS (Mack 1989, 24).

In sum, enhancing its security collaboration with the United States in the South Pacific was not a core national security interest for New Zealand. Maintaining close alliance ties with the United States could not be done at the expense of its anti-nuclear posture, which enjoyed high levels of domestic political support. Australia could instead

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4 It designated the South Pacific, Antarctica and defence cooperation with Australia as New Zealand’s direct security concerns (New Zealand Ministry of Defence 1987, 12-17).
function as an order insurer in the South Pacific by interacting with the Americans more closely. To support this claim, the way in which New Zealand sought close security relations with Australia as an alternative order insurer to the United States during and after the ANZUS dispute of 1984-87 will be reviewed briefly.

New Zealand-Australia Security Cooperation during and after the ANZUS Dispute

As the ANZUS dispute between New Zealand and the United States emerged in the mid-1980s, New Zealand determined that maintaining close security relations with Australia was its most important national security requirement (Babbage 1986, 1-2; McKinnon 1993, 297). Most New Zealanders supported this position. According to a poll conducted in 1986, about 70 percent of New Zealand respondents supported military cooperation with Australia in an alliance context ‘at all times’ (New Zealand Defence Committee of Enquiry 1986, 86). Australia also understood the necessity of maintaining its security relations with New Zealand for the stability of the South Pacific. Australia willingly compensated for the loss of one leg of ANZUS even though it did not support New Zealand’s anti-nuclear posture (Australia Department of Defence 1987, 6; Cutler 1989, 76-77).

New Zealand’s estrangement from the United States actually led to reduced and less effective defence relations between Australia and New Zealand temporarily (Burnett 1988, 164-166). However, as indicated in Australian Prime Minister Robert Hawke’s memoires, Australia soon intentionally increased its defence cooperation with New Zealand to make up for the withdrawal of US security cooperation to New Zealand, believing that such cooperation with New Zealand would help forestall any intrusion into the South Pacific by unfriendly external powers (Hawke 2000, 284-285). Both states upgraded their security relations to the level of the Closer Economic Relations (CER) and the two governments developed twenty bilateral defence cooperation agreements within a few years (Hoadley 1999, 198). In March 1987 New Zealand and Australia signed a Memorandum of Understanding for the ANZAC frigate project, which committed them jointly to developing a fleet in the coming decade in order to protect their mutual sea lanes of communications and trade routes as well as to defending against direct attacks on New Zealand or Australia (McLean and Ball 1989, 195).

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5 The CER was established in 1983 for a free trade arrangement between New Zealand and Australia and represented close and formal relations in the area of the economy between the two states.
New Zealand participated in the frigate project despite the domestic criticism that it could not be justified given the lack of any foreseeable threat in the sub-region and the project’s high costs that New Zealand should pay during a time of economic difficulty (McKinnon 1999, 167). From New Zealand’s point of view, the main objective of the ANZAC frigate project was to work closely with Australia. Malcolm McKinnon notes an in-house memorandum from July 1989 that stated that New Zealand participated in the project on account of the importance New Zealanders attached to defence cooperation with Australia (McKinnon 1999, 168).

To reflect the reality of close security relationships between New Zealand and Australia, a Closer Defense Relations (CDR) paralleling the CER was agreed upon in 1991 by New Zealand Minister of Defence Warren Cooper and Australian Minister of Defence Robert Ray (Hoadley 1999, 199). The CDR further developed security cooperation between the two states (Rolfe 1995, 3-5). By 1992, Wellington and Canberra were conducting dozens of joint defence and military activities, including numerous consultations on technical matters (Hoadley 1999, 200). This does not mean, however, that New Zealand security policies were always in line with those of Australia (Rolfe 2007, 34-35). New Zealand’s Clark Labour government, which gained power in December 1999, abolished New Zealand’s air combat wing and delayed upgrading the ANZAC frigate fleet (Ayson 2006, 165-167). It also restructured its armed forces into an Army-centred corps, which reduced significantly New Zealand’s capabilities to assist in the defence of Australia (Ayson 2006, 165-167). In fact, Australia’s 2000 White Paper raised concerns on such issues (Australia Department of Defence 2000, 42). Nevertheless, New Zealand moved visibly to salvage its bilateral security ties with Australia. It strengthened trans-Tasman security cooperation by assisting Australia’s efforts for the INTERFET mission between 1999 and 2002 and the Regional Assistance Mission Solomon Islands (RAMSI) since 2000 (Ayson 2006, 167-169).

New Zealand committed itself to viable defence relationships with Australia because it believed that a force that was interoperable with that of Australia could serve to maintain a favourable South Pacific order (New Zealand Government 1991, 52-54). As long as it retained viable security relationships with Australia, New Zealand regarded the US-New Zealand leg of ANZUS as less than integral to regional order.
From Alliance Termination to Qualified Partnership

During the 1990s, both New Zealand and the United States put some effort into restoring their defence relations. New Zealand’s National government (which took office in 1990) expanded the scope of the country’s security interests to include support for various global security missions (e.g., UN peacekeeping missions in Somalia and Bosnia and the US-led Persian Gulf War) as a sign of support for Washington (Ayson 2000, 395-396). In return, “[b]uilding on the [George H. W.] Bush administration’s decision to remove nuclear weapons from the U.S. Navy’s surface fleet,” the Clinton Administration restored some defence contacts with New Zealand (Harding 1994, 65-66). This trend continued throughout the ensuing years. New Zealand assisted the United States in the latter’s global war on terror. Soon after the 9/11 attacks Prime Minister Helen Clark offered to dispatch troops to Afghanistan. Also, New Zealand sent defence force engineers to Iraq in 2003 for the Iraqi reconstruction, though it did not support the US war against Iraq at the initial stage of the war (Rolfe 2003, 124-126; James 2006, 63). In March 2007 Clark visited the White House and this was reciprocated by US Secretary of State Condoleezza Rice’s visit to Wellington the following year. In a press conference with Clark in July 2008, Rice called New Zealand ‘a friend and an ally’.

However, the formal alliance relationships between the United States and New Zealand have not returned to being as close as they were before the ANZUS dispute. As long as New Zealand continues to maintain an anti-nuclear posture, and the United States still retains its nuclear NCND policies, it seems unlikely they will (Rolfe 2007, 38-41). New Zealand cannot become part of the United States’ ‘nuclear family’ in relation to US alliance politics, unless New Zealand amends the New Zealand Nuclear Free Zone, Disarmament, and Arms Control Act of 1987 to allow US nuclear-powered or nuclear-capable vessels or planes simply to enter New Zealand waters and the United States would recognise that there is no need for nuclear-armed ships or airplanes to visit New Zealand (Rolfe 2003, 127; Campbell 2004, 157-160). Neither ally appears prepared to make such compromises because they still do not find sufficient order insurance benefits to restore the US-New Zealand leg of ANZUS.
The Suspension of the US-Philippines Alliance

The United States and the Philippines signed a Mutual Defense Treaty (MDT) in August 1951. Like the case with ANZUS, Washington provided Manila with a formal security guarantee as a quid pro quo for the Philippines' signing the Treaty of Peace with Japan in San Francisco a few days later. The Filipinos were previously reluctant to conclude a peace treaty with Japan, fearing that country would once more develop the type of military capabilities that threatened their country and much of Southeast Asia during the Second World War. However, apprehensions about a potential Japanese remilitarisation soon dissipated, and communist-related threats (both internal and external) became the primary rationale holding the US-Philippines alliance together.

The US-Philippines alliance was strategically important during the Cold War in projecting American power to deter Soviet- or Chinese-supported communism in the Asia-Pacific. This was even more so after the American withdrawal from Vietnam in 1975 and from Thailand in 1976. The United States had maintained its largest military bases in Southeast Asia and the South Pacific in the Philippines (Ball 1988, 1). This complex functioned as a check against forces hostile to the United States gaining further footholds in other parts of Southeast Asia beyond Indochina.

However, threat perceptions on the part of the United States and the Philippines diverged in the mid-1980s when communist insurgents in the latter country became powerful enough to exert political influence over significant parts of the Philippines (de Castro 2004, 157). While to the Americans the primary threat in the sub-region remained Soviet-based (e.g., the USSR’s forward power projection in Southeast Asia from the former American base at Cam Rahn Bay in Vietnam⁶), to the Filipinos it was increasingly their own country’s internal communist insurgency and poverty or, alternatively, a central government that appeared to many that it governed to be detached or corrupt. The latter problem dissipated after the ‘People’s Power’ revolution ousted the Marcos regime in 1987. Philippine Defense Secretary Fidel Ramos observed in 1990 that the long-term threat facing the country was “internal subversion, infiltration,

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⁶ The Soviet Union’s deployment of its naval units and aircraft in Cam Rahn Bay, commencing in 1979, had been the largest in scale outside the Warsaw Pact (Corning 1990, 13). However, the Soviets had significantly reduced their strategic use of Cam Rahn Bay by 1990 and withdrawn completely in 1991.
and the clandestine operations of foreign powers in our country” (FBIS-EAS 1990). The deterioration of mutual threat perceptions became even more distinct towards the end of the Cold War. As the Vietnamese pulled out of Cambodia in 1989 and the Soviet Union collapsed in 1991, the United States and the Philippines found their alliance confronting no mutual threat, which led to growing doubt in both countries over the strategic value of US military bases in the Philippines.

Those bases were originally authorised by the Military Bases Agreement (MBA). A year after the Philippines became an independent state in 1946, Washington and Manila signed the MBA, which granted the United States a right to station its forces in the Philippines for 99 years. World War II had demonstrated to Washington the critical value of forward bases for projecting military power throughout Asia and globally. The two states amended the MBA in 1959 so that either party could end the MBA with one year’s notice after 1991. Negotiations began in May 1990 on a new lease for the bases and US compensation for their use.

With no major external threat challenging its independence, the Philippines found little military value in having US bases on its soil other than using them to induce American economic aid (de Castro 2003, 144-145). Also, growing nationalism heightened feelings among Filipinos against the bases, as they viewed them as relics of US colonial rule of the Philippines between 1898 and 1946. On the other hand, the United States did not want to pay large sums of money to the Philippines for the lease of military bases, the use of which had been re-arranged only for logistic purposes since the mid-1980s (Austin 2003, 43). It is in this context that various security analysts argue that the United States indeed planned to withdraw its military presence from the Philippines even before the end of the Cold War (Fisher 1999, 3-4; Austin 2003, 42-44). The volcanic eruption of Mt. Pinatubo in 1991, destroying much of Clark Air Base and Subic Naval installation, further eroded the utility of the American bases.

After tedious and emotional negotiations, the two allies signed a new basing agreement, the Treaty of Friendship, Cooperation and Security (TFCS), in June 1991. The Treaty allowed the United States a ten year phase-out period of its bases in the Philippines and, in return, called for the United States to provide the Philippines with $US360 million in 1992 and $US203 million per year over the duration on ‘best-effort’ terms. However, the Philippine Senate, exercising nationalistic sentiments, voted down
the TFCS in September 1991. This resulted in the rapid closing of all 23 American military bases in the Philippines. The last American forces departed from the Philippines in 1992.

Unlike the US-Thailand case, where the withdrawal of 27,000 US Air Force personnel from five major US air bases in Thailand in 1976 did not lead to the discontinuation of viable alliance relations, the US-Philippines alliance became stagnant after the basing renewal episode. Though the 1951 MDT remained in force, Washington concluded that the loss of its bases in the Philippines from which it could project its military power undercut the logic of providing a security guarantee to the Philippines. Military relations with Manila were downscaled substantially. Renato de Castro has since observed, “[t]he Pentagon’s 1992 East Asian Strategic Initiative and 1995 East Asian Strategic Review barely mentioned the Philippines as an American ally in East Asia” (de Castro 2003a, 976). Annual military exercises between the two countries, labelled Balikatan, were reduced to a minimal scale. Port visits by the US Navy were discontinued in 1996, and no military exercises were conducted in Philippine territories after the Philippine Supreme Court failed to approve the extension of a pre-existing Status of Forces Agreements (SOFA) in December of the same year (Fisher 1999, 4). The impasse of the US-Philippine alliance relationship continued until a Visiting Forces Agreement (VFA), signed in 1998 between the two states and ratified by the Philippine Senate in 1999, enabled the two states to resume large-scale Balikatan military exercises in 2000.

Against this backdrop, this section initially contests the argument that variations of ‘external threat’ can explain the oscillation of the US-Philippines alliance in the 1990s. It rejects the notion that the alliance went into dormancy as a result of the disappearance of the mutually perceived Soviet threat in the early 1990s and then became revitalised due to a new, Chinese-oriented threat, emerging in the form of Chinese territorial claims in the South China Sea. A threat-centric explanation of alliance persistence/dissolution is thus challenged. An ‘order insurance explanation’ of alliance persistence appears more salient. It is argued in the following subsections that both the United States and the Philippines were aware that viable US-Philippine alliance

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7 For a base agreement to become effective, the Philippine Constitution required at least a two-thirds vote in the Senate and a majority vote in a national referendum. Only 11 Senators out of 23 voted for the Treaty.
operations after the withdrawal of the US forces in 1992 still generated order insurance benefits to both of them. However, both allies proved reluctant to pay premiums for arrangements needed to salvage the alliance from other policy challenges that arose as a result of alliance mismanagement (i.e., the failure of the new bases agreement and the abrupt withdrawal of US forces from the Philippines in 1992). The discussion concludes that the lack of ‘insurance for the alliance’ substantially accounts for the hiatus in the US-Philippines alliance between 1992 and 1999. This is supported by the observation that both allies’ investments for ‘insurance for the alliance’ have contributed to the rejuvenation of the US-Philippines alliance since 1999.

The Insufficiency of Threat-centric Explanations

Various security analysts identify the oscillation of the US-Philippines alliance in the 1990s as a typical case that supports threat-centric explanations of alliance persistence/dissolution (Castro 2004, 169-170). According to them, the alliance had become dormant in the 1990s because of the disappearance of the Soviet global threat. It was revitalised in 1999, they argue, due to a string of Chinese provocations in South China Sea, including China’s enactment of the Territorial Law of the Sea in 1992, the construction of a Chinese military outpost on Mischief Reef inside the Philippine-claimed Exclusive Economic Zone (EEZ) in 1995, the dispatch of Chinese naval vessels near Mischief Reef in 1997 and the upgrading of military structures on Mischief Reef in 1998 (Fisher 1999, 9-12). They further assert that the VFA was signed in 1998 (and ratified in 1999) because the Philippines needed a security protector against “a militarily strong and irredentist China literally knocking on its door;” and the United States wanted to utilise the US-Philippines alliance as a tool for its hedging strategy against the rise of China as a regional hegemon in East Asia (Olson 2002, 119; de Castro 2003a, 977-980).

However, such threat-centric arguments do not sufficiently account for the oscillation of the US-Philippines alliance in the 1990s. China had long been making territorial claims in the South China Sea and occupied some islets there well before 1992. For instance, China had territorial disputes with Vietnam in 1989, constructing a foothold in the southern Spratly group and occupying an atoll in the Spratlys that

\[\text{The law claims the jurisdiction of territorial and maritime areas of the Paracel and Spratly Islands.}\]
Vietnam claimed as its own (Bert 1993, 327; Fisher 1999, 6). Given that Mischief Reef is not located closer to the Philippines than several islands in the Spratlys which China had previously occupied and that China had regularly contested the EEZ claimed by the Philippines, the skirmishes occurring in the mid-1990s hardly constituted a new military threat to the Philippines (Austin 2003, 45). While China had constructed military structures on the reef that could be utilised as ‘docks for ships or helicopter pads’ (Fisher 1999, 7), “some tens of men, in a tiny bunker on a submerged reef in the middle of the ocean, hundreds of kilometres from any substantial habitation and more than a thousand kilometres from the nearest Chinese air cover, could not represent much of a threat” (Austin 2003, 45). Just as importantly, the United States made it clear that it would not be involved in territorial disputes in the South China Sea so as to avoid unnecessary conflict with China (Tow 1999, 12). The United States insisted that the MDT did not cover the Spratly Islands, because these did not belong to the official Philippine territory when the MDT was signed in 1951.  

In the late 1970s, the Philippines sought to include the Spratlys within the purview of the MDT, but the United States did not accommodate this request (Fisher 1999, 8; Bandow 2001, 3). A 1979 letter written by US Secretary of State Cyrus Vance to Philippine Foreign Secretary Carlos Romulo claimed that “an attack on Philippine forces, public vessels or aircraft in the Pacific would not have to occur within the metropolitan territory of the Philippines or island territories under its jurisdiction in the Pacific in order to come within the definition of Pacific area in Article V [of the MDT]” (cited in Kahin 1993, 131). However, the United States sent separate ‘private messages’ to the Philippines, asserting that Washington was not committed to defending the Philippines outside the Philippines’ ‘metropolitan area’ (Kahin 1993, 131). The Mischief Reef incident in 1995 did not bring about a shift in this US stance. The Clinton Administration reaffirmed US neutrality on the issue three months after the Mischief incident, despite pressure from anti-China factions in the US Congress (Fisher 1999, 8; Tow 1999, 12).

Under these circumstances, the Chinese territorial claims in the South China Sea by themselves do not sufficiently account for the reinvigoration of the US-Philippines alliance since 1999. Rather, the Philippines government over-reacted to the Mischief

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9 The San Francisco Treaty in 1951 did not specify which country has sovereignty over the Spratly Islands. The Philippines began to claim seriously the Spratly islands in 1956 (Storey 1999, 96-97).
incident and portrayed China as an immediate threat to use it as an opportunity to induce Filipinos to support the revitalisation of the alliance. Congressman Gregorio Andolana even accused the Ramos government of casting the Chinese as a ‘bogeyman’ on account of the Mischief Reef incident in order to lure the Americans back into a revitalised alliance relationship and to justify its signing of a new access and servicing agreement with the United States (Straits Times 1995 cited in Storey 1999, 111 & 118).

In return, the United States modified its stance of neutrality on the territorial dispute over Mischief Reef in order to facilitate the Philippine Senate’s ratification of the VFA in May 1999. These points will be elaborated upon later in this section.

From the American vantage point, some analysts attribute the reinvigoration of the US-Philippines alliance to China’s firing of missiles off the Taiwan Straits in July and August 1995 and in March 1996 as part of the Strait crisis which involved the United States and China (Austin 2003, 49-52; de Castro 2003a, 979). According to them, the United States exploited the Philippines’ concerns over Chinese territorial claims as an opportunity to resume viable US-Philippine alliance relations, because Washington wanted to utilise the alliance as a hedge against a future Taiwan conflict.

However, China’s muscle flexing in the Taiwan Strait in the middle 1990s also does not sufficiently explain the resuscitation of the US-Philippines alliance in light of the Philippines’ Constitution forbidding the granting of transit access points and logistical support to foreign troops without being authorised by at least a two-thirds vote in each of the Philippines’ Senate and House. It was hardly likely that the Congress of the Philippines would allow the United States to use any Philippine territory as a ‘launching pad’ or ‘warm bases’ for a rapid response to a future Taiwan crisis. Just as Thailand refused US requests to pre-position its supply ships in the Gulf of Thailand in 1994, 1996 and 2001 (Tow 1999, 15; Chambers 2004, 462 & 466), neither would the Philippines allow pre-positioning of US force assets in the Philippines in preparation for a future Taiwan conflict.

Overall, given that the two allies had divergent threat perceptions and alliance expectations regarding China’s territorial claims in the South China Sea and muscle-flexing in the Taiwan Straits, threat-centric rationales do not sufficiently explain the oscillation of the US-Philippines alliance in the 1990s. What, then, can explain it? In the following sub-sections, it is argued that the intensity of ‘insurance for the alliance’ provides a more persuasive explanation.
With no specific external security threats confronting the Philippines during the early 1990s, the United States had utilised military basing operations in that country to coordinate forward logistics, repair, intelligence, and communications (Austin 2003, 43). The Philippines, on the other hand, had traditionally viewed the bases as a venue for US economic and military aid. Yet, a benign security environment in the sub-region, combined with Washington’s ongoing fiscal difficulties and growing trade deficits, led to an American disinterest in permanently maintaining a force presence in the Philippines if it could do so only through providing a large sum of economic and military aid to that country (de Castro 2001, 333-334). The volcanic eruption of Mt. Pinatubo compounded this disinterest, leaving Clark air base, the largest US air base, unusable and Subic Bay, the largest US naval installation, requiring significant repair.

This development provided the impetus for the two states to discuss terms for a phase-out of US forces during the negotiations conducted between 1990 and 1991. However, neither ally intended to see any such phase-out leading to the suspension of viable alliance relations. During the basing renewal negotiations, the US officials maintained the stance that the MDT should be decoupled from the MBA. They desired to continue US port calls for servicing and refuelling and to conduct viable military exercises with the Philippines even after the return of key bases. The Philippines also wanted the United States to continue to use Philippine military facilities on the basis of paying for services rendered (Piazza 1991, 1-2 & 8).

A question, then, arises: despite the lack of a mutually perceived threat, why did both states hope to maintain a viable alliance? This question is answered here by arguing that both Washington and Manila deemed the US-Philippines alliance relevant for order insurance in Southeast Asia in the 1990s. Unlike the case of the de facto termination of the US-New Zealand leg of ANZUS, the suspension of the US-Philippines alliance between 1992 and 1999 did not result from the lack of order insurance benefits.

The American Perspective

By the 1990s the key US security interests in Southeast Asia were preserving freedom of navigation and protecting sea lanes of communication, promoting free trade
and investment and preventing the rise of a competing regional hegemon (Cheney 1993, 20-21; Fisher 1999, 9). To retain a regional order that was conducive to realising such US interests, the United States had an interest in maintaining a substantial American naval and air presence in the region. It wanted to guard against the possibility of a stable regional order being disrupted by a sub-regional state, even though a potential challenger to that order was not specifically designated (Simon 1993, 304). Such concerns sprang from US perceptions of deeply embedded historical animosities among various Southeast Asian states whose domestic political regimes were unstable. Also, the United States worried that any retreat from the sub-region would precipitate such states as China, Japan or India to engage in hegemonic competition. Any such rivalry could incite a new regional arms race and create an unstable regional order (Simon 1991, 664).

In this context, given the Philippines’ location as the ‘gateway’ from the Pacific and East Asia to the Indian Ocean and the Middle East, the United States posited that viable alliance relations with the Philippines would enable it to respond efficiently to undesirable strategic trends that might emerge in Southeast Asia. The United States also perceived that sustained alliance relations with the Philippines could serve as a strategic symbol of the US intention to remain in the sub-region as an offshore balancer that could forestall a longer-term regional power struggle (Simon 1991, 664).

In addition to maintaining its strategic presence, the United States had another positional interest in enhancing the Philippines’ status in Southeast Asia as a democratic capitalist country. Developing a self-confident Philippine economy and democracy was important to the United States, because it could be an exemplar to other ASEAN states for liberalising their own economic and political institutions more rapidly (Neher 1996, 171-172; Tow 1999, 12). But such a US vision was challenged by ‘real-world’ impediments. In the early 1990s, unlike other ASEAN countries, the Philippines still had a viable communist party (Neher 1996, 170). Muslim separatist groups also remained prominent. The Philippines government confronted forty active fighting fronts containing about 19,000 insurgents (Piazza 1991, 5). Washington, accordingly, was worried that the Philippines’ political and economic development as a viable market-driven democracy would be significantly undermined. By the mid-1990s the United States was growing more worried about Islamic fundamentalists operating in Mindanao, fearing that island and large parts of peninsular Southeast Asia could be more
influenced by such Islamist groups (Bello 1998). The Philippines government was incapable of both confronting insurgents on its own and paying attention to external defence. The slow growth of the Philippine economy forced the country’s government to make hard choices over how to fund security planning, operations, training, and doctrine of the Armed Forces of the Philippines (AFP). Often internal security threats were addressed at the expense of the country’s external security (de Castro 2001, 311; Bandow 2002, 5-6). Under these conditions, Washington believed that only viable US-Philippine alliance relations could allow the Philippines government to focus on the more immediate internal problems (e.g., domestic insurgents and poverty) and to develop democracy, while the United States still served as an insurer against any external strategic problems that might emerge.

The Philippines’ Perspective

During the Cold War, the Philippines valued its alliance with the United States as a mechanism for sustaining US economic and military aid. However, with the withdrawal of the US forces from the Philippines in 1992, it could not really expect Washington to function as an unlimited source of economic and military resources. Nevertheless, the alliance was perceived by Manila still to be important, because it could provide several order insurance benefits.

As previously noted, the end of the Cold War brought the Philippines a benign security environment in terms of external threats. Yet, from the Philippines perspective, several security problems that might disrupt Southeast Asian regional order over the long run were emerging. First, a reduction of Russian forces in Vietnam and the US withdrawal from the Philippines made the shaping of power relationships in post-Cold War Southeast Asia more ambiguous. The Philippines worried that a power vacuum was developing, which might be filled by other regional powers such as China, Japan, or, closer to home, Indonesia or Vietnam (Storey 1999, 105). Second, territorial disputes between China and several Southeast Asian states persisted as well as intra-ASEAN disputes over sovereign authority. This included the Philippines’ long standing claim

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10 As noted in Chapter Three, a strategic problem should be differentiated from a direct military threat. A strategic problem is an adverse development in a region that may not call for any response from a state, military or otherwise, as it does not threaten the state’s core security interests (Brown 1999/2000, 18).
over a Malaysian state, Sabah. Third, several Southeast Asian states’ domestic politics, including its own, were unstable due to incessant communist insurgencies, separatist and independence movements, Islamic extremist groups, or ethnic minority issues (Simon 1993, 303).

Confronting these security problems, the Philippines had a positional interest in engaging the United States to a continued defence role in Southeast Asia as an order insurer. This was, as previously intimated, because of the parlous status of the financially constrained AFP, which was hardly capable of coping with external strategic problems. The Philippines found the Americans to be the most desirable ‘order insurers’ in Southeast Asia, because the Philippines, as a Catholic state with a Hispanic heritage, viewed the United States closer culturally to itself than neighbouring Muslim countries such as Indonesia and Malaysia. The Philippines also preferred the United States as an order insurer because of China’s territorial (and resultant EEZ) claims in the South China Sea and Japan’s past history of imperialism.

In addition to maintaining America’s status as an order insurer in Southeast Asia, the Philippines also had an interest in retaining a viable US-Philippines defence alliance in the context of supplementing sub-regional multilateral order-building. Sheldon Simon points out that in times of strategic uncertainty when there is a lack of specific identifiable adversaries there is also a tendency to gravitate toward various forms of collective security (Simon 1993, 304). The Philippines, along with other Southeast Asian states, increasingly attempted to deal with regional security problems within the framework of ASEAN. It did so by supporting Thailand’s initiative at the ASEAN post-ministerial conference in 1992 to forge a new mechanism for discussing security issues at ASEAN meetings, subsequently known as ARF in 1994.

However, multilateral security approaches were generally untested in Southeast Asia. In many ways, multilateralism could not substitute for existing US bilateral alliances in dealing with regional security problems. ASEAN was only loosely institutionalised and relied on gradualism and consensus in decision making (de Castro 2004, 160). For example, the ARF failed to address territorial disputes in the South China Sea. After the Philippines discovered the military structures that China had constructed on Mischief Reef in 1995, several ASEAN states wanted to discuss this development at the ARF. Because of Beijing’s leverage, however, ASEAN countries
failed to raise the topic at either the 1995 or the 1996 ARF meetings (de Castro 2004, 161). Given that ASEAN-wide security diplomacy appeared limited, the Philippines had an interest in sustaining a US offshore balancer role as a fallback option against the possibility that multilateralism would actually lead to an undesirable regional balance of power.

Considering the fact that it would take time for the ARF to contribute significantly to regional security, the Philippines calculated that a viable US-Philippines alliance relationship (along with the US-Thailand alliance relationship and the US-Singapore security partnership) would provide a sufficient basis to allow the United States to help address Southeast Asian security issues (Tow 2001, 200-201). In sum, the Philippines had an order-centric interest in maintaining US influence in the sub-region as a hedge against disadvantageous side effects or downside risks that might occur in the process of pursuing multilateralism. A viable US-Philippine alliance relationship could have served as a key insurance mechanism in the 1990s. However, as will be discussed below, this condition was undermined by the lack of insurance for the alliance.

The Lack of Insurance for the US-Philippines Alliance in the 1990s

In the previous sub-section, it was observed that both the United States and the Philippines had order insurance interests in maintaining viable US-Philippine alliance operations after the withdrawal of US forces from the Philippines in 1992. However, order insurance benefits themselves were not sufficient for the alliance maintenance because of domestic factors. In the US-Philippines alliance, nationalism among the Filipinos was especially significant. A clear external threat existed during the Cold War to justify the alliance. That threat was of greater concern to the Filipinos than was Philippine sovereignty. Such questions as granting the Americans full control over military bases and questions of jurisdiction over crimes committed by their troops were downplayed. As the external threat disappeared in the post-Cold War, however, Filipinos paid greater attention to those issues. This aggravated existing anti-Americanism in the Philippines and debilitated alliance ties by reducing relative acceptance and support of the alliance among Filipinos. In such a situation, insurance benefits themselves were too abstract to assuage the nationalism that was aimed against ongoing alliance operations.

In this context, the US-Philippines alliance in the 1990s is comparable to the
US-ROK alliance that underwent similar challenges during the period between 1998 and 2008. In Chapter Four, it was argued that both South Korea and the United States invested in ‘insurance for the alliance’. South Korea linked its intra-alliance relationship to the United States’ war in Iraq in 2003 by sending its troops to Iraq under the name of the alliance partnership. South Korea also reconciled with the United States on the greater mission flexibility of USFK in 2006, which was critical to the US strategic interest. In turn, the United States has sought to honour the US-ROK security relationship by recently consulting with South Korea on issues related to North Korea instead of following its earlier “go it alone” practice in its relations with the North. By contrast, both the Philippines and the United States failed to pay the necessary premiums for ‘insurance for the alliance’ in the 1990s. This lack of ‘insurance for the alliance’ helps explain why the US-Philippines alliance was suspended in the 1990s even though its two affiliates had order insurance interests in continuing viable alliance relationships.

The Lack of Philippines’ Compromise

In the early 1990s, the United States promulgated a Regional Defense Strategy. This advocated a continued, though reduced, “forward presence of US forces, in order to show U.S. commitment” for Asia-Pacific security (Cheney 1993, 13). After the pull-out of its forces from the Philippines in 1992, the United States still desired strategic access to that country’s military facilities. Given the geographic location of the Philippines, Washington hoped to use them as springboards for greater force mobility throughout East Asia and the Middle East (Schirmer 1995b). The Pentagon believed that having extensive strategic access to Philippine military facilities would be cheaper and operationally more efficient than any other alternative, for potential replacement sites were widely scattered (Piazza 1991, 7).

However, when it appeared unlikely that the United States would secure strategic access to the Philippines' military facilities due to the strong nationalism among Filipinos in the early 1990s, it pre-positioned supplies and equipment and arranged military exercises with other Southeast Asian states without developing American bases there (Mauzy and Job 2007, 625). Such activity was labelled a ‘places not bases’ strategy and constituted a distinct US geopolitical posture without targeting any specific adversary (Simon 1993, 304). The countries with which the United States
negotiated arrangements for strategic access included Singapore, Thailand, Indonesia, Brunei and Malaysia (Mauzy and Job 2007, 627). Among them, Singapore was particularly cooperative with the Americans. The United States and Singapore signed an agreement in November 1990 that provided the United States with the use of the latter’s military facilities for repair and storage by US naval and air force units. Constructing a major naval base at Changi that could receive US aircraft carriers allowed Singapore to facilitate Washington’s places-not-bases strategy (Simon 1991, 674; Bristow 2005, 15).

Nonetheless, the United States continued to seek extensive strategic access to Philippine military facilities throughout the 1990s. Indeed, General Fidel Ramos pledged to grant the United States military access during his presidential election campaign. After he was inaugurated as the Philippines President in June 1992, the US and the new Philippine government agreed to open the Philippines’ ports, air fields, and military installations to US military vessels, planes and exercises (Neher 1996, 170-173; Schirmer 1997). The post-Marcos Philippines constitution that was amended in 1987 still required Senate approval to allow the presence of foreign troops in the Philippines. Out of concern that the nationalistic Philippine Senate would not vote for the agreement, the 1992 permissions were implemented through an executive agreement between the two countries. This irked many Filipinos who accused the Ramos government of violating their national constitution.

As a result of the 1992 agreement, several US ships were serviced and refuelled at Philippine ports, including at Subic Bay. However, the United States wanted even broader military access to the Philippines. At US insistence once again, during the regular meetings of the Mutual Defense Board (MDB) in 1994, both states discussed an Acquisition and Cross-Serving Agreement (ACSA) that would enable the Philippines to provide logistical support for US forces (Schirmer 1995a, 6; 1995b). According to the draft made public by the Manila Times in November 1994, the United States requested the supplying, refuelling, repairing, storing of military units; and the use of ‘certain services’ provided by the Philippine military for its own military needs (cited in Schirmer 1995a, 13-15). Nationalistic elements in the Philippines interpreted such US demands as an American effort to use Philippine territories as pre-positioning sites for future US interventions in the Asia-Pacific. Unlike the 1992 agreement, the proposed ACSA could not be brought into effect through an executive agreement due to strong domestic opposition. Given the improbability of the agreement passing by the required
two-thirds vote, the two states decided not to send the proposal to the Philippine Senate (Buszynski 2002, 488). Such sustained opposition to the ACSA by a large number of Filipinos led US diplomatic and military officials to announce in June 1996 that they would drop their efforts to have the ACSA signed. In October, President Ramos announced that the Philippines would not grant the United States comprehensive use of its former Philippine military facilities (Schirmer 1997).

Even so, US requests for military access continued. After the 1996 Taiwan crisis, the United States proposed an access arrangement for the rotational deployment of American forces. This would further involve US infrastructure improvements to facilities in the Philippines. By keeping these facilities functional, the bases could be used for rapid deployment operations if a crisis should arise (de Castro 2005, 414-415). However, this request was also turned down by Manila. Because of mounting opposition among Filipinos, the Ramos government could not agree on a VFA that would grant immunity from criminal liability to US soldiers who would be deployed to the Philippines temporarily. The lack of a VFA led the United States to suspend joint military exercises in Philippine territories in January 1997.

Given the nationalism among Filipinos that shaped anti-colonialist perceptions of a continued US presence, the Ramos government did not assume the political risk of granting the United States extensive access to Philippine military facilities. In other words, the Philippines failed to reconcile itself with the United States on the latter's 'places not bases' strategy. If the United States had offered to make large funding investments that appealed more to Filipinos, the Ramos government might have been able to mitigate domestic objections to granting the United States access to Philippine military facilities. Such investments would have included military aid for the modernisation of the AFP.

The Lack of US Compromise

To the Philippines, US compensation for the lease of bases during the phase-out period of US forces was the most important issue during the basing negotiations in 1990/1991. However, Washington could not meet the Philippines' expectation for a large sum of economic and military assistance. Renate de Castro points out that, in addition to its own economic difficulties, the United States had to divert its military aid
to Eastern European and Latin American states to help them stabilise their emerging democracies or fight drug trafficking. Also, the eruption of Mountain Pinatubo significantly lowered the strategic value of US bases in the Philippines. Such circumstances precluded the United States from paying sufficient base-related compensation to entice the Philippine Senate to vote for a new bases agreement in June 1991 (Castro 2001, 292). Washington’s offer of $US360 million for 1992 and a subsequent $US203 million for each of the remaining nine years of the phase-out period was far below the Philippine request of $US825 million per annum over a seven year period (Brillante 1992, 141). The standing American offer, combined with the unfulfilled promise of a US aid package in 1990/1991, angered nationalistic Philippines Senators, who viewed the bases at best as a source for financing and investment (Philippine Senate 1991). This inhibited a new bases agreement from being ratified.

US economic aid to the Philippines was indeed essential for the development of the Philippines’ economy in the early 1990s. The US bases provided two and a half to three per cent of the Philippines’ total GNP and the withdrawal of US forces threatened that country with short-term economic stagnation (Navarro 1992, 269). US military aid, moreover, could have helped the Philippines modernise the AFP in the 1990s, given that the vast majority of Manila’s defence budget and resources during the Cold War had been devoted to the containment of domestic insurgencies (de Castro 2001, 31). Indeed, Manila outlined a defence modernisation bill in 1989. It was only after the US withdrawal from Subic Bay in 1992, however, that AFP force modernisation was seriously discussed (Kraft 1997, 122; Storey 1999, 104-106). A financially constrained Philippines could not enact a credible defence modernisation bill until 1995. The Philippines Congress was motivated at that juncture only by the discovery of Chinese defence structures on Mischief Reef to introduce a fifteen year $US12.6 billion defence modernisation bill (Storey 1999, 106). Though the bill was passed in December 1996, the lack of actual financial resources resulted in little real improvement in the operational capability of the AFP (Storey 1999, 106).

Given the relative importance of US economic and military aid to the Philippines, the United States clearly could have made the alliance politically acceptable to the Philippines’ domestic audience. If the George H. W. Bush administration had offered substantial aid, it is more likely that the US-Philippines alliance would have withstood the challenges that subsequently arose. As it was, US economic and military
aid to the Philippines dropped by 60 per cent for the fiscal year 1992 (Castro 2005, 408). US military aid appropriations for the Philippines plummeted from $US190 million in 1991 to $US35 million in 1992 and to $US876,000 in 1994. Total assistance was only around $US1.2 million each year between 1994 and 1998. In 2002 the US ambassador to the Philippines Francis Ricciardone acknowledged that a progressive phasing out of military assistance from the United States to the Philippines had occurred during that period (U.S. Embassy Manila 2002). In sum, the United States failed to ensure viable US-Philippine alliance operations, which it could have done by linking the intra-alliance relationship to the Philippines’ desire for obtaining US military and economic aid in order to develop its economy and to modernise its outdated military capabilities.

Because of the Philippines’ continued refusal of granting extensive US strategic access to the Philippines, the United States could not find justifications for providing substantial economic and military aid to that country. On the other hand, extensive US economic and military assistance could have helped the Philippines soothe domestic sensitivities over the sovereignty issues related to US strategic access to Philippine military facilities. This mutual lack of commitment for ‘insurance for the alliance’ continued until the VFA was signed in 1998.

The Reinvigoration of the Alliance in 1999 and Insurance for the Alliance

Philippine President Fidel Ramos and US President Bill Clinton finally agreed on a new VFA on February 10, 1998. In addition to granting US troops criminal immunity for their misdemeanours while on duty in the Philippines, the accord paved a way for the Philippines to grant the United States extensive strategic access to its military facilities. Due to an upcoming national election in May 1998, Ramos chose not to immediately submit the VFA to the Philippine Senate for ratification. However, newly elected Philippines President Joseph Estrada and his Defense Secretary Orlando Mercado, both of whom voted against the new bases agreement in 1991 as Senators,

sent it to the Senate for approval. The Senate ratified it on May 27, 1999.

The signing and the ratification of the VFA were possible because the Philippine government used the concerns of Filipinos regarding several incidents involving China and Mischief Reef around that time as a rationale for the VFA (Austin 2003, 41). The Ramos government painted the picture of China as potential aggressor based on its occupation of Mischief Reef and claimed that the VFA would guarantee the availability of an American military deterrent against the Chinese. Yet, as Leszek Buszynski points out, the real motivation behind beating the drum for a ‘China’s threat’ in the South China Sea was a desire on the part of Philippine leaders “to revitalise the dormant alliance with the United States by granting the United States strategic access to Philippine military facilities” (Buszynski 2002, 498).

In return, to induce the Philippine Senate to ratify the VFA, the United States modified its stance on Mischief Reef. The United States had initially refused the Philippine request of extending the purview of the US-Philippines alliance to the Philippines’ territorial disputes with China in the South China Sea until the new agreement was signed in February 1998. However, US Defense Secretary William Cohen reportedly stated in August 1998 that the MDT would cover a conflict in the South China Sea that involved the Philippines (Austin 2003, 49-51). A May 1999 letter from the US Ambassador to the Philippine Foreign Secretary promised US defense support to the Philippines in the case of a South China Sea attack (Buszynski 2002, 498). Encouraged by the Ambassador’s remarks, the Senate President Blas Ople justified the ratification of the VFA by displaying the letter (Buszynski 2002, 498).

To respond positively to the Philippines’ efforts to restore the dormant US-Philippines alliance through the VFA, the United States also signalled the resumption of substantial military and economic aid to the Philippines. After the two states signed the VFA in February 1998, ranking US diplomats and defense officials, including US Secretary of State Warren Christopher, Commanding Admiral Joseph Pruehr in the US Pacific Command, and Secretary of Defense Cohen visited the Philippines and promised more military aid for modernising the AFP if the Senate would approve the agreement (Ang Bayan 1998). Indeed, as the Philippine Secretary of Foreign Affairs Domingo Siason observed, the ratification of the VFA in May 1999 led the Clinton administration and the US Congress to provide “Foreign Military Assistance ($US5 million for each of fiscal years 2000 and 2001) and Excess Defense Articles (200 M-35
trucks, one Coast Guard Cutter, and authorization for the transfer of UH-III helicopters, A-I aircrafts, amphibious landing crafts and other naval vessels, if available) to the Philippines” (Siazon 2000, 2-3).

As a result of both countries’ renewed investments in the alliance, US-Philippine defence relations revived. Ship visits by the US Navy to the Philippines and large scale military exercises resumed in 2000. It should be noted that such a resuscitation of the alliance occurred prior to the 9/11 attacks. These deepened the US-Philippines alliance to such a degree that the United States subsequently designated the Philippines as a ‘major non-NATO ally’ in the context of mutual US-Philippine efforts to counter insurgents in Mindanao who they suspected were linked to global Islamist terrorists.

Conclusion

This chapter has discussed why the US-New Zealand leg of ANZUS was de facto terminated in the mid-1980s and why the US-Philippines alliance was suspended between 1992 and 1999. In both cases mutual threat perceptions between allies deteriorated, which made them comparable to the US-Australia and the US-ROK alliances in the post-Cold War period. In Chapters Three and Four, it was argued that the latter two alliances have persisted primarily because they have been clearly providing their members with order insurance benefits, and the alliance members have been investing in arrangements to save their alliance from challenges that arose as the result of alliance mismanagement. By contrast, this chapter argued that the US-New Zealand leg of ANZUS has been de facto terminated since the mid-1980s because neither the United States nor New Zealand found order insurance benefits from it. It has been further contested that the US-Philippines alliance was suspended between 1992 and 1999 because its members did not invest for ‘insurance for the alliance’, even though they had order insurance interests in retaining viable alliance relationships.

The larger implication of this chapter is that insurance factors are clearly at play to facilitate alliance persistence. Order insurance benefits are critical in the persistence of an alliance whose primary threat-centric rationale has significantly diminished (if not disappeared) in the sense that without them the alliance becomes obsolete. It is difficult for such an alliance to be restored, as the US-New Zealand leg of ANZUS demonstrates. On the other hand, when an alliance provides order insurance benefits to its members,
the alliance undergoes oscillation depending on its members’ investments for ‘insurance for the alliance’. A low level of investment may put the alliance in suspension. Yet, such a relationship can be restored as investment intensity becomes higher. This was the case in the US-Philippines alliance since 1999. As a corollary, then, it can be posited that an alliance may face serious challenges if its members stop investing for ‘insurance for the alliance’. In other words, the US-Australia and the US-ROK alliances would become more seriously challenged if their allies did not continue to pay due premiums.
Chapter Six: Conclusion—Alliance Persistence and Its Implications

The main feature of the Cold War security arrangements among non-communist countries in the Asia-Pacific was the ‘hub and spokes’ alliance structure led by the United States. During the Cold War, this network served as an instrument for balancing against a clearly designated communist-related threat. With the demise of the Soviet Union in 1991, its original ‘general purpose’ had expired. Yet nearly two decades after this structural change, the five alliances that constitute the ‘hub-and-spokes’ system continue to be operative, although one (ANZUS) has lost a member in a de facto sense since the mid-1980s. It is in this context that this thesis began with the question: to what extent can the ‘hub-and-spokes’ alliance structure be explained in the post-Cold War era?

This study has addressed this question in terms of alliance persistence. All the five alliances of the US-led ‘hub-and-spokes’ system are now more than a half-century old, which is significantly longer than the average lifespan of most alliances (Bueno de Mesquita and Singer 1973, 243-244; Morrow 1991, 922; S. Bennett 1997, 863; Leeds and Savun 2007, 1125). The main argument of this thesis is that, in a relatively benign security environment where mutual threats have disappeared or mutual threat perceptions between allies have deteriorated, an alliance persists if two conditions are met: 1) the alliance generates order insurance benefits to its members and 2) the allies invest for such benefits with arrangements to insure the alliance preservation against challenges that arise as a result of alliance mismanagement. To test this argument, this thesis has evaluated the persistence of the US-Australia and the US-ROK alliances in the post-Cold War period. Also, to achieve some basis for falsification, the discontinuation of the US-New Zealand leg of ANZUS since the 1980s and the US-Philippines alliance during the 1990s were explored by applying the same theoretical context.

In the following sections, the main findings of Chapters Three, Four and Five are summarised according to the framework of the ‘order insurance explanation of alliance persistence’ that was derived in Chapter Two. I then explain this study’s theoretical contribution to the general alliance politics literature. Policy implications are then offered. I conclude by linking the persistence of the US-led alliances in the Asia-
Pacific with the larger issue of the Asia-Pacific’s evolving regional security order, offering some suggestions about the future direction of the ‘hub-and-spokes’ system.

**Insurance Explanation of Alliance Persistence**

This study has identified a causal mechanism in which an ally’s affinity toward *alliance for order insurance* is an independent variable and alliance persistence is a dependent variable, while the intensity of *insurance for alliance* is an intervening variable (Diagram 1). In Chapter Two, I termed this causal mechanism an *order insurance explanation of alliance persistence*. In the following paragraphs, I briefly review the study’s main findings, identifying what aspects of order insurance are common to understanding the continued existence of alliances.

**Diagram 1: An Order Insurance Explanation of Alliance Persistence**

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<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
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<tr>
<td>Affinity toward Alliance for Order Insurance</td>
<td>Alliance Persistence</td>
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**Alliance for Order Insurance**

In this study, an ‘order insurance strategy’ was defined as ‘retaining or cultivating security arrangements to respond to an undesirable long-term security trend that may occur in the process of order-maintenance and order-building.’ An ‘alliance for order insurance’ is an alliance that is utilised for such a strategy. Two order insurance benefits were identified that are reflected within alliances: the positional interest and interest vis-à-vis multilateralism. An alliance may enhance its member’s ‘positional interests,’ which are defined as ‘interests that take into consideration one’s own and/or an ally’s status in a regional security environment.’ Also, an alliance may facilitate its members’ insurance interests relative to multilateralism in that it serves as a basis for testing new multilateral initiatives while still functioning as a fallback option against
side effects or downside risks in the process of allies’ pursuing those multilateral security initiatives.

**Positional Interests**

Chapters Three and Four examined the concept of ‘alliance for order insurance’ in the context of the US-Australia and the US-ROK alliances. Both of these bilateral alliances reflect generic and positional interests. Australia has always yearned for a culturally compatible ‘great and powerful friend’ to extend protection to its own territory, with initially the United Kingdom and later the United States performing that function. ‘Positionally’, Australia’s alliance with the United States allows it to remain a member of good standing in the contemporary Western defence community. Additionally, Australia perceives insurance benefits from the alliance in relation to its position in ‘Asia’ (especially with respect to Southeast Asia). Australia’s status as a member of the inner circle of the United States often enables it to play an intermediary role between Asia and the United States, because most regional states acknowledge the importance of Australia’s close security ties with Washington.

From the American perspective, the alliance enables Australia to assume a greater security role in the region, often one in conjunction with the United States’ own policies. Enhancing Australia’s independent standing helps the United States to maintain its influence in Southeast Asia and the Pacific as an offshore balancer by infusing Australia with greater capacity to shoulder part of the political and diplomatic ‘burden’ on its and the West’s behalf in the Asia-Pacific.

South Korea and the United States also assign generic and positional interests to the US-ROK alliance. South Korea has formed its generic interest through its historical experiences in maintaining a stable balancer in the region by allying with a powerful state. Accordingly, South Korea preserves the alliance to help the United States maintain its position as a regional balancer against the emergence of any unfavourable regional order. Allying with the most powerful state also enhances South Korea’s position vis-à-vis China and Japan in terms of diplomatic and security leverage with these two states and in relation to the future unification process of the two Koreas, in that China and Japan must take the United States into consideration when they identify their security relationship with South Korea.

The United States also finds order insurance benefits from the US-ROK alliance.
although these sometimes diverge from South Korea's stance in regional order-maintenance and order-building (as exemplified in the controversies over South Korea's self-declared role as a 'Northeast Asia balancer'). Regardless of the regional politico-security architecture that finally emerges, the US-ROK alliance serves American interests by positioning South Korea within the American strategic orbit. The United States finds this role of the alliance particularly important in insuring against the possibility that the China-US and the Sino-Japanese rivalries or Korean unification processes would develop in a direction that risks affecting the balance of influence in the region in favour of China.

**Order Insurance Benefits vis-à-vis Multilateralism**

Both the United States and Australia have been utilising the US-Australia alliance as a bridge to new regional security arrangements. For example, the alliance (along with the US-Japan alliance) has been serving as a base of the TSD, which may eventually lead to a more comprehensive multilateral security architecture. Also, as was the case with Australia’s entry into EAS, the alliance helps Australia participate in the regional multilateral order-building processes while still arranging its policy options with the United States in a way that limits the possibility that regional multilateralism would become detrimental to both Australia and the United States. As is the case with the US-Australia alliance, South Korea and the United States have been attempting to interlock the US-ROK and the US-Japan alliances more closely by promoting coordination and complementarities between the two alliances, as was the case with the TCOG. It can be argued that the US-ROK and the US-Japan alliances have provided the three states with a firm ground upon which to participate and engage effectively in a more extensive trilateralism or mini-lateralism. The Six Party Talks is a case-in-point even though that dialogue’s longevity may be uncertain.¹

Certainly, Australia, South Korea and the United States do not have complete

¹ Although what specific type or how fast such institutionalisation in Northeast Asia could occur remains uncertain, it is clear that both Washington and Seoul prefer any multilateral process that does materialise there to be one that incorporates both Koreas rather than just a bilateral North Korean-American dialogue on stabilising the peninsula and that involves the interests of China, Japan, Russia (the other members of the Six Party Talks) and perhaps both Australia and Southeast Asia in a process not dissimilar to the Helsinki Accord leading to the Conference on Security and Cooperation in Europe during the late 1970s and beyond.
confidence in existing multilateral security arrangements in the region. These arrangements are still too new and untested to ascertain their value over the long run. Furthermore, how they will fit into whatever security ‘order’ develops in the region is uncertain. For this reason, these three states maintain their bilateral alliances to give themselves leverage to influence how any future order unfolds and especially to forestall the development of security arrangements that work to their disadvantage.

To affirm the finding that allies’ affinity toward alliance for order insurance plays a key role in the persistence of the US-Australia and the US-ROK alliances, Chapter Five investigated the US-New Zealand leg of ANZUS during the ANZUS crisis of 1984-1987 and the US-Philippines alliance between 1992 and 1999. The US-New Zealand leg of ANZUS was terminated (de facto) in the mid-1980s due to the lack of order insurance benefits. It has not since generated such benefits to either the United States or New Zealand. Unlike the de facto termination of US-New Zealand interaction, the suspension of the US-Philippines alliance between 1992 and 1999 did not result from a lack of order insurance benefits. Both allies deemed the US-Philippines alliance still relevant for order insurance in Southeast Asia in the 1990s. Instead, the low intensity of ‘insurance for the alliance’ was the primary contributor to the suspension of the US-Philippines alliance, as reiterated below.

**Insurance for Alliance**

In a security environment in which there is no mutual threat or where mutual threat perceptions between allies are weakening, order insurance benefits do not, by themselves, necessarily translate into the persistence of an alliance. Allies’ perceptions of regional order tend to be more divergent than in a situation where a mutual threat (perception) suppresses such differences. For example, the United States tends to regard global factors more seriously than do its allies in its vision of order regarding alliance politics, while its allies’ primary focus is on their own regional security concerns. To ensure alliance persistence under such circumstances, allies need to invest in arrangements to preserve the alliance from challenges that (may) arise from alliance mismanagement.

In Chapter Two, it was suggested that such arrangements include 1) reconciling oneself with one’s alliance partner on issues critical to the latter’s strategic interests; and 2) increasing a partner’s stake in the alliance by linking the intra-alliance relationship to
Chapter Six

a partner’s non-alliance security agenda. To avoid a falsification problem, this thesis has required three criteria for an arrangement to be qualified as ‘insurance for alliance’: 1) the investing ally recognises the arrangement as insurance for alliance; 2) its partner’s core security interest is taken into account; and 3) the ally is seen by the partner to be paying a price to invest in the arrangement, whether in terms of resisting strong domestic criticism or putting in jeopardy its own short-term security interests.

Chapters Three and Four examined the concept of ‘insurance for alliance’ in the context of the US-Australia and the US-ROK alliances. Several main findings emerged. First, despite the political risks entailed in supporting the United States in its war against Iraq in 2003, both Australia and South Korea have assisted the United States in Iraq as a means of insuring their alliances with the United States. Though their contributions did not have a decisive operational impact on the battlefield, Canberra’s participation in the war with combat troops at the initial stages, and both Canberra’s and Seoul’s backing of the post-war peace-building and reconstruction missions in Iraq have offered Washington greater legitimacy for its Iraq intervention than would otherwise have been gained. This outcome has increased the United States’ stake in maintaining the US-Australia and the US-ROK alliances.

Second, Australia has joined the US MD research and development, while South Korea acknowledged greater mission flexibility of USFK, despite strong domestic criticisms of such actions. Australia has reconciled itself with accepting that MD is at the centre of US post-Cold War deterrence and counter-proliferation strategies. South Korea realises that greater mission flexibility of US forces is in line with the US ‘transformation strategy’ for deployment of its overseas armed forces.

The United States has also paid its insurance premiums. The United States assisted Australia in the latter’s efforts to lead INTERFET in late 1999 because it knew that Australian security policy-makers perceived it had a major stake in successfully convincing the United States to play a substantial role in that initiative. In consideration of Australia’s interests, the United States shifted from its initial reluctance to support INTERFET and actively participated in the mission. With respect to South Korea, ‘insuring’ the US-ROK alliance is one of the major factors why the United States has refrained from ‘going it alone’ with its North Korean policies, instead, consulting with South Korea on issues related to North Korea. South Korea worries that the United
States may someday conduct a unilateral military strike against North Korea. At the same time, South Korea is also concerned that the United States might yet engage in direct negotiations with North Korea that would exclude South Korea and its policy interests. If either of these developments were to occur, the US-ROK alliance would be seriously undermined.

Given that the US-New Zealand leg of ANZUS was de facto terminated in the mid-1980s because of the lack of order insurance benefits, there is no point in investigating whether the United States and New Zealand invested for insurance for the alliance in terms of alliance discontinuation. Instead, to affirm that the intensity of ‘insurance for alliance’ plays a key role in alliance persistence, Chapter Five investigated the suspension of the US-Philippines alliance between 1992 and 1999. Though both the United States and the Philippines had interests in retaining viable alliance operations for order insurance purposes in the 1990s, the alliance was suspended between 1992 and 1999 due to the low intensity of insurance for the alliance. Both allies’ investments for insurance for the alliance have contributed to the rejuvenation of the US-Philippines alliance since 1999.

Theoretical Suppositions

The alliance politics literature has mainly focused on three areas: alliance formation, alliance effect (especially on the occurrence of war), and alliance reliability (A. Smith 1995, 405; Suh 2000, 24). Alliance theorists had paid little attention to the study of alliance persistence until after the collapse of the Soviet Union in 1991. However, as that event did not lead to the disintegration of NATO and the US-led bilateral alliances in the Asia-Pacific, the concept of alliance persistence warrants greater attention, because the primary rationale of those alliances had previously been to contain communist-related threats.

In explaining alliance persistence in the post-Cold War period, the existing literature has focused on various factors. These include threats (remaining or potential), institutional features (such as sunk cost, inertia and asset specificity) and ideational factors (such as the ‘authority’ of liberal-democratic capitalism embedded in the alliances and ‘socialised’ arrangements). This thesis has problematised such approaches with empirical evidence taken from the US-Australia and the US-ROK cases.
In Chapter Three, it challenged realist theories of alliance persistence that associate the persistence of an alliance with threats (existing or potential) relative to US-Australia security ties. Since the US-Australia alliance has been the least threat-centric since the Cold War period among the five alliances the United States still maintains in the Asia-Pacific, it constitutes the ‘most-deviant case’ to those theories. On the other hand, Chapter Four criticised both institutionalist and constructivist theories of alliance persistence that involve non-material factors initially developed in response to threats. The US-ROK alliance in the post-Cold War period constitutes a ‘most likely case’ for these theories because it was arguably the most threat-centric during the Cold War and had significantly developed asset specificities and social identities attached to the alliance. Nevertheless, as the first part of the Chapter Four has argued, threat-originated non-material factors have not been driving the persistence of the US-ROK alliance.

This thesis, instead, has provided a realist approach for integrating alliance persistence with a regional security system that lacks a concrete or tangible military threat as its most fundamental underlying rationale. Alliances are inevitably embedded within the international security structure. Though there have been numerous studies on the impact of bipolarity or multipolarity on alliance politics, few have discussed it under conditions of systemic unipolarity.

To reiterate, allies’ interests regarding regional order are less likely to converge under unipolarity than would otherwise be the case. Divergent regional order perceptions need not be suppressed for ideological reasons under unipolarity as they typically are under other systemic configurations. This could well lead to sharpened differences between the unipolar power and its allies on various issues involving a regional order. Under these circumstances, intra-alliance management on issues such as burden sharing, division of labour within the alliance and allocation of alliance instrumentalities tends to be more contentious than it would be under other systemic polarities. This may lead to a reduced level of alliance cohesion. If domestic objections to an alliance (that may result, for example, from newly emergent national identities, increased anti-Americanism or intensified anti-nuclear sentiments reflected in an allied state’s public opinion) accompany alliance mismanagement, the survival of an alliance would be seriously challenged.

Against this backdrop, this thesis contributes to the alliance politics literature by
establishing a framework of alliance persistence under unipolarity. It has identified order insurance factors (i.e., ‘alliance for order insurance’ and ‘insurance for alliance’) as common elements for alliance persistence under unipolarity. It is worth noting that the US-Australia and the US-ROK alliances are ‘least likely cases’ among the five alliances to fit into such a framework, as members of the two alliances have more divergent perceptions of regional order than those of the other three alliances. Japan’s order perceptions are similar to those of the United States with regard to global issues such as nuclear non- and counter-proliferation as well as issues such as China’s and Japan’s regional security roles. The main frame of reference for both Thai and Filipino security policy-planners is combating counter-insurgency threats within their own sovereign territories. This correlates closely with continued US preoccupations about Jihad’s expansionism and the so-called ‘global war on terror’ or ‘Overseas Contingency Operation’. Therefore, establishing a causal mechanism between ‘order insurance factors’ and alliance persistence through the two cases of alliance collaboration reviewed here makes the framework more generalisable than would otherwise be the case with the other three alliances. This thesis thus constitutes a pilot study for analysing other areas of alliance politics, such as alliance management and alliance cohesion, under unipolarity.

Any framework that attempts to explain alliance persistence under unipolarity should incorporate not only the unipolar power’s interests but also its regional ally’s interests, because regional allies do not always see eye-to-eye with the unipolar power nor follow its lead in the context of alliance politics. In that sense, the order insurance approach discussed here is more comprehensive than John Ikenberry’s liberal institutional approach or Michael Mastanduno’s ‘incomplete hegemonic’ approach in that both Ikenberry and Mastanduno predominantly focus on the US interests.

Moreover, some attention has been directed here to whether bilateralism and multilateralism supplement, complement or supplant each other. This thesis indeed suggests a nexus between the two, namely, an order insurance benefit that bilateral alliances generate with respect to multilateral regional order-maintenance and order-building.

**Policy Implications**
Motivations identified for the persistence of an alliance may influence policymakers to judge whether they should support or oppose a particular alliance. For example, if an alliance persists due mainly to the prolonging effects of 'asset specificities' and thus the persistence is perpetuating a myth of threat or a delayed reaction to ultimate dissolution, policymakers may consider ending the alliance. This is particularly true if the continuation of the alliance incurs excessive costs. On the other hand, if an alliance persists due to substantial interests reflected within it, it would be reasonable for policymakers to support the preservation of the alliance unless there is an alternative security arrangement that can realise those interests in a more effective way. This thesis concludes that the US-led alliances in the Asia-Pacific provide both the United States and its regional allies with tangible order insurance benefits that can not be obtained through other security arrangements. In this sense, policymakers in the countries under review may be well advised to uphold the continuation of the alliances unless and until a more viable security arrangement becomes available. The order insurance rationale also helps policymakers defend their alliance against non-allied states' objections to it. For example, the order insurance rationale provides the United States with the grounds upon which to argue against critics' views that the United States has been intent on containing China through its alliances in the Asia-Pacific or expanding its own hegemonic agendas.

The findings of this thesis also have implications for policymakers in dealing with their alliance partners. That is because not only are the ends of alliance persistence identified (e.g., order insurance benefits), but also the means. To reiterate, those means include reconciling itself with its partner on issues critical to the latter's core strategic interests and linking the intra-alliance relationship to its partner's non-alliance security agendas. These findings provide policy elites with specific criteria that can be applied when they engage in security relations with their ally.

Finally, this thesis suggests directions of alliance adjustment. Given that the United States and its regional allies maintain their alliances for the purpose of 'order insurance', they have been changing alliance operations and instrumentalities to reflect that purpose. The military strategies of the United States and its regional allies are evolving dynamically. In this context, analysis here relates directly to the continuing debates on alliance adjustments and provides policymakers with a justification for and against certain alliance policy options.
Conclusion

Among the five alliances that constitute the hub-and-spokes alliance structure, this thesis has examined ANZUS (including both its US-New Zealand leg in the mid-1980s and the continued US-Australia alliance\(^2\)), the US-ROK alliance, and the US-Philippines alliance. A further study of the US-Japan and the US-Thailand alliances would further deepen our understanding of whether - and to what extent - the hub-and-spokes alliance structure can and will be sustained on the basis of order insurance rationales. Given that the three alliances under review here cover major sub-regions of the Asia-Pacific - namely, Northeast Asia (the US-ROK alliance), Oceania (the US-Australia alliance), and Southeast Asia (the US-Philippines alliance) - a tentative projection of the future of the hub-and-spokes alliance structure may be offered.

Even though the hub-and-spokes system has not been playing a central role in threat-neutralisation as was the case during the Cold War period, the United States and its regional allies will continue to sustain the hub-and-spokes system to cope with what is an ongoing transition in regional security politics. This is not due to sheer inertia on account of Cold War investments, but because this network functions as a system of 'alliances for order insurance'. Yet, as the main purpose of the hub-and-spokes system has changed from a threat-centric role to a more order-centric rationale, it has been, and will be even more so, characterised as being less hierarchical than during the Cold War period. Without a clear mutual threat (perception) perpetuating that system, it is difficult for the government of a regional ally to maintain an \textit{asymmetrical} alliance with the United States that unilaterally provides 'autonomy' to the 'American hub' due to the domestic objections of its public sparked by its unequal nature. On the other hand, with the lack of a mutual threat (perception), the American hub does not have grounds for controlling or restraining its regional spoke in return for providing 'security' through the alliance. Washington also cannot exclusively manage the security relations between allied 'spokes', because without a clear mutual threat (perception), it would no longer be their common patron. More symmetric and mutual relationships between the American hub and its regional spokes are most likely to underscore the future hub-and-

\(^2\) To reiterate, the US-Australia alliance refers to the US-Australia leg of ANZUS since the US-New Zealand leg of ANZUS became de facto terminated in the mid-1980s.
spokes system, and there will be increasing interactions among regional allies themselves that are discernibly more independent from the United States than has previously been the case.\(^3\)

Given the preference of both the United States and its regional allies to maintain the US-led status quo security order, however, it is unlikely that the hub-and-spokes system will completely give way anytime soon to a different type of order structure, such as a China-centred traditional hierarchical Asian order or to a division of the land-sea Asia-Pacific spheres between the United States and China. Nor is it likely that multilateralism in the region would totally supplant the hub-and-spokes system over the near future because of the inefficiency in achieving and implementing any consensus for how multilateral security should be organised in the Asia-Pacific. Nevertheless, the United States and its regional allies have been attempting to create multilateral security arrangements through minilateral gatherings such as TCOG, the Six Party Talks and TSD. This trend will continue, functioning as a ‘bridge’ between bilateral and multilateral security architecture.

This study concludes by observing that the hub-and-spokes alliance structure is now in a necessary and natural transition phase relative to the emergence of a new regional order. This order will be managed more increasingly by effective minilateral and multilateral security regimes. However, a completely multilateral security order will take some time to materialise. Until then, the US-led bilateral alliances in the Asia-Pacific will “persist”.

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\(^3\) For example, Japan and Australia signed a security pact in December 2008 that is aimed at improving the defence relationship between the two states. South Korea and Australia also agreed during a summit meeting in March 2009 that the two states will sign a security pact, deepening security ties between them.
## Appendix I:
List of Affiliation of Interviewees and Number of Interviewees

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<th>Number</th>
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<td>Catholic University of Korea</td>
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