Enduring Allies
Building Better Defense-Industrial Cooperation
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Geopolitical competition is back in full force in Europe and throughout Eurasia. This has put a renewed premium on alliances, because to compete alone is dangerous. Russia has been clear about its intentions to wreak havoc on the post-Cold War order and restore its influence over a large swath of territory along Europe’s eastern frontier. On the other side of the Eurasian landmass, China has been extending its claims toward the Pacific by building islands in the middle of the South China Sea. And the Middle East is a chaotic region with multiple—regional and extra-regional—strategic actors vying for influence under the shadow of a future nuclear-armed Iran. The Western order is threatened along a lengthy frontier, and only strong alliances—firmly grounded in complementary capabilities and shared interests—can maintain the geopolitical status quo.

The states most immediately threatened by the revisionist powers must be firmly anchored in alliances with more distant but powerful protectors. Alone, they cannot withstand the continued probing and violence directed at them by the neighboring rivals. They therefore have a clear incentive to maintain and solidify strategic links with their more distant security patrons. Throughout history, offshore security providers—now the United States—have also had an interest in supporting frontline allies, because that is where the political and economic order is being challenged. Their first line of defense, so to speak, is located along that front, which in Europe extends from the Baltic to the Black and eastern Mediterranean seas.

The strategic interest for U.S. alliances is present, the security need is manifest, and the political will in most cases is clear. U.S. alliances have a solid foundation. But a collective security alliance is merely a promise that two or more parties will come to each other’s aid if one of them is attacked. That promise, even if formalized in a treaty, needs to be backed by tangible forms of commitment and sustained by continued efforts.
The question then is: what are the best ways of strengthening an alliance? Three ways in particular are often mentioned: allied forces located on the territory of the vulnerable state, interoperability of allies built and maintained through training, and defense-industrial cooperation. While we usually focus on the first two, defense industrial cooperation is the unsung variable that roots the alliance in more long-lasting interests.

The most immediate, and most discussed, way of strengthening an alliance is to establish a visible and permanent presence of the security guarantor’s forces on allied territory.

Such presence proved successful during the Cold War, as the United States maintained a large contingent of forces in the most vulnerable states from West Germany to South Korea. It is also what Europe’s frontline states—from Estonia to Poland—are demanding now, in an overdue adjustment to the military posture of the Western alliance, which still reflects Cold War divisions rather than current security realities. Such a presence clearly shows the commitment of the United States, the security patron, to its allies by enhancing their defensive capability and establishing a tripwire that would call for further American commitment.
The second often-mentioned ingredient of robust alliances is the ability of various states to fight together. Coalition warfare has always been exceedingly difficult to wage. In the past, only a powerful threat succeeded in keeping together on the battlefield disparate allies with often divergent immediate interests, uneven training and linguistic variety.¹

Joint peacetime training can obviate some of the problems of operational and tactical coordination that occur during the fog of war. It practices common procedures, develops a shared language and tests the roles of various formations; in short, it enhances the interoperability of allied forces. It can also foster personal connections among the officer corps, something that can be exceedingly useful in the chaos of a battle.

But one answer to the question of how to strengthen an alliance is often overlooked: shared defense manufacturing.² Allies that produce weapons platforms together tend to stick together when war starts. There are multiple reasons why this is the case, all reinforcing the logic behind “boots on the ground” and joint training arguments. By itself, defense-industrial cooperation does not suffice to maintain an alliance or build an effective deterrent against potential enemies. It is insufficient, but necessary and desirable. It anchors the alliance in a deeper set of interests, buttressing its credibility and improving its war-fighting capabilities. It is true that weaker allies benefit most from such cooperation, both in terms of economic benefits and stronger security guarantees, but the United States, as the security patron, should also support such cooperation because it solidifies the alliances that have underwritten the political order of the past 70 years.
Benefits of Defense-Industrial Cooperation

Three broad sets of benefits stem from defense-industrial cooperation.

First, technological integration and military complementarity. As technology becomes more complex, joint production can aid the lengthy process of integrating various systems. For one thing, familiarity with the inner workings of these weapons may make their adoption more seamless. The buyer can easily absorb the acquisition of a low-tech tool such as a gun or a truck; it is easy to use and does not require specialized knowledge to insert it into a larger defense structure. But a more high-tech platform that must be plugged into a system of sensors, communications and targeting demands greater expertise—an expertise that can be developed by co-producing the weapons system.

Allied joint manufacturing enhances the ability of weaker allies to adopt new technologies, integrating them into their militaries with greater ease and effectiveness.

While the first effect improves one state’s ability to adopt new technologies, the second anchors that adoption in a wider system of alliances: joint manufacturing enhances allies’ military complementarity, leveling the gap between a stronger, more advanced ally such as the United States and the weaker and technically less developed partner (e.g., Poland or Japan). This is unlikely to happen through a simple transfer of technology.

Using the same technology makes coalition warfare easier, and thus strengthens the alliance’s credibility in peacetime. Of course, allies can achieve some interoperability through regular joint training and the acquisition of ready-made technologies. But cooperation at the production stage enhances interoperability by deepening shared knowledge of how the co-produced weapon functions, how it can be improved and altered, or how various allied forces can use it. In other words, one must be taught how to use a particular technology through training but can also become more familiar with it at the production stage.

Second, related to the previous point, joint defense manufacturing spurs an incipient will of some U.S. allies to invest in their own security. The United States should nurture the desire of some of its most exposed allies to increase defense spending and provide for their own security needs, because this presents a historic opportunity. Well-armed frontline allies are the best way to maintain the geopolitical status quo, which benefits both the United States and the allies themselves.

By encouraging joint production of various military capabilities, the U.S. offers allies tangible incentives to devote further efforts and resources to build up their military capabilities. Such cooperation helps with the technical aspects of military integration and complementarity. But it also shores up the domestic will of the weaker ally by demonstrating the alliance’s economic benefits, allowing that more vulnerable country to reinvest some defense spending in its own economy. Defense-industrial cooperation creates jobs, transfers know-how and can have positive economic benefits. All this contributes to strengthening the ally’s domestic resolve to remain anchored in the alliance and maintain a posture of balance against the regional revisionist power.
For example, one likely outcome of industrial cooperation would be to introduce a producer from an allied country, say Poland, into the supply chain of a large U.S. defense company. Most defense companies do not produce weapon platforms but rather serve as system integrators: they subcontract pieces to smaller producers all over the world and then assemble them. By partnering with a U.S. defense company, a producer from an ally state widens its market horizons—an economic benefit of defense spending and cooperation that can strengthen a country’s political will to invest further in the alliance.

Third, defense-industrial cooperation strengthens the credibility of the great power’s commitment to its ally. While it is not a substitute for “boots on the ground” – namely, the physical presence of U.S. forces on the territory of its most vulnerable allies—shared production of some weapons has the similar effect of both reassuring the ally and deterring the rival. Besides all the technical and economic benefits, such cooperation has a demonstrative effect: a tangible token of the great power’s commitment to the welfare of its vulnerable ally.

Two particular effects are worth considering. First, by sharing production with an ally, the great power indicates its clear willingness to distribute its technological superiority to that country. Doing so elevates that relationship above other alliances, showing that it is committed to that state to the point of diluting its own military superiority. The United States, for instance, has been unwilling to sell some weapons such as the F-22 even to its best allies, worried that such sensitive technologies might fall into hostile hands. Being the sole operator of a superior technology certainly offers operational advantages. But there are also strategic and diplomatic costs, because such a protectionist posture conveys a certain mistrust toward allies as unworthy recipients of particular weapons. By selling unique capabilities, and even more, by engaging in co-production of some capabilities, the great power can achieve the opposite and more positive effect of extending its mantle of trust to that ally. Military industrial cooperation is therefore a tangible demonstration of the commitment of a great power to its ally.
Second, like the presence of troops on the frontline, setting up production facilities on the ally’s territory makes the great power more vulnerable. An attack on that ally would carry immediate costs to both industrial partners, enhancing the credibility of the distant great power, the United States in this case. The promise of intervening in the ally’s defense becomes stronger and more believable, because the security guarantor is not only bound by a treaty but also incentivized by its economic and security investment in military co-production. That investment can serve as a tripwire of sorts, strengthening its commitment to defending the vulnerable ally. The greater the costs inflicted by the revisionist power upon the distant security guarantor, the more credible the latter’s intervention in support of the exposed frontline state.4

Industrial-defense cooperation, like all relationships, benefits the involved parties unevenly. On balance, the weaker and vulnerable ally is the bigger beneficiary, especially when security advantages are factored in. That state certainly receives economic benefits by, among others, entering the supply chain of larger defense companies with access to wider markets. But through industrial cooperation, such a state also enhances its ability to better integrate new technologies, and advances its interoperability with allied forces. Finally, and perhaps most importantly—albeit with less quantifiable measures—the weaker and vulnerable ally strengthens the security guarantees promised by its distant security protector because the latter’s industrial commitment makes them more credible.

Such cooperation does not happen by itself, pushed by the impersonal forces of a globalizing market. In fact, the globalization of defense companies is often exaggerated. States will continue to tightly control weapons exports and cooperation among defense producers for obvious reasons: the proliferation of sensitive technology can undermine their ability to maintain superiority in combat, and “most countries will still believe that controlling basic weapons production facilities is prudent.”5 Because of strict government regulations, defense companies are also reluctant to go beyond simple foreign military sales. Transferring a finished weapons platform is easier than co-producing one, both for technical (e.g., coordinating different systems) and political reasons.
But this does not mean cooperation is impossible. It only stresses the need for authorities in allied states to actively participate and consciously decide to pursue such cooperation.

How? Both the United States and its ally—the more technological and stronger patron and its weaker ally—must compromise. The U.S. has to tailor cooperation to products that are necessary to the defense posture and security conditions of its allies. With regard to Europe’s eastern frontier, U.S. allies need, and should be encouraged to develop, a spectrum of capabilities that increases the costs of any potential Russian territorial revision, building the components of a deterrent by denial. For instance, frontline states do not need high-end, complicated and thus prohibitively expensive platforms that require decades to complete, such as the F-35 or a long-range stealth bomber. Rather, they need abundant, expendable, quick-to-produce and easy-to-maintain weapons that can impose serious costs on Russian forces—and alter Moscow’s calculation of costs and benefits. The industrial cooperation that could produce such affordable weapons would augment the much-needed military potential of states like Poland.

The weaker ally must also accept that industrial self-sufficiency may be appealing for political and security reasons, such as the development of an indigenous arms industry or independence from foreign suppliers. But it has its costs; it thwarts the technological and economic growth of the domestic industry while doing nothing to strengthen the indispensable alliance. And the latter consideration should be preeminent in any domestic discussion on whether to engage in defense-industrial cooperation.

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A Peacetime Investment With Long-Term Dividends

Defense-industrial cooperation is a peacetime investment in the stability of the alliance and, above all, in its ability to serve as a credible deterrent against the revisionist aspirations of a nearby power. Alliances are more difficult, if at all possible, to establish and strengthen once the conflict has started. The experience of 1939 should serve as a powerful reminder that last-minute alliances, such as the Polish-British one, are desperate measures that carry little practical impact on battlefield operations. In the future, it will be even more difficult to build wartime alliances from scratch because the technological complexity of warfare makes joint battlefield operations more difficult to coordinate.

It is in peacetime that states should work hard to build and solidify alliances—and one key peacetime strategy to firm up an alliance is to develop a wide range of defense-industrial cooperation. Allies that have tight defense ties are better able to deter a rival, and are more likely to remain allies once the shooting starts.

2. Under this broad term, I group a variety of cooperation formats: licensed production (the entire weapon is produced in-country under a license, giving the state a security of supply and control over the production calendar); joint venture (subcontracting parts of the product to a country, allowing transfers of technology and nurturing contractors); or inter-governmental partnerships (states are coequal, both producing the product or parts of it).


4. There are also security benefits for the stronger country, the U.S. in this case. Having a diffuse supply chain for a particular weapons platform may make it vulnerable to disruption in case one supplier is attacked. But at the same time, it makes it resilient to a wholesale collapse, especially if another supplier can quickly replace the vulnerable one. Usually, this dynamic is presented in systemic terms: the globalization of production makes the conquest of one state (and thus only of a small number of suppliers of parts) less cost-effective, and thus it instills systemic stability. Or, to put it differently, the conquest of the whole supply chain becomes prohibitive because it would involve conquering several states hosting the various producers. This logic is a particular incarnation of a wider set of arguments suggesting the rise of a “commercial peace.” But beyond the systemic benefits, which may or may not be true, the diffusion of military industrial production can serve as a form of production diversification, making the destruction of that production line more difficult.

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