Volume 1

Issue No.1

January-March 2026

THE ASAN SECURITY QUARTERLY

ASQ
The Asan Security Quarterly

One Year of Trump 2.0

Beyond Shocks: Coming Out Ahead in Trump 2.0 Amid Growing Global Responsibilities

Lee Chung Min

Japan and a Discretionary Superpower: Alliance Management in the Second Trump Administration

Ken Jimbo

Rebuilding U.S. Alliances: Why the Post-Cold War Order Broke Before Trump

Jennifer Lind

Australia and the Second Trump Administration

Peter Dean · Georgie Hicks

Rethinking Asia-Europe's Security and the Search for a "Third Way" for America's Allies in Europe and Asia

Michael Raska

TABLE OF CONTENTS

Editorial Board

Introduction

Dr. LEE Jaehyon
Editor-in-Chief

Since its launch in 2013, the *Asan Forum* has been the flagship English-language publication of the Asan Institute for Policy Studies. Under the editorial leadership of Professor Gilbert Rozman, a renowned scholar of Northeast Asia and the Musgrave Professor of Sociology at Princeton University, the *Forum* has offered a platform for expert exchanges on the changing geopolitical dynamics of Northeast Asia. In 2026, the Asan Institute hopes to build on the valuable sociological and comparative political insights that Professor Rozman so skillfully catalogued over the years with a new editorial team and new publication focus.

The *Asan Security Quarterly* seeks to offer a platform for international debates on security issues most pertinent to the Korean Peninsula, with a particular focus on the Republic of Korea's strategic interests. In keeping with the Asan Institute's core mission to undertake policy-relevant research to foster domestic, regional, and international environments conducive to peace and stability on the Korean Peninsula, the *Asan Security Quarterly*'s selection of topics and contributors will prioritize Korea's place in the world and how Korea should conduct itself on the world stage. To do so, the *Asan Security Quarterly* issues will each be focused on a single issue facing Korean policymakers. The articles will offer diverse, competing, but tangible policy recommendations that can inform readers and policymakers alike about the options they have available.

For the inaugural issue of the relaunched *Asan Security Quarterly*, we have invited leading academics and policy practitioners to reflect on the 'one year of Trump 2.0.' President Donald Trump dominated the news cycle and policy arena in 2025 like no U.S. president before him in living memory. The Asan Institute's *2026 International Strategic Outlook* provides a concise analysis of how the United States impacted Korea and the wider Indo-Pacific. What this *Asan Security Quarterly* issue aims to do instead is gauge how like-minded strategic partners have dealt with the disruptive and transformative foreign and security policy agenda of the Trump administration.

In doing so, we hope that policymakers can read this issue and absorb comparative experiences, lessons, and warnings. Too often, U.S. allies tend to be consumed by their dealings with the United States and fail to realize what other countries are doing.

These best and worst practices can be valuable, not to mention the precedents that are established in Washington or Mar-a-Lago.

The issue begins with a Korean perspective from Professor Lee Chung Min, a Senior Fellow and Chairman of the International Council at the Carnegie Endowment for International Peace. It then moves to insights from Professor Jimbo Ken of Keio University, followed by Dr. Jennifer Lind, Associate Professor at Dartmouth College. Perspectives from Australia are provided by Professor Peter Dean of the Australian National University and Ms. Georgie Hicks, a PhD candidate at the University of Tasmania. The panel also includes Dr. Michael Raska, Senior Researcher and Section Head, Security and Defense in Europe, Center for Security Studies, ETH Zurich. Finally, emerging scholars Min Sheewon, a doctoral candidate at the University of Oxford, and Marianne Singh, an Analyst from New York University, contribute next-generation perspectives.

We look forward to your continued readership and engagement as the *Asan Security Quarterly* raises the profile of the Republic of Korea in international affairs.

Sincerely yours,

LEE Jaehyon
Editor-in-Chief
Asan Security Quarterly

Beyond Shocks: Coming Out Ahead in Trump 2.0 Amid Growing Global Responsibilities

Dr. LEE Chung Min
Senior Advisor for International Strategy and Policy at the IISS

THE PRIMACY OF TECHNO-ECONOMICS UNDER TRUMP 2.0

Like almost all major U.S. allies, the Republic of Korea (ROK) has made enormous efforts to satisfy a range of demands from U.S. President Donald Trump after his return to power in January 2025. Since the inauguration of the Lee Jae Myung administration in June 2025, Washington has announced steep tariffs on Korean exports to the United States, demanded investment of hundreds of billions of dollars, pressured Korea to buy American natural gas and more arms, and called for increased defense spending for U.S. Forces Korea (USFK). In a normal world, such exorbitant demands on one of the two so-called linchpin allies in Asia (alongside Japan) would have resulted in dismay, public anger in South Korea, and a search for greater strategic autonomy. But while it will take several years before the full impact of Trump's policies will be felt in South Korea and other allies, South Korea is likely to come out ahead under Trump

2.0 for two reasons.

First, coping with Trump 2.0 is forcing a realignment of South Korea's security policies and national security postures that could, over the longer-term, enable South Korea to overcome deeply rooted divisions between the progressives and conservatives. Since the restoration of democracy in 1987 at the tail end of the Cold War, South Korea's presidency has swung every five years (or shorter, depending on the presidency) between progressives and conservatives. Although the left and the right differ substantially over key domestic issues, deep divisions persist on key national security issues such as choosing optimal strategies towards North Korea, ties with Japan, and the need to balance relations between the United States and China. Nevertheless, Trump 2.0 has brought economic-technological imperatives to the forefront of South Korea's national security discourse, including the crucial importance of economic and technological security. As a result, they have spurred the growing role of Korean techno giants at the frontline of the AI revolution, revamped global supply chains, and a new security narrative led by Trump that heavily chastises America's so-called free-riding allies. In turn, these changes could foster closer European-South Korean ties, especially in emerging technologies (including defense cooperation), to the extent that they both see the United States as a less credible security guarantor.

A *National Security Strategy* (NSS) released by the White House in December 2025 stressed that South Korea must play a key role with other rich allies to rebalance trade deficits with the United States, help the Global South, increase defense burden sharing, and help strengthen defenses along the First and Second Island Chains. This report followed a comprehensive ROK-U.S. agreement on direct investments, where Seoul pledged to increase defense spending to 3.5 percent of Gross Domestic Product (GDP), buy more American arms, and assume a greater share of defense cost-sharing vis-à-vis the stationing of some 28,000 U.S. Forces Korea (USFK). In short, South Korea is seen by Trump 2.0 as a rich, technologically advanced, and militarily powerful ally that is an asset to U.S. strategic interests throughout the Indo-Pacific but especially in the Western Pacific.

To be sure, Trump could look at South Korea in a very different light, i.e., bypassing Seoul to reach some type of peace deal with North Korea. Given Trump's long-standing wish to receive a Nobel Peace Prize and his on-going claims that he has ended more wars and conflicts than any other American president, he may well opt for a surprise meeting with Kim in Panmunjom as he did in 2019. Or for maximum publicity, he could become the first U.S. president to land in Pyongyang in 2026. But North Korea in 2026 is not the North Korea during Trump's first term. At that time, Kim thought that he could use South Korea to nudge Trump to lift sanctions. Today, Kim no longer needs the United States, given his stronger ties with Russia and ongoing vital political and economic support from China.

Second, although how the Ukrainian war is going to end is going to strongly influence European futures, Trump is already shifting his attention to the Indo-Pacific. While his Asia strategy is hardly consistent (i.e., on and off pressures towards China), Europeans now realize how deep Trump's resentments are against Europe for "ripping off" the United States while they minimized their own defense spending for the past three decades. And in return, South Korea could be the recipient of a strategic windfall given Trump's wish for greater Korean investments into the United States and South Korea's support for rebuilding U.S. naval capabilities.

In a blistering attack on European allies, Trump told *Politico* in December 2025 that Europe was a "decaying" group of countries with "weak" leaders and that "Europe doesn't know what to do." Trump's NSS noted that European economic decline "is eclipsed by the real and starker prospect of civilizational erasure" and that it is "far from obvious whether European countries will have economies and militaries strong enough to remain reliable allies." This doesn't necessarily mean, however, that Trump is going to be satisfied with Seoul and Tokyo. As reported by AP in October 2025, U.S. Secretary of War Pete Hegseth welcomed Japan's pledge to increase defense spending and stressed that "the threats we face are real, and they are urgent. China's unprecedented military buildup and its aggressive military actions speak for themselves... Make no mistake about it, our alliance is critical to deterring Chinese military aggression, to responding to regional contingencies, and keeping our countries safe."

To be sure, South Korea (and Japan) must make sure that their own ties with the European Union (EU) and the North Atlantic Treaty Organization (NATO) remain strong with specific commitments, including defense investments, R&D cooperation, and greater political alignment with the EU and NATO. And as the AI revolution begins in earnest, Europe and South Korea can deepen cooperation on critical emerging technologies such as C4ISR-related systems, including next-generation satellites and uncrewed weapons platforms. Indeed, although South Korea won't play a significant role in helping to boost European defense, according to 2025 data from SIPRI, South Korea's arms exports to NATO-Europe comprised 6.5 percent of the total, or the same level as France. Clearly, as European defense companies begin to revamp production, South Korean defense companies will be seen as key competitors. But there are opportunities for Korean-European defense cooperation as Europe emphasizes strategic autonomy, seeks trusted techno-democratic partners, and deepens bilateral European-Korean defense sales.

SEOUL'S GLOBAL PIVOT AND WIDENING FOOTPRINTS

For South Korea, the security picture is worsening. North Korea's nuclear and other WMD threats continue to grow while China's power projections have become more aggressive. The *Chosun Ilbo* reported on December 9, 2025, that Chinese and Russian jets entered South Korea's air defense identification zone, or KADIZ, for the first time in over a year. From 2020 to 2024, Chinese military aircraft entered the KADIZ 430 times, while Russia did so 60 times during the same period. While the South Korean government lodged formal complaints to Moscow and Beijing, they are going to continue to intrude into the KADIZ, especially since Russia doesn't recognize the KADIZ system. During the October 2025 APEC Summit in Gyeongju, South Korea, Lee received approval from Trump for South Korea to have nuclear-powered submarines (SSNs). A *Reuters* story during the summit quoted Lee as saying that "we don't mean to build nuclear-armed submarines, but because diesel submarines are less capable of submerged navigation, there are restrictions on tracking North Korean or Chinese submarines...So if you allow us to supply fuel... if we build several submarines equipped with conventional weapons... the U.S. military's burden could be significantly reduced."

In a joint fact sheet released by the White House in November 2025, South Korea agreed to purchase $25 billion in U.S. military equipment by 2030 and provide support for U.S. efforts to boost naval capabilities, while Washington agreed to support the "process that will lead to the ROK's civil uranium enrichment and spent fuel reprocessing for peaceful uses [consistent with the bilateral 123 agreement and U.S. legal requirements]…and approval for the ROK to build nuclear-powered attack submarines." If South Korea can renegotiate the 123 [Nuclear] Agreement that would allow for ROK civil uranium enrichment and spent fuel reprocessing for peaceful purposes, it would mark one of the biggest shifts in U.S. security and energy policy towards South Korea. While there are those in the U.S. policy and expert communities who believe that South Korea harbors nuclear arms ambitions—backed up, they argue, by consistently high public support for developing indigenous nuclear weapons—Lee has stated on several occasions that acquiring SSNs will not mean that the ROK is going to develop nuclear weapons.

As mentioned above, how the left and the right perceive security has changed considerably over the past several years. In many respects, the line in the sand was the outbreak of the war in Ukraine that compelled Europe and NATO to re-focus their attention on a Russian threat for the first time since the Cold War. While the war didn't directly affect South Korean security, it led to unexpected arms sales to Poland and other NATO partners and meant that Seoul supported Western sanctions against Russia. Moreover, the fact that North Korea sent some 14,000 troops in fall 2024 to fight alongside Russian troops against Ukraine meant that South Korea had to recalculate this development for South Korean security. For example, North Korea gained invaluable combat experience for the first time since the Korean War, including anti-drone maneuvers and receiving enhanced Russian military technology transfers to North Korea. Although the North Korean threat and growing Chinese assertiveness remain at the core of South Korea's security concerns, the Ukrainian war has also compelled Seoul to consider out-of-area military developments.

If European-Russian security ties continue to worsen even after the end of the Ukrainian war, South Korean security cannot help but be affected. As reported by *Politico*, NATO Secretary General Mark Rutte warned Europe in a speech in Berlin in December 2025 that Europe must prepare for a war with Russia:

> We are Russia's next target. And we are already in harm's way…Russia has brought war back to Europe, and we must be prepared for the scale of war our grandparents and great grandparents endured…This is not the time for self-congratulation…I fear that too many are quietly complacent. Too many don't feel the urgency. And too many believe that time is on our side. It is not. *The time for action is now…NATO's own defenses can hold for now, but with its economy dedicated to war, Russia could be ready to use military force against NATO within five years.* (emphasis added)

This was arguably the strongest warning from a NATO Secretary General since the alliance was founded after World War II. How the United States responds remains unclear, given Trump's animosity towards the EU and equally strong belief that NATO-Europe has been a defense free-rider since the end of the Cold War. If a major crisis, or even conflict, erupts between NATO and

Russia in the next five years, as NATO Secretary General Rutte has warned, then the ROK would have little choice but to support its NATO partners. This could include rapid delivery of necessary ammunition and missiles, ramping up co-production of weapons systems such as the K-2 main battle tanks (MBTs) and K-9 howitzers, and naval ship and submarine building cooperation. South Korea won't be a major defense player in a future conflict in Europe, but neither will it sit on the sidelines as key European partners come under fire.

WHY BECOMING A GLOBAL PLAYER COMES WITH GREATER RESPONSIBILITIES?

The two most important and long-lasting outcomes from South Korea's dealings with Trump 2.0 are not just the growing importance of direct investments into the United States and economic-technological cooperation with the United States, but also the irreversible global shift in world politics with the rise in "techno-democratic cooperation" between South Korea and the United States, as well as with key European partners. Moreover, it also means that South Korea must overcome a long-held belief that political responsibilities can be separated from economic interests. This is no longer the case. For South Korea, how it responds to a potential conflict or naval blockade in Taiwan is going to be the most important litmus test outside of another conflict on the Korean peninsula or direct Chinese (or joint Sino-Russian) military operations against South Korean forces. But if war breaks out between NATO and Russia after the end of the Ukrainian war, and South Korea watches from the sidelines without providing material, economic, and political support to NATO-Europe, then there is every reason to believe that in a major contingency on the Korean peninsula, NATO-Europe won't rise to assist South Korea, as many European countries did during the Korean War.

Concomitant with South Korea's rise as one of the most advanced economies in the world, it must bear greater political responsibilities. It can no longer continue to argue that the primacy of coping with North Korean (and increasingly, Chinese) military threats limits the ROK from acting on other major international security issues. South Korea must understand that as a Western-aligned country with one of the world's most advanced manufacturing industries, the flip side of selling Korean products throughout the world, including a growing array of weapons systems, is the need to accept growing political responsibilities. Forging a new security-economic bipartisan consensus is the sine qua non of a new world order that is being forced upon the world's techno-democracies. The ROK simply cannot be an exception or make excuses to hide behind the overwhelming need to respond to North Korean threats. South Korea is powerful enough to walk and chew gum at the same time.

Dr. LEE Chung Min

Dr. LEE Chung Min is Senior Fellow at the Carnegie Endowment for International Peace in Washington, D.C. and Chairman of the International Advisory Council at the International Institute for Strategic Studies (IISS) in London. Lee's main research interest lies in East Asian defense, the impact of advanced technologies including AI, on emerging warfare, intelligence estimates, and sources of Asian power.

Japan and a Discretionary Superpower: Alliance Management in the Second Trump Administration

Prof. JIMBO Ken
Professor, Keio University

The return of Donald Trump to the White House has revived a familiar but unresolved question in Tokyo: not whether the United States remains powerful, but how, and under what conditions, it now chooses to exercise that power. Recent Japanese public opinion data underscore this distinction. A December 2025 nationwide survey by Genron NPO shows that while many Japanese remain aware of America's vast economic and military capabilities, confidence in the United States as a reliable and predictable ally has eroded significantly. Fewer than one in five respondents now say they trust the United States as an ally, and more than 20 percent report that they lost trust after the launch of the second Trump administration, reflecting growing unease not about American capacity, but about American intent and discretion.

Against this backdrop, most Japanese do not interpret the second Trump administration simply as a precursor to U.S. retreat or isolationism. Rather, it is increasingly seen as the consolidation of a more selective, conditional, and domestically driven superpower—one willing to deploy overwhelming economic or military power when core interests are at stake, but reluctant to do so in the service of an abstract international order or automatic alliance commitments. For Japan, therefore, the central strategic challenge is no longer how to reassure itself of American strength per se, but how to assess and respond effectively to the reliability, predictability, and scope of U.S. engagement in an era in which American power remains abundant, yet its application is governed by sharper political discretion and transactional logic.

This shift has profound implications for Japan's security strategy, particularly under the government of Prime Minister Takaichi Sanae, Japan's first female prime minister, who assumed office in October 2025. For decades, Japan's security policy had rested on a comparatively stable premise: that the Japan-U.S. alliance, as the cornerstone of national defense, would function on the assumption of American intervention. Accordingly, Tokyo focused on strengthening deterrence, enhancing its own capabilities, and reinforcing alliance coordination so that U.S. power could be mobilized decisively and in a timely manner in response to regional contingencies.

A central task for Japan, therefore, was to build and institutionalize alliance mechanisms that could translate American power into credible deterrence under changing regional and strategic conditions. These efforts included establishing and regularizing high-level coordination frameworks, such as the annual U.S.–Japan "2+2" meetings of foreign and defense ministers; revising the Guidelines for U.S.–Japan Defense Cooperation; and deepening bilateral and extended deterrence dialogues. Together, these mechanisms were designed to reduce ambiguity, align strategic expectations, and ensure that alliance commitments remained operational even as the distribution of power in Asia continued to evolve.[1] A core assumption underpinning Japan's postwar security strategy is now being tested: the expectation that U.S. alliance commitments would translate into timely and decisive American intervention. U.S. capabilities across the military, technological, and economic domains remain formidable, but Washington's approach to alliance engagement is evolving. Decisions regarding intervention are increasingly shaped by political judgment, assessments of national interest, risks of escalation, and domestic political sustainability.

For Japan, this evolution carries significant strategic consequences. Deterrence, crisis management, and defense planning must now

[1] For Japanese strategists, this transformation alters the grammar of alliance politics itself. Alliance reliability can no longer be treated as a fixed constant; it has become a variable that must be actively managed through coherent, consistent, and sustained engagement with the United States. The U.S.–Japan Security Treaty, including Article 5, remains firmly in place as the legal foundation of the alliance, but its deterrent effect depends increasingly on how commitments are interpreted and operationalized in practice.

account for scenarios in which U.S. involvement may be delayed, limited, or subject to greater political contingency. Alliance management is therefore no longer a matter of reinforcing assumptions, but of adapting operational expectations to an environment in which U.S. engagement cannot be treated as reflexive.

Within Japan's policy and security community, the second Trump administration is widely understood as accelerating trends already visible during its first term: a preference for bilateral leverage over multilateral management, heightened sensitivity to domestic political constraints, and a growing emphasis on preserving presidential discretion in the use of power. The United States continues to invest heavily in military readiness, emerging technologies, and economic statecraft, but increasingly resists framing these capabilities as public goods for maintaining a liberal international order.

Credibility is sustained less by treaty language alone than by continuous coordination, visible burden-sharing, and alignment in peacetime as well as in crisis. Alliance management has therefore become more demanding, requiring sustained political and operational effort to ensure that formal commitments translate into effective deterrence under conditions of discretionary U.S. engagement.

THE UNITED STATES AS A DISCRETIONARY SUPERPOWER

Recent debates in Japan increasingly center on the evolving logic that governs the exercise of American power. U.S. military, technological, and economic strength is widely treated as a given, while greater attention is paid to the principles, constraints, and decision-making processes that shape when and how that power is deployed. Comparable adjustments in U.S. alliance management have appeared in earlier periods—such as the Nixon Doctrine or debates during the Carter administration over U.S. force posture in Asia—when Washington encouraged regional partners to assume greater responsibility for their own defense. The current transformation, however, unfolds on a broader scale and is driven by a different combination of strategic, domestic, and systemic factors.

Three structural features stand out. First, Washington has narrowed its core interests, placing greater emphasis on homeland security, technological advantage, and the preservation of strategic flexibility rather than on the comprehensive stewardship of a rules-based international order. While competition with China remains a central reference point, it is no longer framed exclusively as sustained confrontation but increasingly as an arena in which rivalry, leverage, and selective engagement coexist. Second, the application of military and economic power has become more tightly coupled to domestic political calculations, reinforcing a preference for adaptability and presidential discretion. Third, alliances are no longer treated as standing guarantees, but as force multipliers whose value is continuously reassessed against cost, contribution, and strategic relevance. Together, these shifts underpin what many in Japan perceive as a discretionary superpower.

In the military domain, this reconfiguration is most visible in the evolving relationship between deterrence and alliance obligations. The United States continues to invest heavily in escalation-dominant capabilities and force modernization, underscoring its determination to retain military superiority. At the same time, however, the translation of these capabilities into automatic intervention on behalf of allies has become less certain. Decisions regarding intervention are increasingly concentrated at the presidential level, reflecting a preference for discretion over pre-commitment. This logic was exemplified by U.S. Secretary of Defense Pete Hegseth, who emphasized that the Department's role is "to create and maintain decision space for President Trump, not to purport to make decisions on his behalf."

Under Trump, deterrence is increasingly framed as a function of clearly defined national interests, manageable risks, and domestic political sustainability. This represents a significant departure from the assumptions that underpinned postwar U.S. alliances in Asia, where deterrence rested on the expectation that American intervention would follow once certain alliance thresholds were crossed. These thresholds traditionally included events such as an armed attack on allied territory, a large-scale conventional assault that threatened to alter the regional balance of power, or actions that directly challenged U.S. forward-deployed forces and treaty credibility.[2] In earlier alliance thinking, crossing such thresholds was widely assumed to trigger U.S. military involvement with limited political hesitation. Today, however, the link between threshold events and automatic intervention has become less direct, as decisions are increasingly filtered through assessments of escalation dynamics, alliance burden-sharing, and domestic constraints in Washington.

Beyond the military sphere, the transformation of American power is equally evident in technology and economic statecraft. Instruments such as export controls, investment screening, and industrial policy are increasingly deployed as tools of strategic leverage and bargaining, shaping alliance relations through concrete expectations and reciprocal contributions. In particular, under the Trump administration, allied cooperation was repeatedly linked to tangible economic and security commitments. Japan and South Korea were pressed to significantly increase defense spending, expand financial contributions for hosting U.S. Forces, invest billions of dollars in the U.S. economy, and accelerate the procurement of U.S. defense equipment.

This logic is reflected in recent leader-level engagements. At the October 2025 Japan–U.S. summit in Tokyo, the two governments announced a wide range of cooperative initiatives in areas such as economic security, critical minerals, advanced technology, and industrial collaboration. Many of these arrangements were structured as modular and non-binding, emphasizing flexibility and adaptability. From a Japanese perspective, this design underscores a central feature of the contemporary alliance: cooperation is deepening across domains, while the practical realization of commitments increasingly depends on ongoing coordination rather than on assumed reflexivity.

[2] Michael J. Green, By *More Than Providence: Grand Strategy and American Power in the Asia Pacific Since 1783* (Columbia University Press, 2017).

THE TAKAICHI ADMINISTRATION AND DOMESTIC CONFIGURATION

If the erosion of automaticity defines the alliance environment Japan now faces, the question that follows is how Japan reorganizes its own political and institutional foundations to operate under those conditions. The Takaichi government emerged with an unusually energetic diplomatic opening. Shortly after taking office, Prime Minister Takaichi Sanae used major summits to secure rapid leader-level engagements, most notably with President Trump, as well as with South Korea and China. These early moves helped stabilize external relationships and signal continuity in Japan's diplomatic posture.

More consequential, however, has been domestic political reconfiguration. The dissolution of the long-standing LDP–Komeito coalition and the formation of a new partnership with the Japan Innovation Party (Ishin) altered the center of gravity of security policymaking in ways that extend beyond parliamentary arithmetic.

For more than two decades, Komeito had functioned as a moderating force within Japanese security policy. Its role was not limited to coalition bargaining; it provided a structural brake on the pace and scope of reforms related to the use of force, defense exports, intelligence activities, and constitutional interpretation. This constraint contributed to political stability and coalition durability, but it also reinforced a policy style centered on incremental adjustment and risk avoidance—an approach well suited to an alliance environment premised on the assumption of reliable U.S. intervention.

The exit from this framework removed an important source of restraint, but it also exposed the governing coalition to new incentives. While a future realignment between the LDP and Komeito cannot be entirely ruled out, the current political configuration suggests that a simple return to the previous partnership is unlikely in the near term. The entry of Ishin as a coalition partner fundamentally altered these incentives. As a reform-oriented party seeking to demonstrate governing relevance at the national level, Ishin favored visible policy movement and executive decisiveness. As a result, the coalition realignment did not simply loosen constraints; it actively rewarded forward motion in defense and security policy.

This shift was operationalized through the LDP–Ishin policy agreement document, which functioned less as a general statement of shared principles than as a driver of concrete initiatives. Items that had previously faced political friction or procedural delay—accelerated revisions of strategic documents, expanded flexibility in defense equipment transfers, and reforms in intelligence and command-and-control frameworks—were placed at the center of the policy agenda. The agreement effectively translated coalition incentives into an actionable security program, lowering the political cost of reform and compressing decision timelines.

Prime Minister Takaichi's own political thought reinforces this trajectory but does not fully explain it. Long before assuming office, she emphasized deterrence, sovereignty, and the visibility of national intent, arguing that strategic ambiguity invites miscalculation. Yet the Takaichi government should not be understood simply as the projection of a leader's ideological preferences. The pace and direction of reform reflect an alignment between leadership beliefs, coalition incentives, and institutional opportunity. Security policy has thus become the axis around which the government's governing identity is constructed—not only as a response to external threats, but as an adaptation to an alliance environment in which reliability can no longer be assumed, and domestic readiness carries greater strategic weight.

STRATEGIC SIGNALING, INTERNAL BALANCING, AND THE LIMITS OF AUTONOMY

The strategic challenge facing the Takaichi government is not simply how to signal resolve to an increasingly transactional ally, but how far Japan can strengthen its own strategic autonomy under conditions where U.S. intervention can no longer be presumed. In this context, strategic autonomy does not imply separation from the alliance or reduced integration with U.S. forces. Rather, it refers to Japan's ability to sustain credible deterrence, command-and-control, and operational decision-making under scenarios in which U.S. involvement may be delayed, limited, or politically constrained. In an alliance environment defined by discretion rather than automaticity, signaling is inseparable from internal balancing. Measures such as increased defense spending, capability enhancement, and institutional reform are intended not only to reassure the United States but also to reduce Japan's exposure to uncertainty by expanding the range of options it can credibly sustain on its own.

This logic is evident in how Japan interprets renewed U.S. pressure on defense expenditures. Calls for increased defense spending are understood less as coercive demands than as indicators of alliance relevance within a discretionary framework. From Tokyo's perspective, higher defense investment serves a dual purpose: it signals seriousness and alignment to Washington, while simultaneously strengthening Japan's capacity to operate in scenarios where U.S. engagement may be delayed, limited, or conditional. Strategic signaling, in this sense, is no longer merely communicative; it is increasingly embedded in material and institutional choices that shape Japan's ability to bear greater responsibility.

Yet internal balancing alone has clear limits. Japan's strategic autonomy remains constrained by geography, resources, and escalation dynamics, particularly in contingencies involving China or the Korean Peninsula. As a result, Japan has continued to invest in regional cooperation as a supplementary stabilizer. During the Biden administration, the pursuit of a "latticework" security architecture sought to thicken deterrence through interlocking mini-lateral partnerships. This approach was not designed to replace U.S. leadership, but to operationalize it more efficiently—by distributing burdens, increasing interoperability, and reducing the marginal cost of U.S. engagement.

Under the second Trump administration, however, the assumptions underpinning this approach have significantly muted. Minilateralism is most effective when underwritten by a credible U.S. commitment, because U.S. presence provides escalation management, high-end capabilities, and a focal point for coordination. Without that anchor, regional frameworks risk becoming consultative rather than operational, enhancing dialogue but falling short of meaningful deterrence. For Japan, this creates a structural dilemma: the more uncertain the U.S. commitment becomes, the more necessary regional cooperation appears, yet the same uncertainty also limits its effectiveness.

Proposals for deeper institutionalization, including ideas such as a Pacific Defense Pact, reflect an awareness of this dilemma. Such frameworks may promise greater predictability and shared expectations among like-minded partners. Yet under a presidency that prioritizes flexibility and unilateral actions, significant U.S. institutional commitments are unlikely. Moreover, divergent threat perceptions, capabilities, and political constraints among regional partners further complicate the feasibility of formalized collective defense arrangements in the Indo-Pacific. Institutional innovation may help at the margins, but it cannot resolve the fundamental challenge posed by a discretionary superpower.

In the end, Japan's pursuit of strategic autonomy—whether through internal balancing or regional minilateralism—cannot escape its dependence on U.S. choices. This dependence is not simply a matter of habit or political preference; it reflects the absence of a viable strategic alternative. For Japan, there is no realistic "Plan-B" that can substitute for the U.S. alliance without incurring prohibitive strategic, political, and escalation costs. Geography, force structure, and the regional balance of power severely constrain the feasibility of autonomous defense or alternative security alignments at scale.

The task, therefore, is to shape an environment in which American commitment is exercised in ways that enhance and protect vital Japanese security and defense interests. In practical terms, this involves raising the strategic value of the alliance while reducing the political and operational costs of U.S. engagement, through measures such as increased Japanese defense spending, expanded operational roles for the Self-Defense Forces, sustained host nation support for U.S. Forces Japan, and deeper interoperability and procurement cooperation.

Japan's strategy is best understood as an effort to increase the credibility and plausibility of U.S. engagement under conditions where intervention is no longer automatic. Strategic maturity, in this sense, lies in managing dependence rather than escaping it—by aligning domestic readiness, regional cooperation, and alliance signaling with the realities of a discretionary superpower.

CONCLUSION: STRATEGIC MATURITY UNDER UNCERTAINTY

Japan's challenge today centers on uncertainty over how and when American power is exercised. For Tokyo, the U.S.–Japan alliance remains indispensable as the core framework of Japan's security, while its practical operation increasingly depends on political judgment and strategic conditions. For the Takaichi government, alliance reliability is therefore sustained through preparedness, credibility, and sustained alignment, rather than through assumptions about reflexive execution.

Japan's options for strategic substitution remain sharply constrained. Enhanced self-reliance and regional cooperation contribute to resilience, but they cannot replicate the alliance's deterrent and escalation-management functions without introducing significant risk. Japan's strategic task is to shape the conditions under which U.S. commitment is most likely to be operationalized. These conditions include credible Japanese military capabilities, sustained host-nation support, high levels of interoperability and operational readiness with U.S. forces, and shared understanding of the strategic stakes surrounding potential contingencies.

Strategic maturity, in this sense, refers to the capacity to operate effectively under constraint: anticipating U.S. decision-making, reducing uncertainty for allied planners, and aligning domestic capabilities with alliance-sensitive signaling. In a security environment characterized by discretion rather than predictability, Japan's effectiveness will depend on disciplined adaptation within an alliance that remains indispensable in value and conditional in execution.

Prof. JIMBO Ken

Prof. JIMBO Ken is a Professor of International Relations at Keio University and a Managing Director of Programs at the International House of Japan (IHJ/I-House). He is concurrently an adjunct Senior Research Fellow at the Canon Institute for Global Studies (CIGS). He served as a Special Advisor to the Minister of Defense, Japan Ministry of Defense (2020) and Senior Advisor to the National Security Secretariat (2018-20).

Rebuilding U.S. Alliances: Why the Post–Cold War Order Broke Before Trump

Prof. Jennifer LIND
Associate Professor, Dartmouth College

Since the political rise of Donald Trump, a decade ago, many foreign policy elites in the United States and abroad have been horrified by his treatment of U.S. allies. Trump hinted at the annexation of Canada and discussed a U.S. seizure of Greenland; he imposed tariffs on adversaries and allies alike; he suggested that the United States would only come to the aid of allies that met defense spending obligations; and in both public and leaked communications, the administration officials criticized European free-riding, as well as the direction of European societies. East Asian allies were not spared. Trump called the U.S.-ROK alliance "very unfair," and told Japan's former Prime Minister Shinzo Abe that past U.S. negotiators were "stupid" to accept the alliance's unequal terms;

Trump warned, "if we're helping them, they're going to have to help us."

American allies and liberal internationalist foreign policy elites in the United States lamented that Trump was destroying U.S. alliances, valued as key instruments of U.S. influence and international order. In their view, Trump burst in on the scene, like the proverbial bull in the china shop, and, out of ignorance or a desire to destroy, shattered what had been strong and precious.

In another view, however, U.S. alliances were already broken. Namely, three decades of American primacy and the U.S. grand strategy of "global leadership" allowed allies to slash their defense spending and increase social welfare, which, over time, has created fiscal peril. In particular, NATO policies were a trifecta of dysfunction: European countries cut defense spending and increased defense obligations (via NATO enlargement), antagonizing Russia.

As Chinese and Russian military threats grew, numerous U.S. administrations politely asked U.S. allies to increase their capabilities. The allies politely refused. It was not until they were berated and disdained by a U.S. president, and of course, the Russian invasion of Ukraine in February 2022, that U.S. allies in NATO began to rebuild their defense capabilities. Today, whether pressured by Trump or accepting the reality of a changed threat environment (or both), U.S. alliances are moving in the right direction: addressing years of diminished capabilities and increasing deterrence.

THE CHANGING LOGICS OF U.S. ALLIANCES

What are alliances for? Realists see alliances as tools for aggregating capabilities to address a shared security threat. Good allies, according to realists, are militarily strong, provide valuable military access, and bring a low risk of entrapment.

U.S. alliances during the Cold War followed realist logic. In addition to significant American military power, NATO military mobilization (in particular by West Germany) was essential to prevent the Soviet Union from dominating Europe. NATO allies spent upwards of three to five percent of GDP on defense, raised large armies, and maintained robust and advanced defense industries.

In Asia, the US-ROK alliance, aimed at deterring a North Korean invasion, also adhered to the logic of capability aggregation. South Korea mobilized a large army and massive reserves, imposing compulsory military service on young men and spending significant sums on defense. In the 1980s, South Korean military expenditure was five to six percent of GDP.

The US-Japan alliance, for its part, was not focused on aggregating capabilities, but nonetheless followed realist logic. The alliance began with the bargain that "Japan will provide the bases and the United States will provide the forces." As such, Japan kept its military spending low and its military participation highly restricted. Rather than contribute to capability aggregation, Japan served as, in the words of Prime Minister Yasuhiro Nakasone, "an unsinkable aircraft carrier in the Pacific": providing the United States with vital access for both regional and global operations.

The end of the Cold War led to a U.S. debate about the future of its alliances. Realist thinkers argued that alliances without an adversary made no sense. But a center- right/center-left coalition of U.S. foreign policy elites saw things differently. In contrast to the limited goals of the containment strategy during the

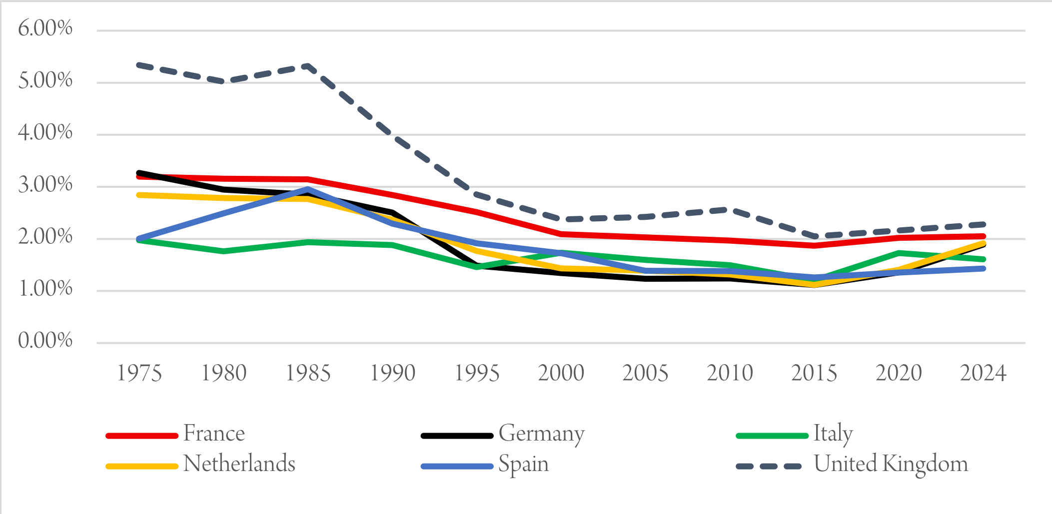


Figure 1: Defense Spending as a Percentage of GDP
Source: SIPRI (2025)

Cold War, these elites adopted revolutionary, revisionist goals. For example, William Kristol and Robert Kagan celebrated "a liberal international order, the spread of freedom and democratic governance, an international economic system of free-market capitalism and free trade."

In this view, alliances are not about combatting a shared security threat, aggregating capabilities, or advantageous geography. Rather, security alliances are key instruments for maintaining and enlarging a liberal international order or "zone of peace." It was through such a rationale in the 1990s that Washington not only maintained its Cold War alliances, but also expanded NATO into former Soviet republics.

Realists decried the move. Scholars argued that new NATO members brought little military power to the table; that they increased demands on NATO capabilities; that they created a dangerous entrapment risk; and that NATO enlargement violated U.S. security assurances to Russia, so would antagonize Moscow. In a well-known op-ed published by the *New York Times* in February 1997, George Kennan—one of the chief architects of the U.S. containment policy—called NATO expansion "the most fateful error of American policy in the entire post-Cold War era." He noted that "we have signed up to protect a whole series of countries, even though we have neither the resources nor the intention to do so in any serious way." In sum, realists warned that liberal internationalist policies would weaken U.S. alliances and erode the security of their members.

NATO'S DEMILITARIZATION AFTER THE COLD WAR

During the period that U.S. foreign policy elites would describe as years of strength and friendly relations, NATO military capabilities deteriorated. Allies that during the Cold War had spent three or more percent of GDP on defense cut spending to the 1–2 percent range (see Figure 1).

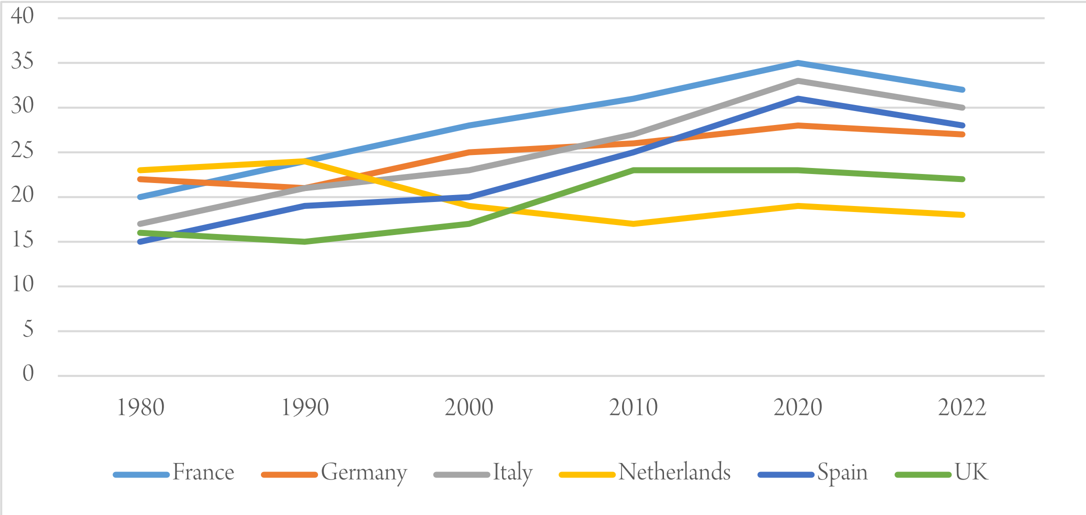


Figure 2: Social Expenditure as a Percentage of GDP (%)
Source: OECD, 2025

Furthermore, "25 years of decline in European defence budgets," argued Hannah Aries, Bastian Giegerich and Tim Lawrenson in *Survival*, "inevitably led to the downsizing of Europe's defence-industrial capacities." In 2003, Europe had 750,000 workers in the defense industry – half of the total at the end of the Cold War. Aries, Giegerich and Lawrenson note that previous European leaders had accepted the need to maintain industrial overcapacity (to insure access to equipment and munitions at scale). However, "When the Cold War ended, the emphasis changed from readiness to efficiency – to doing more with less." Today, laments NATO Secretary-General Mark Rutte, "our industry is too small, too fragmented and too slow."

While European defense spending fell, social spending rose. "We have all become totally addicted to public spending," argued Françoise Fressoz in *Le Monde*, articulating France's version of a wider European problem. "It's been the method used by…left and right – to put out the fires of discontent and buy social peace."

Strained by increased social spending, the 2008 global financial crisis, and the COVID-19 pandemic, most European countries' financial positions eroded over this period. Debt-to-GDP ratios increased between 2000 and 2023 for France (52 percent rising to 95 percent), Italy (106 to 132 percent), and the United Kingdom (38 to 104 percent). (Germany, which until recently had a debt ceiling, has far lower levels of debt at only 44 percent of GDP in 2022.)[3] High debt levels among many European countries today mean that raising military spending will force governments toward the politically fraught options of raising taxes or cutting the social spending to which citizens have become "addicted."

[3] Source: Gross public sector debt as a share of gross domestic product, Our World in Data, OECD, 2025.

During the 2000s-2010s, Russian resurgence and China's rise led to heightened threat perceptions among U.S. leaders. The Obama Administration announced a strategic "pivot" or "rebalance" to East Asia and, to support this effort and strengthen deterrence in Europe, urged NATO allies to increase military expenditure. In 2011, for example, Secretary of Defense Bob Gates criticized NATO allies: "defense budgets," he said, "have been chronically starved for adequate funding for a long time." Gates pointed to the Libyan operation – which all NATO members had voted to approve, but in which most of the military action was conducted by a small subset of countries (the United States, United Kingdom, Italy, France, and Canada). Gates warned that NATO members must reform their defense industries and increase military expenditure "to avoid the very real possibility of collective military irrelevance." But despite Russia's rising military spending and military modernization, its 2008 invasion of Georgia, and its 2014 annexation of Crimea, European defense spending remained low (see Figure 1): in fact, reaching its lowest levels since 1975.

To be clear, Putin is the villain in this scenario: Russian aggression caused the growing threat to Europe. And on other dimensions, NATO has also shown strength and purpose, such as invoking Article 5 after the 9/11 attacks on the United States. Many NATO allies also fought alongside the United States in Afghanistan at tremendous cost. But by the time of the 2022 Russian invasion of Ukraine, three decades of U.S. primacy and allied underinvestment in defense had created a much-weakened alliance.

THE U.S.-JAPAN ALLIANCE SLEEPS … THEN STIRS

Although the end of the Cold War had raised questions about the future of the U.S.-Japan alliance, the two countries remained close allies. Japan—a democracy, one of the world's top economic powers, and a leader in global governance—was a natural partner for advancing a new liberal international order, and Tokyo emphasized its commitment to a "Free and Open Indo-Pacific." The state of the alliance, in the eyes of U.S. foreign policy elites, was strong. But viewed from a capabilities standpoint, the picture was different. For the past 30 years, the U.S.-Japan alliance lagged in its response to a progressively worsening balance of power in East Asia.

Optimism about China's rise drove Tokyo and Washington to adopt supportive strategies vis-à-vis China. By engaging China economically, growing a Chinese middle class (that was expected to eventually demand liberalization), and inviting China into global governance, Japan and the United States sought to make China a stakeholder in the liberal international order. To their credit, the increased interdependence resulting from these efforts did succeed in giving China a stake in maintaining peace.

In other ways, however, American and Japanese hopes about China were dashed. The Chinese Communist Party stayed in power by adapting its methods of authoritarian control to the needs of a modern, globalized economy. Xi Jinping moved away from Deng Xiaoping's restrained foreign policy ("hide your capabilities and bide your time"), adopting a more muscular posture. China built the region's largest navy and coast guard—which Beijing increasingly wields to advance its claims vis-à-vis Taiwan and disputed territory in the South China Sea. In the 2000s, many experts explained away China's major construction of artificial islands

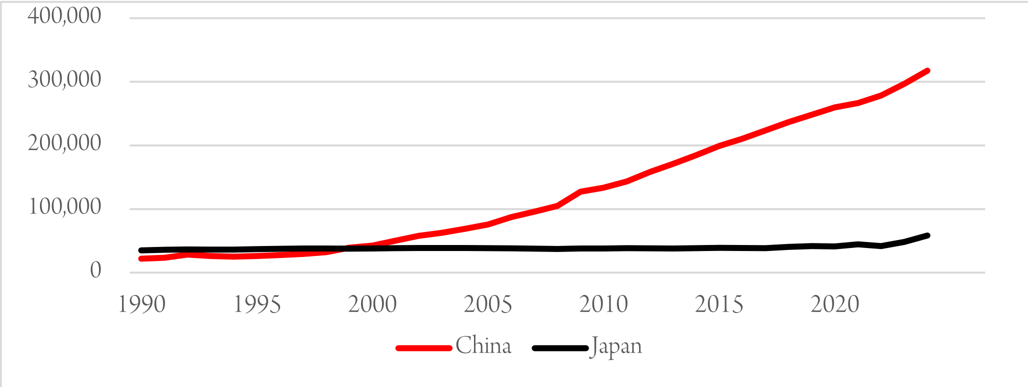


Figure 3: Defense Spending Compared (millions of 2023 constant $US)
Source: SIPRI Military Expenditure Database, 2025

as strategically insignificant and accepted Xi's promises that they would not be militarized. Today these artificial islands bristle with military hardware and runways; expanding Beijing's reach and supporting China's pressure campaign against Taiwan.

China's military buildup and defense modernization led to a significant change in the balance of power in East Asia. Yet with the United States embroiled in the "Global War on Terror" following the 9/11 attacks, invading Iraq, and continuing to play the dominant role in European security, the "pivot to Asia" was delayed. As mentioned above, Tokyo's military spending remained flat until the early 2020s at 1 percent of GDP (see Figure 3). With a more assertive and powerful China, Japanese vulnerability was real and worsening.

Japanese leaders have worked hard to manage relations with the United States under the Trump Administration, but, unlike NATO, they were spared the worst of his attacks for a key reason. Namely, as relations with China worsened in the 2010s –prior to Trump's political ascent—Japanese leaders recognized the unsustainability of their security policy and began to ramp up defense efforts.

Abe Shinzo's government initiated numerous changes in Japanese security policy. In 2015, Abe presided over constitutional reinterpretation to lay the legal foundation for "collective self-defense." A longstanding ban on arms exports was lifted, enabling the growth of the defense industry and strengthening defense cooperation with partner countries. Under Prime Minister Fumio Kishida, Japan pledged to increase defense spending to 2 percent of GDP by 2027. Japan invested in counterstrike capabilities and strengthened its amphibious forces with an eye to defending the Ryukyu Islands. Today, citing Japan's deteriorating security environment, Prime Minister Takaichi Sanae declared she would accelerate defense spending increases. In stark contrast to the crisis in U.S.-NATO relations, a very friendly Donald Trump has welcomed all of these moves, celebrated the strength of the U.S.-Japan alliance—and urged Japan to do more.

THE SOUTH KOREAN OUTLIER

So far, I have argued that the transformation of U.S. alliances after the Cold War from a realist logic to a liberal internationalist logic weakened those alliances in ways that, given today's changed threat environment, must be fixed. South Korea is the exception in this story. Focused on the mission of deterrence and defense against the North Korean threat, the U.S.-ROK alliance consistently adhered to the logic of capabilities aggregation.

South Korea has assumed primary responsibility for its security, generating significant conventional military power. This includes 22 active-duty divisions and 22 squadrons of fighter aircraft.[4] The United States continues to position military forces on the peninsula, but their number has declined over time. As Daryl G. Press and I previously argued, "U.S. forces in Korea—particularly the artillery and airpower—do add meaningful capabilities to Combined Forces Command frontline defenses, and the United States would rush substantial reinforcements to Korea during a major war. But the core of the alliance's conventional combat power comes from South Korea."[5]

Relative to other U.S. alliances, Seoul was in a much stronger position to defend itself against Trumpian charges of free riding. Indeed, U.S. Secretary of War Pete Hegseth has declared South Korea a "model ally." Even so, Seoul pledged to bump its defense spending to 3.5 percent of GDP as part of a comprehensive agreement with Trump during the 2025 APEC meeting in Gyeongju, South Korea that covered tariffs, Korean investments in the United States., and energy cooperation.

The U.S.-ROK alliance isn't without tensions. Still, unlike America's other alliances, these are related less to U.S. demands for capacity building than to other trends. The alliance is strained by the ROK's hesitation to participate in a costly and potentially dangerous counter-China balancing coalition. Furthermore, after North Korea's 2017 test of an intercontinental ballistic missile – which enables it to strike American cites with nuclear weapons – South Koreans are questioning the reliability of the U.S. nuclear umbrella. Thus, to the extent that the US-ROK alliance is experiencing tensions, they relate less to Trumpian demands for capacity-building than to other issues.

FOREVER CHANGED

A decade ago, liberal internationalist foreign policy elites viewed U.S. alliances as vital instruments for maintaining U.S. global leadership and a liberal international order. As such, these elites have lambasted Trump's criticism and rough treatment of U.S. allies. But to Trump, and to many realist thinkers, although these alliances may have advanced U.S. national security for a time, they no longer did so.

The liberal internationalists might view recent years as a painful interregnum caused by a president who did not value the project of liberal international order-building—who assessed U.S. alliances through a different logic (or, as Trump's critics often argue, no logic at all). Those with this view anticipate the return to the White House of a leader who values the liberal internationalist project, and the alliances that support it. In this case, Europeans can muddle through: placating Trump with some concessions

[4] Jennifer Lind and Daryl G. Press, "Five Futures for a Troubled Alliance," *Korean Journal of Defense Analysis*, 33, no. 3 (2021).

[5] Lind and Press, "Five Futures."

and carefully considered gifts—while not making major changes in their defense postures.

A less optimistic view, however, is that regardless of who enters the White House next – J.D. Vance, Gavin Newsom, or anyone in between – U.S. alliances must fundamentally change because the world has changed. The United States faces an increasingly perilous fiscal situation, and the unipolar world for which liberal internationalists created their strategy no longer exists. The onset of superpower competition between China and the United States means realist logic must inform U.S. foreign policy and alliance relations. Allied defense spending must rise and national defense industrial bases must be restored. Many U.S. allies understand this already. "We sort of have the sense that the game is up," one European defense official told me, remarking upon the decades of low defense spending and increases in social welfare. "But we had a good run."

Prof. Jennifer M. LIND

Prof. Jennifer M. LIND is an associate professor of government at Dartmouth, a faculty associate at the Reischauer Institute of Japanese Studies, Harvard University, and an Associate Fellow, US & North America Programme, Chatham House. She is the author of *Autocracy 2.0: How China's Rise Reinvented Tyranny* (Cornell University Press, 2025).

** The author benefited from participation in the Security in Asia program sponsored by the Norwegian Institute for Defence Studies.*

Australia and the Second Trump Administration

Prof. Peter J. DEAN and Ms. Georgie HICKS
Professor, Australian National University
Research Associate, Australian National University

Trump 2.0 has offered up a set of exceptionally challenging circumstances for both Australia's strategic settings and its domestic political debates on international policy. The progressive Albanese Labor government in Australia has been undertaking a high wire balancing act since Trump's election victory.

Domestically, the Labor government has sought to distance itself from the MAGA (Make America Great Again) brand that is the antithesis of the Albanese government's progressive approach to domestic politics. Indeed, the Australian conservative Coalition's faint echoing of Trumpian style political rhetoric during the May 2025 Australian federal election was seen as one of the reasons for Albanese's thumping second electoral victory.[6]

---

[6] There is a range of Australian media coverage that argues this point. See as an example Olivia Ireland and Daniel Lo Surdo, 'Angus Taylor, Donald Trump blamed for Coalition's devastating defeat', *Sydney Morning Herald*, 5 May 2025 https://www.smh.com.au/politics/federal/angus-

Internationally, however, the Albanese government has sought to protect Australia's interests and reaffirm the centrality of the U.S. alliance and the AUKUS pact. As such, the Albanese government has been cautious, pragmatic and focused with its interactions with the Trump administration. This culminated in a much delayed, but highly successful, bilateral meeting in October 2025 in Washington, D.C. that reaffirmed AUKUS and the Australia-U.S. security partnership and significantly expanded a critical minerals partnership that includes $2.2 billion in U.S. financing and aims at "unlocking up to $5 billion of total investment, to advance critical minerals and supply-chain security projects between our two countries…[and] the U.S. Department of War will invest in the construction of a 100 metric ton-per-year advanced gallium refinery in Western Australia."

Subsequently, one of the main focuses of Trump's 2025 *National Security Strategy* that was on Asia and the need for a new regional balance of power affirmed Australia's strategic approach. The October summit 2025 was backed up by a 2+2 AUSMIN meeting in December, which included force posture initiatives, defence industrial cooperation, reaffirming the Quad (Quadrilateral Security Dialogue including the United States, Australia, Japan, and India), and regional security.

This meeting was followed by an AUKUS Defence Ministers' Meeting in Washington D.C. just a few days later, emphasizing submarine cooperation, advanced capabilities development, and near-term warfighting objectives. Overall, despite a bumpy start and strong divergences in domestic politics, the Trump and Albanese governments have formed an effective working relationship built around a strong alignment of key security interests in Asia.

THE ONGOING CENTRALITY OF THE U.S. ALLIANCE TO AUSTRALIAN STRATEGY

On Valentine's Day 2023, Albanese received a copy of the *Defence Strategic Review* (DSR) from Air Marshal Sir Angus Houston. Sir Angus, a former Australian Chief of Defence Force, along with Professor Stephen Smith, a former Minister of Defence, had been commissioned in July 2022 by the Albanese government to undertake a full, independent, and external review of the nation's defence strategy. This included a holistic consideration of Australia's defense force structure and posture by including force disposition, preparedness, strategy, and associated investments, including all elements of Defence's Integrated Investment Program.

The 2023 DSR is a seminal defence document. It was the first external review of Australian defence strategy and policy since 1986, and it radically recast Australia's approach to strategy.

In the face of a resurgent and revisionist China and a changing Indo-Pacific geopolitical landscape, the DSR ended 10 years of strategic warning time, moving the Australian Defence Force (ADF) from a balanced to a focused force

taylor-donald-trump-blamed-for-coalition-s-devastating-defeat-20250505-p5lwjb.html; Michelle Grattan, 'Multiple factors played into this debacle for the Coalition, here's where it went wrong.', *The New Daily*, 4 May 2025 https://www.thenewdaily.com.au/news/politics/australian-politics/federal-election-2025/2025/05/04/coalition-what-went-wrong;

structure. It adopted net assessment (or threat-based) planning for force structure development, adopted an anti-access/area denial (A2/AD) focus to capability development, endorsed the AUKUS pact and developed a new concept for strategic policy—National Defence—that is both whole-of-government and whole-of-nation in orientation. This is essential to tackle what the government has consistently called the most dangerous set of strategic circumstances for Australia since the end of the Second World War. The DSR finding has survived a subsequent National Defence Strategy and federal election campaign. The Conservative opposition's criticism of the review and Albanese defence policy has centered almost exclusively on the need for new funding with no indications of any changes to the underlying strategy or approach.

Yet despite the major changes to the defence strategy proposed in the DSR, which were accepted by the government and endorsed through the first *National Defence Strategy* in 2024 (NDS24), the approach of the DSR continues the tradition since the 1950s of building Australia's strategic approach around its most important strategic partnership—its alliance with the United States. This remains a core element of Australia's defence strategy, yet the relative decline of the U.S. has seen Australia hedge through an increase in defense spending, a focus on new capabilities such as long range strike and doubling down on regional partnerships with states such as Japan, the ROK, India, Indonesia as well as other Indo-Pacific partners.

The DSR was bold in that it was the first major strategic document by a U.S. ally in the Indo-Pacific to acknowledge the relative decline of the U.S., the end of U.S. primacy, and the rise of multipolarity in the region. This is a position subsequently adopted in 2025 by the Trump administration's *National Security Strategy* (NSS) with its narrowing of U.S. national interests, its focus on the Western Hemisphere and aim to reduce global commitments. This recognition, the DSR argued, made the role of the U.S. in the Indo-Pacific even more important:

Our Alliance with the United States will remain central to Australia's security and strategy. The United States will become even more important in the coming decades. Defence should pursue greater advanced scientific, technological, and industrial cooperation in the Alliance, as well as increased United States rotational force posture in Australia, including with submarines.

At its heart, the 2023 DSR in Australia was a response to the rising and revisionist PRC under Xi Jinping, the relative decline of the U.S., and the changing nature of the Indo-Pacific strategic order. In doing so, it proposed that Australia formally adopt a regional balancing strategy enabled through collective deterrence, underpinned by a strategy of denial. Central to this approach is the continued role of the United States as the cornerstone balancing power in the Indo-Pacific. Thus, while the region has shifted from unipolar to multipolar, this in fact made the United States even more important to underpinning a favorable regional strategic balance.

THE TRUMP 2.0 STORM

The Trump administration's early moves raised major questions for Australia's national interests. Such moves as the evisceration of USAID, the administration's tariff agenda, which seemed to punish allies more than adversaries, and its demands for concessions to Russia over its illegal and immoral invasions of Ukraine heightened concern across America's major allies across the region. Moreover, the treatment of international leaders such as Ukrainian President Volodymyr Zelenskyy, the summits with Russian President Vladimir Putin, and the manoeuvring with Xi Jinping reinforced the seeming lack of a comprehensive foreign policy strategy in the second Trump administration.

Compounding these issues was a set of bilateral flare-ups. These included blanket tariffs on Australia, despite the United States holding a positive trade balance with Australia, disputes over Australia's pharmaceutical benefits scheme, proposed social media laws, and local media content laws, as well as specific tariffs on aluminium and steel. The U.S. Department of War's (renamed by Trump) criticisms of Australia's level of defence spending added to rising concerns. AUKUS, however, quickly emerged as the most high-profile test of the relationship. Media reports indicated that a Trump administration review into AUKUS was later confirmed.

Early on in Trump's second term, the relationship looked fragile. Albanese and Trump missed a series of opportunities for bilateral meetings on the sidelines of major international gatherings. Calls for Australia to increase defence spending were publicly aired by U.S. Secretary of Defense Pete Hegseth. Under Secretary of War for Policy Elbridge Colby's AUKUS review led to widespread consternation in Australia.

PUBLIC POLLING ON TRUMP 2.0

The Australian public also raised serious doubts about Trump. Opinion polling was scathing about Trump 2.0. A 2025 Lowy Institute survey noted, in part, that:

Australians' trust in the United States to act responsibly in the world fell by 20 points, with only 36% of the public expressing any level of trust — a new low in two decades of Lowy Institute polling. Correspondingly, almost two-thirds of the public (64%) say they hold 'not very much' trust (32%) or no trust 'at all' (32%) in the United States to act responsibly.

The same poll recorded that only 25% of Australians say they have 'a lot' of or 'some' confidence in Donald Trump to do the right thing in world affairs. This equals Trump's lowest reading in 2019, during his first term. The Sydney-based United States Studies Centre 2025 poll showed that only 24% saw the United States under Trump as "mostly helpful" in the region, with 33% saying it was "mostly harmful." In the same poll, 73% of respondents worried about the future of American democracy, 82% expressed concern about political violence in the United States, and only 16% of Australians believe that the second Trump administration has been good for Australia.

Interestingly, despite the Australian public's apparent dislike of Trump and MAGA politics, this does not translate into concerns about the U.S.-Australia alliance. In the USSC poll, most Australians (54%) disagree that Australia should withdraw from its alliance with the United States, while 47% of Australians think that Australia needs its alliance with the United States more than ever, more than double the number of Australians (21%) who disagree. In the Lowy poll, despite the massive drop in trust in the United States under Trump, support for the U.S. alliance dropped only marginally, from 83% in 2024 to 80% in 2025.

This support for the U.S. alliance was higher than during Trump 1.0, when support averaged 76%. Support for AUKUS has remained steady. Overall public support for the U.S. alliance was consistent with the Biden years and higher than at the beginning of Trump's first term.

This indicates that despite Australians' dislike of the U.S. president and his policies, Australian support for the United States and the alliance remains rock solid. The data also shows that Australians' concern for the Indo-Pacific strategic environment and their distrust of China are likely driving factors in shaping their views of the alliance. In the Lowy Poll, "(69%) continue to think it is likely China will become a military threat to Australia in the next 20 years", only 22% have trust in China, and only 20% trust in Xi Jinping. While Australians rate cyber-attacks from other countries as the most critical threat to Australia, many of which have been attributed to China, in second place is the public's concerns about a military conflict between the United States and China over Taiwan.

BILATERAL AND MULTILATERAL ENGAGEMENTS

Despite tensions in the bilateral relationship, Australia and the United States have deepened their engagement and cooperation across a range of diplomatic and defence issues since Trump's return. For instance, the Quad foreign ministers held a meeting in Washington, D.C. in July 2025 with the announcement of a "new, ambitious, and strong agenda" to be undertaken by the Quad, focusing on maritime and transnational security, economic prosperity and security, critical and emerging technology, and humanitarian assistance and emergency response. Importantly, critical minerals were highlighted as an important issue that led to the launch of the Quad Critical Minerals Initiative.

The issue for Australia, the United States, and other partners is that China controls over 60% of global rare earth supply and over 85% of processing capability—a dominance that could readily be exploited in China's interests. Noting this vulnerability, a major critical mineral and rare earth deal was signed between Albanese and Trump at their summit meeting at the White House in October 2025. This $8.5 billion deal champions the security intent of AUKUS Pillar II, which seeks greater defence industry cooperation between the United States, the United Kingdom, and Australia in advanced military capabilities.

The October 20, 2025, meeting was Albanese's seventh visit to the U.S. as Prime Minister, and his third since his May 2025 re-election victory. Trump and Albanese have also shared four phone calls since Trump's re-election in November 2024, with the most recent of those calls being in September 2025. Albanese and Trump met again in October 2025 in South Korea, seated next to each other at a "special dinner in honour of President Donald J. Trump and state leaders" on the sidelines of the APEC summit.

Richard Marles, the Australian Deputy Prime Minister and Minister for Defence, also visited the United States in 2025, meeting with the U.S. Vice President JD Vance, Secretary of Defense Pete Hegseth, and other senior administration officials in late August. In addition, Marles and Foreign Minister Penny Wong met with their counterparts in Washington D.C. in December 2025 for the first annual Australia–U.S. Ministerial (AUSMIN) meeting since Trump's re-election; the 40th annual AUSMIN meeting.

WHY AUSTRALIA CONTINUES TO STAND WITH THE UNITED STATES

In conclusion, despite initial bumps and concerns after Trump's comeback and widely held negative public sentiments in Australia towards Trump, the alliance remains as strong as it has ever been. The Australian-U.S. alliance continues to receive bipartisan U.S. Congressional support. As an example, even when details of the Trump administration's AUKUS review were not released, Congressman Joe Courtney, a member of the House Armed Services Committee, stated that the review "reaffirms that Congress and our Australian allies must continue that effort to achieve the goals of AUKUS." He also highlighted that "[I]t is important to note that the 2021 AUKUS agreement has now survived three changes of government in all three nations and still stands strong."

As Trump heads into the second year of his second term, key developments need to be watched closely that will influence the future of the alliance. These include, but are not limited to, the releases of the U.S. National Defense Strategy, the Australian 2026 National Defence Strategy and Integrated Investment Plan, and the formal outcome of the U.S. AUKUS Review.

Despite a rocky start, the Albanese government has delivered a master class on engagement with the Trump administration. They have achieved key national objectives over AUKUS, critical minerals, and the U.S. role in the region while only receiving very moderate levels of criticism. Trump and Albanese have formed a solid working relationship and Marles has emerged as a major interlocutor in bilateral defense ties. Tensions clearly remain, such as optimizing extended deterrence and contrasting views on free trade.

But on key strategic issues and defence industrial cooperation, close alignment remains unchanged. Australia enjoys deep pockets of support in the U.S. government, including critical allies in Congress. Nevertheless, Australia must continue to monitor and manage the relationship since unpredictability and uncertainty reside simultaneously across America's long-established alliances in the Indo-Pacific, as well as Europe. This is the new normal in Australia's alliance with the United States under the second Trump administration.

Prof. Peter J. DEAN

Prof. Peter J. Dean is professor of strategic studies at The Australian National University. Previously, Dr Dean was Director of the Foreign Policy and Defence Program at United States Studies Centre at Sydney University, Co-Lead of the 2023 Defence Strategic Review Secretariat, and Chair of Defence Studies and the Director of the Defence and Security Institute at the University of Western Australia.

Ms. Georgie HICKS

Ms. Georgie HICKS is a research associate at the Australian National University and a PhD student at the University of Tasmania. Her previous work has spanned maritime operations, information warfare, data analytics, and communications technologies, and her thesis explores the dynamics of transparency and order in international Antarctic affairs.

Rethinking Asia-Europe's Security and the Search for a "Third Way" for America's Allies in Europe and Asia

Dr. Michael RASKA
Senior Researcher and Section Head, Security and Defense in Europe,
Center for Security Studies, ETH Zurich

American allies in Europe and Asia must find a "Third Way" that maintains their alliances with the United States while putting into place viable alternatives. Regardless of who replaces Donald Trump in the 2028 presidential election, undoing his administration's transactional policies will take enormous effort. At the same time, the United States is likely to continue to reduce its security commitments towards Europe and Asia. For NATO-Europe and America's Asian allies, the need to rethink their optimal security and defense options is greater than at any other point since the end of the Korean War. How these allies reconfigure their ties with the United States, how they build the capabilities to offset over-the-horizon threats, and how they cope with domestic political hurdles stemming from higher defense spending are issues that now lie at the center of their respective security debates.

At the 2025 Shangri-La Dialogue in Singapore, French President Emmanuel Macron called for a "positive new alliance" between Asia and Europe—anchored in shared principles, strategic autonomy, and practical cooperation—to mitigate the growing risks of strategic entanglement amid intensifying great power rivalries and "spheres of coercion." His message emphasized that Asian and European security are increasingly interconnected, whether through the global repercussions of Russia's war in Ukraine, Chinese coercion in the South China Sea and the Taiwan Strait, or the broader erosion of norms underpinning the liberal international order.

Europe's search for new security paradigms also reflects disruptive changes in the direction and character of U.S. foreign policy. The return of Donald Trump to the White House in January 2025 marked a shift toward unilateralism, transactional diplomacy, and selective disengagement from long-established U.S. security alliances and relationships in Europe, and to a lesser degree, in East Asia. According to the newly released *U.S. National Security Strategy (NSS)*, "the days of the United States propping up the entire world order like Atlas are over."

For Europe, the most important consequence is greater U.S. conditionality and burden shifting, which injects strategic ambiguity into allied planning and marks a clear move away from Washington's earlier, near-unconditional support for Ukraine, and, by extension, from Europe's broader security needs. The Trump administration has renewed pressure for European "strategic autonomy" without clear commitments to collective defense. Similarly, in East Asia, long-held assumptions about U.S. extended deterrence and alliance commitments are being re-evaluated, reflecting changing strategic priorities and perceptions of uneven burden-sharing.

A key consequence of these developments is that traditional pillars of the U.S.-led transatlantic and transpacific security alliances, which were historically characterized by U.S. forward presence and "rules-based" policy frameworks, are now reconfigured into more fragmented, issue-specific, and differentiated patterns of interaction. Hence, they blur the boundaries between alliances, partnerships, and ad-hoc coalitions. As a result, European and Asian partners have to forge new policies based on uncertainties over U.S. security commitments that enable them to significantly boost defense spending and develop matching military capabilities.

EUROPE'S STRATEGIC DILEMMAS

This means that Europe and NATO countries must navigate the stark realities of U.S. disengagement, Russian aggression, and China's long-term role in Europe's economic and security calculus. While many EU/NATO countries debate the required adjustments in force structure or defense budgets, answering the question of Europe's identity lies at the core of the continent's emerging strategic mandate. What does strategic autonomy really mean for concrete defense capabilities? How will non-nuclear EU/NATO states enhance extended deterrence with or without the assistance of Europe's two nuclear-weapon states—the United Kingdom and France?

Defining strategic autonomy can no longer be filled with long-term goals and amorphous political commitments. Instead, EU/NATO must make very clear and sustainable defense spending commitments to build more integrated command structures with rapidly scalable and deliverable munitions production, more effective missile defenses, faster and more resilient intra-NATO mobility, quicker development of emerging systems such as hypersonic missiles, and shared ISR assets.

These tasks are without precedent in NATO's history. But unless members are fully committed to these goals, strategic autonomy will remain hollow.

The most important challenge is the persisting gap between EU/NATO's declared commitments and actual defense capabilities. For nearly five years after the outbreak of the Ukrainian war, EU/NATO leaders pledged to support Ukraine "for as long as it takes" to repel Russian aggression. Notwithstanding the varying efforts to ramp up defense-industrial production, EU/NATO countries have not been able to sustain Ukraine's military needs with European ammunition stocks, air defense systems, and armored platforms because key weapons systems have depleted faster than supply chains could replenish. Going forward, as the United States gradually withdraws its support from Ukraine, European policymakers will have to confront difficult questions about how much additional capacity, as well as financial resources, they are willing and able to provide to Ukraine, while revamping their own military readiness levels.

In this context, key questions remain on defense resource maximization. For example, should EU/NATO countries prioritize investments in heavy land forces and forward presence on NATO's eastern flank, or invest in emerging defense technologies such as AI-enabled decision support systems, drones, and other technologies? At the same time, how can EU/NATO focus on conventional defense requirements to deter Russia, while tackling persisting challenges on the "southern" periphery (migration and terrorism) and global commitments, such as European Indo-Pacific freedom of navigation operations, participation in multilateral exercises, and contributions to sanctions and export-control regimes? In short, Europe must define its core strategic interests since it doesn't have the financial or military capabilities to be an effective multi-task security provider.

ASIA-EUROPE SECURITY INTERDEPENDENCIES

Consequently, if the United States is no longer the binding glue for both transatlantic and transpacific alliances, then what anchors the future of Asia-Europe security cooperation? Over the past decade, Europe's forays into the Indo-Pacific have largely sought to align with the U.S. interest of maintaining a rules-based "free and open Indo-Pacific." France and the United Kingdom have deployed naval task groups; Germany has sent frigates; and the EU and select European countries have launched their own Indo-Pacific strategies. These moves were part of a broader effort to demonstrate Europe's strategic relevance in the region by supporting a "rules-based maritime order" in East Asia, i.e., often seen as complementing U.S. efforts to counter China's coercive moves in the South China Sea, the Taiwan Strait, and beyond.

Yet the actual impact of European naval deployments has been more limited, and their cumulative effects have been minimal. Despite the positive rhetoric, European navies and air forces essentially lack the resources and operational capacity to significantly enhance defenses in the Indo-Pacific. Most deployments have been symbolic, limited in duration, and have stretched European naval and air capabilities. The second Trump administration has also questioned the utility of European Indo-Pacific military deployments and defense diplomacy engagements and stressed that European allies "stay out of the Indo-Pacific" and concentrate finite forces on European defense.

However, the ongoing war in Ukraine has significantly deepened China and Russia's strategic alignment through expanded energy trade, defense-industrial cooperation, and amplified narratives aimed at diluting international law, norms, and institutions. Specifically, China has indirectly supported Russia to sustain its war effort through expanded Russian energy imports, continued flows of dual-use technologies, from machine tools and components to electronics and vehicles, which help sustain Russia's war-economy production. Beijing has also provided financial and logistical workarounds, including non-dollar settlement mechanisms and third-country intermediaries that bypass Western sanctions and export controls.

By supporting Russia, China has gained preferential access to Russian energy and raw materials, but more importantly, has also learned to build greater resilience against potential future sanctions pressure by testing alternative payment and supply routes. China's military is learning from Russia's operational conduct in Ukraine on issues like munitions consumption, drones, air and missile defense performance, and the limits of Western industrial capacity and alliance cohesion.

Consequently, the war in Ukraine is driving the growing strategic convergence of Sino-Russian interests and mutually supportive strategies, creating new shared vulnerabilities across the Eurasian landmass and thereby linking European and East Asian security. The underlying security paradox is that at a time when Europe's bandwidth for Indo-Pacific engagement is shrinking, East Asia's demand for reliable partnerships is growing.

For Europe and East Asia, this means a two-theater problem: Russia sustains pressure on Europe while China sharpens coercive leverage in East Asia. In a scenario where conflict escalates in both regions simultaneously, the United States would be forced into strategic triage, reallocating scarce high-end assets, like advanced ISR, long-range strike systems, and key stockpiles, to the theater it deems most decisive. Yet neither Europe nor East Asia can continue to assume near-automatic U.S. support and must hold the line on their own while simultaneously managing shocks from cascading non-military crises like disruptions in global trade, supply chains, and defense production.

LESSONS FROM THE WAR IN UKRAINE

Nearly five years of attritional warfare in Ukraine have shattered assumptions that future conflicts would be swift, high-tech, and low-casualty events. Instead, the war in Ukraine has demonstrated the brutal reality of protracted, high-intensity warfare marked by mass mobilization, drone swarms, long-range missile strikes, and an ongoing battle to maintain logistics, morale, and infrastructure under constant attacks.

Crucially, Ukraine's resilience has not been solely military. Its ability to integrate Western weapons systems, ensure command, control, and communications under electronic warfare, and coordinate intelligence across domains has underscored the importance of adaptability, decentralized decision-making, and whole-of-society resource mobilization. In other words, the core of Ukraine's strategy is to create conditions of "reverse asymmetry" against a conventionally stronger adversary—not by matching Russia tank-for-tank, but by leveraging defense agility, innovation, and societal resilience to offset numerical and material disadvantages. From battlefield improvisation with commercial drones to the rapid repair of critical infrastructure under fire, Ukraine's defense effort illustrates how flexibility and endurance can become core assets.

For East Asia, where few militaries have seen large-scale combat since the Vietnam War, the Ukrainian experience offers an important strategic blueprint: resilience is a key enabler of deterrence and defense. The main challenge is to prepare for sustained, complex, and multi-domain conflicts that test the endurance of entire societies, from grey-zone coercion to high-intensity combat. In this context, European nations offer valuable lessons on strengthening and sustaining national resilience, civil-military integration, and whole-of-government approaches to hybrid and grey-zone threats.

For example, Finland's model of national readiness provides a compelling reference point for East Asia. Its doctrine of societal resilience and defense preparedness is gaining relevance, offering practical lessons for states grappling with regional instability and non-linear threats. For decades, Finland—a relatively small country of 5.5 million—has maintained a comprehensive approach to national defense, blending universal conscription, territorial defense, decentralized logistics, and robust civil-military integration. Its ability to absorb and adapt under pressure has long been central to its strategic culture—now even more so, as a full NATO member sharing the longest NATO border with Russia. Whether in cyberspace, energy security, or defense infrastructure, Finland's integrated readiness model reinforces a broader observation: deterrence is not only about projecting force, it is more about sustaining it under duress, across multiple domains.

POLICY PRIORITIES: TOWARD ASIA-EUROPE NETWORKED SECURITY ARCHITECTURES

The next phase of Asia-Europe security cooperation therefore must be defined not by symbolic gestures, but by practical mechanisms that reflect new strategic realities of a more contested multipolar world. This means shifting focus toward the critical arenas that will shape deterrence, resilience, and technological advantage in the coming decade: cybersecurity, space, AI-enabled military applications, and resilient technology supply chains.

Each of these areas reveals shared vulnerabilities but also opportunities for deeper coordination, norm-setting, and capability development. First, Asia-Europe cybersecurity cooperation must evolve beyond ad hoc information exchanges toward institutionalized frameworks for threat intelligence sharing, joint incident response, and resilience-building exercises. Estonia's NATO-aligned cyber defense posture and Singapore's ASEAN-Singapore Cybersecurity Centre of Excellence, for example, can serve as scalable models for cross-regional initiatives that enhance cyber threat intelligence and operational responsiveness.

Second, space is emerging as a contested strategic sphere. The expansion of civilian and military satellite constellations raises the risks of congestion, collision, and deliberate interference. Europe's efforts to advance space norms at the United Nations, together with Japan's and South Korea's expanding space capabilities are creating openings for new confidence-building measures, crisis communication protocols, and shared domain awareness, especially if connected to regional efforts such as the Quad's Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA).

Third, AI governance in the military arena remains a critical but underdeveloped area. As militaries integrate AI into surveillance, targeting, and command-and-control systems, Asia and Europe must work together to define frameworks for ethical use, human accountability, and interoperability. Countries such as France, Germany, South Korea, and Singapore are already advancing military AI strategies. Structured collaboration on explainable AI, testing protocols, and human-in-the-loop requirements could lay the foundation for a responsible rules-based regime in this emerging domain.

Fourth, and perhaps most important, technology supply chains have become a frontline security concern for both Europe and East Asia. The strategic weaponization of semiconductors, rare earths, and other critical inputs highlights the urgency of diversification and supply chain resilience. The EU's Critical Raw Materials Act and Japan's Economic Security Promotion Act both seek to reduce systemic dependencies on politically vulnerable sources. In this context, Asia-Europe security can bridge operational capacities, aligning technological standards and building trust across regions. In doing so, East Asia and Europe can redesign flexible, forward-looking, and enduring networked security architectures that can adapt to evolving geopolitical and technological shifts, before others redefine or break the rules of the game.

Europe will never be a central security provider in Asia and vice versa. But countries such as South Korea and Japan, with advanced economies, critical technologies, strong alliances with the United States (despite rough waters), and interoperable weapons systems, can become very important out-of-area partners for NATO. In an era when governments don't have the bandwidth to do everything on their own, selective military R&D partnerships, joint weapons development, and sharing critical supply chains such as munitions between techno-democracies can provide niche strategic benefits. Building the infrastructure for such a system lies at the heart of future NATO-Asia security cooperation.

Dr. Michael RASKA

Dr. Michael RASKA is Senior Researcher and Section Head of Security and Defense in Europe, Center for Security Studies, ETH Zurich, and a Non-Resident Senior Fellow at the Hague Center for Strategic Studies.

A Year After Trump's Second Term: Lessons from *Zootropolis*

Ms. MIN Sheewon
Doctoral Candidate, University of Oxford

In this paper, I argue that the Disney film *Zootropolis* operates as a striking allegory for the contemporary United States, brought into sharper focus by the political climate of President Trump's second term. The film's bright celebration of diversity, meritocracy, and peaceful coexistence mirrors America's enduring self-image as an open, pluralistic society. Yet it also exposes the anxieties that lie beneath this optimistic façade—fear of difference, deeply rooted structural inequalities, and the calculated politicization of identity—tensions that were markedly intensified during Trump's renewed presidency. When read against escalating domestic polarization and the global reverberations of U.S. foreign policy, *Zootropolis* reveals not only what the United States has aspired to represent, but also the widening contradictions that increasingly shape its political and cultural reality.

"Zootropolis is a unique place. It's a crazy, beautiful, diverse city… where we celebrate our differences." Disney's *Zootropolis* (released as *Zootopia* in some markets) (2016) opens with an idealistic vision of a society in which difference is not merely tolerated but embraced, and where a plurality of species—predators and prey alike—are expected to coexist in harmony. The recent release of *Zootropolis 2* prompted me to revisit the original film, and this time I viewed it with new eyes. After spending two and a half years in what I consider the real-world counterpart to the film's metropolis, the United States, I came to recognize a deeper allegorical structure at work.

Zootropolis can be read as a metaphor for the American experiment itself: a nation built on the belief that anyone can become anything, regardless of origin, race, and gender, and one that has long celebrated diversity as a source of strength rather than weakness. The city's distinct districts, designed for vastly different species yet united within a single political system, evoke the United States' multicultural landscape, where racial, ethnic, and ideological enclaves coexist under the promise of shared citizenship. The film's protagonist, Judy Hopps, faces the challenges of being born a "weak prey," yet her story is framed as a triumph of hard work and individual determination. Her journey closely parallels the American myth of upward mobility, even as the narrative gradually reveals the structural barriers that complicate that promise, showing that the path to success is rarely as simple as merit alone.

Watching *Zootropolis* today, however, casts doubt on how realistic these aspirational ideals remain. The film's surface-level harmony gives way to suspicion, scapegoating, and fear-driven politics, dynamics that resonate strongly with the United States' recent struggles with polarization, nationalism, and exclusionary rhetoric. In this sense, *Zootropolis* is less a mirror of lived reality than a reminder of values the United States professes yet repeatedly fails to realize. As a cultural text, the film illuminates the tensions between pluralism and power, inclusion and control—tensions that not only shape America's domestic conflicts but also reverberate through its global economic and political actions.

WHAT TRUMP'S "MAKE AMERICA GREAT AGAIN" TELLS US

Whatever direction America is heading, it cannot be attributed to a single individual alone. After all, President Trump was elected by the citizens of the United States – *America wanted Trump*. Thus, Trump's election illuminates what a significant segment of the American electorate desires. *Twice*—first in 2016 and again in 2024—tens of millions of Americans chose him as their leader. This compels a difficult but necessary question: What does Trump represent that so many voters find compelling, and what vision of America do these citizens desire? Ignoring this reality risks the rise of another Trump-like figure— or even a third Trump term.

Trump's campaign slogans, "Make America Great Again" and "Keep America Great," were broad symbolic appeals rather than detailed policy proposals. Many voters did not meticulously review the specifics of his platform but resonated with promises of economic protectionism, tighter borders, mass deportations, restoration of traditional values, and an America less constrained by global commitments. This offers a crucial lesson: to understand contemporary America, we must recognize that these ideas drew millions of supporters, revealing persistent questions about national identity and the country's future direction.

Even among Americans who celebrate the nation's diversity, the "harmonious" dimension of the national story has become increasingly difficult to sustain. President Trump's rhetoric and policies, particularly during the first year of his second term, intensified not only partisan divisions but fractures along racial, national, religious, and gender lines. His portrayal of cities such as Washington, D.C., home to historically Black neighborhoods, as dangerous and disorderly, invoked long-standing discriminatory tropes. His call for a "permanent pause" on migration from what he termed "third world countries" and his instruction to immigration authorities to re-evaluate green cards from "countries of concern" reflected a worldview structured around exclusion and hierarchy. Similarly, his executive order recognizing only two immutable sexes—male and female—codified a narrow understanding of identity at the expense of transgender and non-binary Americans. In addition, his widely publicized sexist remarks sparked outrage among advocates for women's rights, further deepening divisions along gender lines.

Perhaps the most consequential legacy of Trump's second term has been the transformation of the United States' self-conception as a guardian of liberal democracy. Institutions, including the Carnegie Endowment for International Peace and Harvard's Kennedy School, as well as media platforms, such as the National Public Radio, documented patterns associated with democratic backsliding: politicization of the civil service, hostility toward a free press, intensified executive unilateralism, and delegitimization of electoral processes. Trump's antagonism toward critical media outlets fostered a climate in which misinformation flourished and journalistic credibility was undermined. Freedom of speech, long a core American value, has come under threat.

A similarly transformative shift occurred in Trump 2.0's economic and trade agenda, which embraced an explicitly protectionist orientation. The expansion of tariffs on goods from China, the European Union, and even close allies and neighbors, signaled a departure from decades of relative bipartisan support for open markets. Trump framed these measures as necessary to "rebalance" economic relations and revive domestic manufacturing, but their broader implications were far-reaching: rising consumer costs, retaliatory tariffs from trading partners, and heightened uncertainty within global supply chains. The United States, once a principal architect of the liberal economic order, began to resemble a defensive, inward-looking actor skeptical of interdependence. This protectionist turns not only strained relations with allies but also challenged the credibility of American leadership in institutions designed to uphold free trade and economic cooperation.

In the realm of international cooperation, Trump's retreat from multilateral agreements, from the Paris Climate Accord to UNESCO, further signaled a reorientation from global leadership toward narrow nationalism. The administration has also cut its funding for the World Trade Organization (WTO), fueling speculation that the United States might consider withdrawing from the institution it led to create. With China having filed complaints over U.S. tariff policies, some have even suggested that the WTO could move to expel the United States. The Trump administration's renewed announcements of withdrawal from key international organizations further shocked the international community.

For decades, the United States had been the architect of the liberal international order; under Trump, it increasingly became a critic, and at times, a saboteur. This shift leaves the global system more fragile amid rising democratic backsliding, great-power rivalry, and mounting climate crises.

IN THE MIDDLE OF DIFFICULTY LIES OPPORTUNITY

Among Trump's actions, the one that unsettled me most personally was his attacks on academic institutions. Harvard, Columbia, Brown, the University of Pennsylvania, and other universities became targets of political denunciation and federal scrutiny. American higher education has long depended on openness and the diversity of perspectives that allow for rigorous scholarship, vibrant debate, and the cultivation of informed citizens. Attacks on universities therefore strike not only at individual institutions, but at the intellectual infrastructure of democracy itself.

Universities are spaces where students and faculty from diverse backgrounds engage in free inquiry, challenge assumptions, and encounter ideas far removed from their own experiences. Academic freedom is not a luxury; it is the foundation of intellectual progress and responsibility. Faculty and students, domestic and international, privileged and marginalized, come together in classrooms and seminars to interrogate the world. When institutions are cast as scapegoats, the nation risks losing one of its most vital engines of innovation and civic education. The global renown and prestige of many American universities stem from this vibrant culture of academic exchange, made possible by an environment in which intellectual freedom is protected and celebrated.

Yet just as South Korea defended its democracy against former President Yoon Seok Yeol's attempt to invoke martial law in December 2024, which ultimately led to his impeachment and restoration of the democratic process, American universities have not remained passive in the face of political attacks. They publicly reaffirmed their commitment to academic freedom, defending faculty, staff, and students against politically motivated pressures. University leadership, legal teams, and professional associations worked to safeguard institutional autonomy, emphasizing that scholarship cannot be subordinated to transient political interests. Faculty and student organizations hosted panels, issued statements, and engaged with the media to underscore the value of evidence-based research and the free exchange of ideas.

Much like South Korea's impeachment crisis that strengthened its democracy and tested its recovery potential, these actions by American institutions demonstrate not only the resilience of higher education but also the broader sanctity of democracy itself. By asserting their independence and resisting undue interference, universities demonstrated that intellectual freedom is non-negotiable, even under unprecedented political scrutiny. More broadly, their response offers a model for confronting threats to the core values that have defined the United States since its founding. The principles, rights, and beliefs that generations of Americans have built and defended do not vanish overnight; moments of strain can, paradoxically, reveal their strength. This may well be a turning point that highlights the enduring strength of American values under attack.

WILL THE UNITED STATES OF AMERICA REMAIN UNITED?

At the end of *Zootropolis*, the antagonist, a leader who sows division for political gain, is exposed and ultimately arrested. Judy reflects:

"I thought Zootropolis was this perfect place. Where everyone got along and anyone could be anything. Turns out real life's a bit more complicated than a slogan on a bumper sticker. Real life is messy. We all have limitations. We all make mistakes."

This resonates today. America is complex, shaped by competing identities, fears, hopes, and histories. No slogan—whether "Make America Great Again," "Keep America Great," or even "anyone can be anything"—can capture that complexity.

This is why the Founding Fathers allowed for the Constitution to be amended. The Constitution has, in fact, been amended 27 times, an acknowledgment that a durable democracy requires adaptability rather than perfection. What matters is not an unchanging system, but a continued commitment to the norms that enable diverse societies to endure: mutual respect, pluralism, accountability, and the recognition of shared humanity.

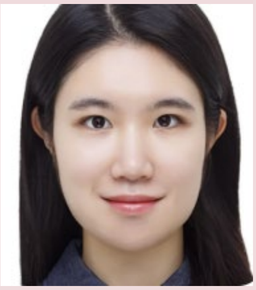
One year after Trump's second term, the United States stands at a crossroads. The divisions he amplified—reflecting, in many cases, sentiments already present among the public—will not fade quickly, nor will the geopolitical shifts he set in motion be easily reversed. Yet this moment is also instructive. It forces us to think critically about democracy, citizenship, leadership, and the values necessary to sustain a pluralistic society.

So, can the United States recover and remain united? The answer is far from certain, and the challenge is more complex than simply electing a new leader. As noted earlier, Donald Trump did not emerge out of nowhere; his rise reflected deep-seated currents within American society. Naively hoping that a more internationally minded or outward-looking "democratic" president can resolve the nation's divisions risks missing a fundamental reality: lasting change must originate with the American people themselves. To restore unity and strengthen its global role, citizens must confront entrenched biases, engage across ideological divides, and actively uphold the democratic norms and values that sustain a pluralistic society. While both parties must cultivate leaders capable of reflecting and advancing American values, leadership alone cannot replace the sustained work of a civic-minded populace.

Optimistically, despite the reshaping of the political landscape, the United States retains the tools for recovery: adaptable institutions, a diverse and engaged population, and a culture that has historically valued reform over rigidity. Yet the persistence of populist appeals and deep-seated polarization suggests that the pressures Trump exemplified may recur, requiring ongoing vigilance and active engagement. Like Judy navigating systemic barriers in *Zootropolis*, America must confront its challenges honestly, balancing fairness with perseverance, and committing to the long-term work necessary to uphold its democratic ideals.

Like *Zootropolis*, the United States is neither perfect nor doomed. It is a nation of extraordinary diversity, resilience, and enduring contradictions. The question is not whether America can return to an idealized harmony in which everyone is uniform and unquestioning, but whether it can learn to live with its differences, embracing their complexity and richness without allowing fear, resentment, or exclusion to dictate its future. More than merely surviving division, the nation's true test lies in its capacity to remain united through a shared commitment to liberalism, democracy, and freedom.

America's enduring strength lies not in perfection, but in its resilience, the ability to confront division, embrace difference, and uphold the values that define its democracy.



Ms. MIN Sheewon

Ms. MIN Sheewon is a doctoral candidate in International Relations at the University of Oxford. She has contributed to research at think tanks in Washington, D.C., and Seoul, including the East Asia Institute (EAI), the Center for Strategic and International Studies (CSIS), and the Korea Economic Institute (KEI). She holds a master's degree from Georgetown University and a bachelor's degree from Yonsei University.

National Imperatives and Technological Power: Trump's Second-Term AI Agenda and Its Global Ripple Effects

Ms. Marianne SINGH
Analyst, New York University

This essay examines how President Trump's second-term AI policies are reshaping the global AI ecosystem, with contrasting effects across the United States, Europe, and Asia. In the United States, rapid deregulation and security-driven investment accelerate frontier and military-aligned AI but prioritize speed over long-term research, ethical safeguards, and market-led spillovers. Europe emphasizes regulatory sovereignty, ethical oversight, and strategic autonomy, protecting societal values while slowing adoption and limiting influence. Across Asia, middle powers and China pursue infrastructure-intensive, nationally embedded strategies, treating self-sufficiency as a structural factor while hedging between economic engagement and security alignment.

Through a comparative assessment, this essay evaluates the benefits and risks of these divergent approaches and their cumulative impact on the global AI order. It argues that fragmentation, regional divergence, and structural vulnerabilities create opportunities for China and other states to shape norms and innovation trajectories. The essay concludes by envisioning an AI ecosystem that balances national self-sufficiency, selective interoperability, shared standards where feasible, and context-specific ethical safeguards in the context of Trump's second-term policies.

U.S. DOMESTIC POLICY AND AI ECOSYSTEM SHIFTS

The Trump administration's AI strategy emphasized rapid deployment and deregulation, prioritizing speed over ethical or safety safeguards in the global AI race, particularly with China. Federal initiatives, including investments in infrastructure, workforce training, ideological neutrality of AI, and export promotion, aimed to accelerate innovation and commercialization. Flexible regulatory conditions, federal and private pilot programs, and reforms such as the U.S. Tech Force sought to channel demand toward government-driven applications like surveillance, drone swarms, and cyber capabilities. While defense-led innovation historically spilled over into civilian markets, current policies risk concentrating AI development within the national security state, limiting broader economic benefits. Executive orders further preempted state-level regulation and fast-tracked procurement, but regulatory uncertainty could still deter investment and slow adoption.

At the same time, restrictive immigration policies, including higher H-1B fees and wage-based selection, created a self-inflicted talent shortage. With foreign nationals accounting for the majority of AI and computer science roles, these restrictions directly undermined innovation capacity and patent production, while the domestic STEM pipeline remains insufficient to fill the gap. Historical evidence shows that limiting visas reduces patenting and drives R&D offshore. Combined with slow AI adoption among U.S. firms, these constraints delay measurable economic gains from AI, which are unlikely to materialize before 2027.

Cuts to federal research funding further weaken long-term innovation. Reductions at the NIH, NSF, and other agencies narrow the scientific base, undermine cross-disciplinary breakthroughs, and accelerate talent outflows to countries offering stronger research support, including Canada, the UK, and Singapore. This erosion of foundational research not only threatens civilian innovation but also long-term national security, as U.S. competitiveness increasingly depends on advances in adjacent fields such as materials science, quantum computing, and synthetic biology.

Energy and infrastructure policies have been reframed to support AI deployment, emphasizing domestic nuclear and advanced materials research to secure high-performance computing capacity and reduce foreign dependencies. While this strengthens U.S. technological and military resilience, it reflects the broader trend of a government-driven, security-focused AI ecosystem.

These first-year policies aim to reinvent the U.S. innovation model. In certain respects, the U.S. AI ecosystem is shifting from a globalized market to a state-focused, security-driven framework. This shift is further accelerated by relaxed antitrust enforcement, creating a small number of powerful "national champion" firms that are easier for the government to work with on security goals, even if this reduces competition and innovation. The near-term effect is a strong, focused push to compete with other countries. The unresolved question, however, is whether an AI ecosystem tied to the government can remain as flexible and innovative as the market-driven approach that has historically sustained U.S. technological leadership in key areas such as the information revolution and aerospace, among many others, and how the United States can balance strategic speed with long-term innovation.

U.S.–EUROPE RELATIONS AND TRANSATLANTIC TECH DYNAMICS

The second Trump administration is compelling Europe with a fundamental dilemma: align with a U.S. security-first approach and a deregulated tech model to preserve the transatlantic alliance, or defend Europe's regulatory sovereignty and strategic autonomy, at the risk of economic or technological marginalization. So far, Europe's response has been an uneasy balancing act rather than a clear pivot, with an emphasis on regulatory resistance. While there are deviations within the European Union (EU) on how best to navigate the AI landscape, Europe is far less enthusiastic about U.S. deregulation through a "neutral AI" policy with matching executive orders and minimal oversight. These points directly conflict with the EU AI Act's binding, risk-based framework. Brussels, thus far, has refused to dilute its flagship regulation and affirming its role as a global "standards-setter". This stance is backed up by enforcement. For example, in 2025, the European Commission issued the Digital Markets Act (DMA) and Digital Services Act (DSA) that levied fines against U.S. platforms (including Apple, Meta, and X) and continued transparency investigations on major U.S. big tech firms. This enforcement-based approach highlights the growing mismatch between Europe's normative authority and its material capacity to shape frontier AI development.

While Europe's enforcement actions hold U.S. platforms accountable and ensure safety, ethics, and fair competition, it carries growing costs. U.S. retaliation, including tariff threats and investigations, visa restrictions for European regulators, and potential trade sanctions, raises the risk of a formal tech trade conflict and strains cooperation on digital standards (with the possible disruption of the U.S.-EU Trade and Technology Council), competition, data governance, and security. Operationally, U.S. firms increasingly design dual systems to satisfy both U.S. deregulation and EU compliance, delaying AI deployment in Europe and sidelining EU innovators with a widening innovation gap. U.S. firms have signaled that EU compliance costs and dual-market regulatory burdens could affect product deployments and market prioritization.

THE SECURITY DILEMMA

U.S. policy explicitly links technology collaboration to alignment against China, deepening Europe's internal divide. More Atlanticist states, such as Poland, the Baltics, and Nordic states, see advantages in strengthening bilateral tech-security ties with the United States, such as enhancing NATO's technological edge in autonomous systems, defense AI, and intelligence analytics. Conversely, more autonomist states such as France, and more recently, even Germany, resist deeper dependence, citing risks to strategic autonomy. This divide is compounded by digital policy fragmentation, including resistance from several member states to binding elements of the Digital Networks Act, which aims to boost Europe's competitiveness in telecoms infrastructure by integrating a voluntary framework rather than binding rules for tech giants.

The result is a "two-speed Europe" that complicates the EU-wide AI defense strategy. For example, existing cyber-defense integration, with ENISA and NATO-led cyber exercises, anchors European security planning within U.S. technological frameworks. While these initiatives are not direct responses to Trump's AI deregulation, they also structurally limit Europe's room for maneuver: civilian AI can be tightly regulated, but defense-adjacent and critical-infrastructure AI must remain interoperable with U.S. standards.

Hence, European disunity increases regulatory fragmentation, undermines transatlantic cooperation on secure AI standards, complicates uniform interpretation and implementation of AI rules, and hinders the interoperability of AI systems globally, while creating openings for Russian and Chinese divide-and-rule strategies. Unlike the United States, where defense-driven AI innovation spills over into civilian applications, Europe's stricter separation between military and civilian AI ecosystems limits diffusion effects, further widening the innovation gap despite ethical ambition.

THE SOVEREIGNTY SCRAMBLE: TOO LITTLE, TOO LATE?

Alarmed by capital flight and talent diversion, Europe is trying to accelerate its tech sovereignty agenda. Initiatives such as the €10 billion European Tech Champions Initiative and the sovereign cloud project GAIA-X signal overdue momentum. This crisis-driven investment is a positive, if overdue, step toward self-reliance. Yet, these programs remain insufficient relative to the U.S. scale as private U.S. capital dwarfs European pools. GAIA-X faces governance disputes and lacks compelling services, failing to match AWS or Azure capabilities, further risking EU dependence on foreign core technologies and consigning its champion companies to niche roles. Fiscal constraints, including Germany's debt brake and uneven state-aid flexibility, further limit rapid, centralized investment.

Talent competition also intensifies the challenge. While restrictive U.S. immigration policies open a narrow window for Europe to attract AI researchers and entrepreneurs, measures such as the EU Blue Card and national tech visas (such as Germany's Chancenkarte) struggle against lower compensation, bureaucracy, and the absence of a Silicon Valley-style cluster. The result is not a European brain gain, but a diversion of talent to secondary hubs such as Canada, the UK, and Singapore, with nearly 25% of leading EU AI startups considering relocation, and Europe's inflow of tech professionals shrinking from 52 000 in 2022 to 26 000 in 2024.

European firms increasingly adopt dual strategies: complying with EU rules for domestic deployment while relocating compute-intensive R&D or model training to the United States or the United Kingdom. This blurs the line between regulatory sovereignty and industrial leakage. Europe also seeks partnerships in Asia (including Japan, South Korea, Singapore, and India) and the Gulf and emphasizes open-source and open-weight AI as a partial counter-strategy. However, without sustained compute investment and coordinated industrial uptake, open-source leadership risks remaining symbolic.

U.S. AI POLICY AND ASIA: DEREGULATION, TRADE FRICTION, AND GEOECONOMIC COMPETITION

U.S. AI deregulation and renewed trade friction under President Trump's second term have accelerated geoeconomic competition across Asia. Oscillations in U.S. export controls and regulatory posture have introduced persistent uncertainty into Asian supply chains, investment planning, and governance choices. The U.S.–China technology rivalry remains the central axis shaping East Asian AI ecosystems, but deep uncertainty remains. By targeting hardware ownership rather than compute access, early U.S. restrictions on chips, attempting to target Chinese capabilities, triggered increases in black-market chip circulation and cloud-based workarounds, thus limiting the effectiveness of unilateral containment strategies. U.S. deregulation and fluctuating export controls redistribute global governance, accelerating Asian capacity-building and pushing AI development toward infrastructure-heavy, nationally embedded models.

China's response to U.S. AI and semiconductor policy remains anchored in long-term self-reliance rather than short-term competition. Indigenous development across AI chips, foundation models, cloud infrastructure, and applications reflects a national strategy that predates, and will outlast, any single U.S. administration. Temporary easing of U.S. export controls does not reverse China's structural drive toward technological autonomy. Simultaneously, China's export controls on rare earths and critical minerals have become a systematic geopolitical tool, mirroring, but not merely reacting to, U.S. technology controls. China emphasizes cost-efficient inference, model distillation, and domain-specific AI in manufacturing, logistics, surveillance, and governance over benchmark leadership. This strategic divergence suggests that U.S. deregulation favors frontier competition, while China considers AI as a general-purpose industrial input, prioritizing scale, reliability, and integration. China is re-architecting the AI stack through substitution and optimization rather than full technological replacement, combining older-node chips with software efficiency, domestic cloud orchestration, and specialized accelerators. These adaptations weaken assumptions that export controls linearly translate into capability loss.

Japan, South Korea, and Singapore are recalibrating in response to U.S.–China competition. While approaches differ, a common pattern is emerging: increased domestic AI investment, selective security alignment with the U.S., and continued economic engagement with China. Rather than choosing sides, these states pursue strategic autonomy through indigenous capability development, while managing trade-offs between security alignment and commercial competitiveness.

Japan's technological influence resides not in frontier model development, but in precision manufacturing equipment, advanced materials and sensors, robotics, and hardware-software integration. As U.S. deregulation shifts governance downstream, these hardware choke points become critical sources of de facto rule-setting power. In a deregulated AI environment, manufacturing reliability and system integration shape safety practices and deployment norms, granting Japan a quiet but durable influence. These nationally embedded strategies reinforce regulatory divergence across the region.

Unlike Europe, the U.S. lacks binding federal AI safety standards capable of anchoring global norms. This absence weakens U.S. governance-based critiques and allows Beijing to frame AI regulation as a matter of national sovereignty, rather than universal risk management, an underappreciated advantage in global norm-setting debates. China's adaptive strategies intensify strategic pressure on neighboring economies as they recalibrate their own AI policies.

U.S. AI deregulation has accelerated regulatory divergence across Asia. Rather than aligning with a unified standard, Asian governments are developing independent frameworks, illustrated by South Korea's AI Act, balancing innovation with risk mitigation. Governance has not disappeared; it has shifted downstream to hardware standards, manufacturing norms, procurement rules, and deployment practices, areas where East Asian firms wield disproportionate influence. In this context, governance increasingly operates through infrastructure, standards, and deployment constraints rather than through formal multilateral rule-making.

The absence of U.S. leadership on multilateral AI safety norms pushes Asian states toward internal regulations or alternative European and Chinese governance models. This exacerbates regulatory fragmentation, increasing compliance costs, constraining cross-border collaboration, and weakening collective risk management for frontier AI systems.

Export controls remain central to U.S.–China competition. While some Biden-era restrictions have eased, allowing U.S. firms such as Nvidia and AMD greater access to Asian markets, speculation about future controls continues to unsettle investors and planners. Clearer export rules have enabled data-center investment in countries such as Malaysia and Thailand, but persistent policy volatility forces infrastructure planning under strategic ambiguity.
Policy instability disproportionately harms smaller Asian firms, while large U.S. incumbents absorb uncertainty more easily, reinforcing market concentration and shifting bargaining power. Meanwhile, accelerated hyperscale expansion collides with constraints on energy, water, and land across Japan, South Korea, Singapore, and Taiwan. AI development is increasingly shaped by industrial planning and sovereign compute strategies rather than market scaling alone, with Southeast Asia facing the sharpest constraints.

Other Southeast Asian economies, including Vietnam, Malaysia, and Thailand, bear disproportionate adjustment costs from supply-chain reconfiguration, regulatory arbitrage, and geopolitical pressure. Lacking the fiscal or technological capacity to replicate full AI stacks, they face heightened risks of forced alignment, technological dependency, and political vulnerability.

Trump's second-term AI policies reorder the global AI ecosystem. In Asia, this has produced a fragmented, infrastructure-constrained, and nationally embedded AI landscape, defined by hedging, silent rule-setting, and uneven adjustment costs. Governance resides in hardware, infrastructure, and deployment decisions, areas where Asian influence is growing, but unevenly distributed across the region.

CONCLUSION

President Trump's second-term AI policies are reshaping the global AI ecosystem in uneven and potentially destabilizing ways. In the United States, rapid deregulation and a security-driven approach accelerate frontier and military-aligned AI deployment but constrain civilian diffusion, market-led spillovers, foundational research, and talent pipelines, creating long-term vulnerabilities beyond short-term advantages. Europe emphasizes strong regulation, ethical safeguards, and strategic autonomy, protecting societal values but slowing adoption, limiting market influence, and exposing structural vulnerabilities that allow external actors to exert pressure and increase dependence. Across Asia, infrastructure-intensive, nationally embedded strategies preserve autonomy but fragment regional governance and complicate interoperability.

The cumulative effect under Trump 2.0 is a contested, fragmented AI ecosystem. U.S. constraints in civilian diffusion and foundational research, combined with Europe's regulatory divergence and Asia's alternative pathways, allow China to consolidate influence, advance a self-reliant AI ecosystem, and increase the probability of upstream innovation while operating within its sphere. Global governance and norm-setting are weakened, as national priorities and industrial capacities increasingly shape the system.

Looking forward, the emerging AI ecosystem will likely be defined less by unified norms than by a patchwork of security priorities, regulatory philosophies, and sovereign capacities. A resilient future system would recognize self-sufficiency as a baseline, preserve selective interoperability and shared standards where feasible, and incorporate context-dependent ethical safeguards. Without such synthesis, technological adoption, strategic alignment, and innovation will remain uneven, leaving the world vulnerable to widening disparities in AI capabilities.

A

Ms. Marianne SINGH

Ms. Marianne SINGH is a policy and risk analyst and geopolitical researcher focused on AI, emerging technologies, and global political, economic, and social risks. She holds a Master's in International Relations from New York University (NYU) and a Bachelor's in Economics from Université du Québec à Montréal (UQAM).

THE
ASAN SECURITY QUARTERLY

ASQ
The Asan Security Quarterly

The Asan Institute for Policy Studies