

Asymmetric Burden-Sharing and the Restraining Effect of Alliances

Yukari Iwanami

Abstract

Although U.S. policymakers historically urged U.S. alliance partners to take on more of the security burden, the U.S. still shoulders heavy defense costs and provides security to its allies even after they became economically wealthy and acquired sufficient resources to defend their own. I employ a three-player game-theoretic model which endogenizes the process of arms buildup and alliance formation to identify the conditions under which a status-quo oriented superpower provides protection to its ally. I demonstrate that alliance burden-sharing may exert the deterrence and restraining effects, although at most one effect is observable at a time. If an ally's opportunity cost of mobilization is relatively small, the superpower may shoulder a disproportionately heavy burden to curtail the ally's incentives to pursue a massive military mobilization and elicit concessions from an opponent (*the restraining effect*). Conversely, if the ally's opportunity cost of mobilization is relatively high, the superpower provides some protection to the ally and incentivizes the latter to expend more resources on arms buildup and prevent being extracted by the opponent (*the deterrence effect*). In both cases, the superpower may shoulder a heavy defense burden to alter the ally's preferences, but it still tries not to allow the ally to free-ride on its effort. I illustrate the restraining effect of alliances with case studies of the U.S.-Japan Security Treaty and the integration of unified Germany into the NATO.