

# ISSUE BRIEF

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## Managing Decline? NATO's Uneasy Future After the 2025 Summit

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### Introduction

The 2025 NATO Summit unfolded against the backdrop of doubts about the alliance's future direction. As the first summit since the start of President Trump's second term, it carried a heightened level of anxiety. President Trump's numerous criticisms about European allies' failure to meet defense commitments and comments regarding U.S. commitment to European security had fueled concerns that the Summit would put on display clear divisions within the alliance. In the weeks leading up to the Summit, there were reports that some NATO members were quietly preparing a plan on how Europe would assume greater security responsibilities so as to avoid chaos if the U.S. were to unilaterally withdraw from the alliance.<sup>1</sup>

In addition to discussions on burden sharing, expectations were high for meaningful discussion on Ukraine, now entering into the third year of war, as well as the deteriorating situation in the Middle East, including the Israel-Hamas conflict and the recent U.S. strike on Iranian nuclear facilities. With these overlapping crises, there were doubts about whether President Trump would even attend the Summit, given his abrupt departure from the recent G7 meeting. Even if President Trump did attend, these contentious issues set the stage for a high-stakes gathering.

All things considered, the Summit was portrayed as a success by NATO members, yielding a succinct Hague Summit Declaration that affirmed NATO's collective defense under Article 5 and allies' commitment to invest 5% of GDP on defense and security by 2035.<sup>2</sup> Yet beneath the carefully managed optics, fundamental concerns persist. The Summit felt less like a moment of strategic renewal and more like performative display aimed at concealing the alliance's underlying decline. In this context, this Issue Brief examines what the 2025 NATO

Summit reveals about the trajectory of the alliance as well as its implications for South Korea's approach to alliance burden-sharing with the United States and its relationship with NATO more broadly.

### **5% Defense Goal: A Summit Victory, But the Hard Part Begins**

The agreement among NATO members to raise defense and security spending to 5% of GDP by 2035 was enough to satisfy President Trump and contributed to the perception of the Summit's success. Trump remained for the entire duration of the conference and European leaders were relieved to avoid public confrontations or gestures from Washington that could have projected an image of alliance fragmentation. Yet in the aftermath of the Summit, attention is quickly shifting to the more difficult questions of how European states will meet this target and what doing so will mean for sustaining U.S. commitment to NATO.

The 5% target is divided into two categories: 3.5% for core defense requirements and 1.5% for broader defense-related areas such as critical infrastructure, resilience, and innovation. This set up, proposed by NATO Secretary General Mark Rutte in May<sup>3</sup> and discussed at the NATO Defence Ministers Meeting ahead of the summit, allowed for both a show of unity and political flexibility. The agreement enabled President Trump to return home claiming a win, while European allies effectively bought time to figure out how to meet the financial demands without provoking domestic backlash or risking U.S. disengagement.

At present, only Poland appears on track to meet the 5% target. Following Russia's invasion of Ukraine, Poland has steadily increased defense spending, now at 4.7 % of GDP, and is projected to hit 5% by 2026.<sup>4</sup> Germany, France, and the United Kingdom have pledged to meet the target by 2035, but doing so will require politically difficult trade-offs, including spending cuts or tax increases. Other NATO members, namely, Spain, Slovakia, Belgium, and Luxembourg, have openly resisted the target. Spain's prime minister has described it as "unreasonable" and "counterproductive."<sup>5</sup> For the majority of NATO members, they will be waiting for 2029 when the targets will be updated and after a potential change in the U.S. leadership.

In the meantime, European leaders will face growing domestic and regional discontent over surging defense spending. These tensions were already visible at the European Council Summit held in Brussels just one day after the NATO meeting, where EU leaders debated how to finance increased defense spending while simultaneously supporting Ukraine, managing instability in the Middle East, all the while addressing trade negotiations with the U.S. The emerging linkage between defense spending and transatlantic trade tensions has become a source of frustration for European leaders. For example, French President Macron has argued that if NATO members are expected to meet the 5% target, Washington should reciprocate by easing tariffs on European goods.<sup>6</sup>

Ultimately, what the 5% target will deliver remains uncertain. Higher defense spending should strengthen Europe's ability to deter Russian aggression. This is an objective shared by both Europe and the United States. Yet a more self-sufficient Europe also risks enabling Washington to further reduce its role in European security. While this aligns with U.S. preferences, it leaves some European leaders uneasy. Others, however, would welcome the opportunity to advance greater European autonomy. In effect, Europe finds itself in a strategic dilemma: it recognizes the need to reduce its overdependence on U.S. security guarantees but seeks to do so in a way that preserves alliance cohesion and avoids generating domestic political and economic strain. For now, the 5% pledge provides a political buffer, but its practical implementation will test Europe's political will and the resilience of transatlantic relations.

### **Lack of Substance on Russia Reflects Divided Threat Perceptions Among Allies**

Another indication of the alliance's underlying divisions was evident not in what the Hague Summit Declaration included, but in what it omitted: substantive language on Russia and Ukraine. The final Hague Summit Declaration was notably succinct and strikingly restrained regarding Russia's aggression. It merely described Russia as a long-term threat to Euro-Atlantic security and reaffirmed NATO's commitment to supporting Ukraine.

This minimal language stood in stark contrast to the 2024 Washington Summit Declaration, which commemorated NATO's 75th anniversary with a far more detailed and assertive message. That declaration explicitly condemned Russia for "shattering peace and stability in the Euro-Atlantic area" and "gravely undermining global security." It also criticized Russia's "irresponsible nuclear rhetoric" and "aggressive hybrid actions" against allies, while highlighting North Korea's and China's roles in enabling Russia's war effort. Furthermore, the 2024 Washington Summit Declaration pledged that the following summit would deliver concrete recommendations on NATO's strategic approach to Russia.<sup>7</sup>

Such recommendations were absent from the 2025 Hague Summit Declaration. Even more strikingly, the declaration omitted any language on Ukraine's NATO accession prospects, despite the 2024 Washington Summit Declaration's assertion that Ukraine has an "irreversible" path to membership. Compounding these signals, the scheduled NATO-Ukraine Council meeting, first formed in 2023, was cancelled, officially due to changes in President Trump's schedule.<sup>8</sup> While Trump and Ukrainian President Zelensky did meet on the Summit's sidelines, no substantive outcomes were announced, although President Trump did not explicitly rule out the possibility of providing further assistance to Ukraine.

The lack of focus on Russia is all the more noticeable given that NATO Secretary General Mark Rutte explicitly stated at a press briefing prior to the summit that, "The most significant and direct threat facing this Alliance remains the Russian Federation. Moscow continues to wage war against Ukraine with the support of North Korea, Iran, and China, as well as

Belarus.”<sup>9</sup> The contrast between this statement and the restrained language of the Hague Summit Declaration suggests differing perspectives within the alliance on how to frame the Russia threat. While NATO’s institutional leadership has consistently maintained that Russia remains the principal challenge to Euro-Atlantic security, this position was notably softened in the Summit’s official statement.

To be sure, the omission of strong language on Russia should not be overstated. The 2024 Washington Summit was explicitly framed around “Ukraine and transatlantic security,” while the 2025 Hague Summit was long expected to focus on defense spending. Nonetheless, the Hague Summit Declaration’s cautious wording reflects an increasingly evident U.S. preference to downplay the Russia threat in Europe. For Washington, amplifying the Russia challenge risks tying down U.S. military and political resources in Europe at a time when strategic focus is shifting toward countering China in the Indo-Pacific. President Trump’s insistence that recent U.S. strikes on Iranian nuclear facilities were a success and his dismissal of the need to return to negotiations with Iran further underscores Washington’s intent to de-escalate Middle Eastern commitments to shift focus to the Indo-Pacific.

Taken together, the restrained language on Russia and Ukraine reflects how the 2025 Hague Summit was orchestrated to placate President Trump while masking the diverging threat perceptions within the alliance.

### **The IP4’s Diminished Visibility**

The last-minute decision by three of the four Indo-Pacific partners, Japan, Australia, and South Korea, to skip the 2025 NATO Summit significantly diminished the visibility of the IP4. Had all four leaders attended, it would have sent a strong message of Indo-Pacific solidarity with NATO during a period of uncertainty, reaffirming the IP4’s role as a reliable partner in upholding the rules-based international order. Although a joint statement following the 2025 IP4 meeting reaffirmed shared commitments to collaborate on areas including space and maritime domains,<sup>10</sup> the overall impression was that the IP4 was an afterthought rather than an integral feature of this year’s Summit.

Leaders of Australia, Japan, and South Korea cited various reasons for not attending, including the need to monitor regional tensions following the U.S. strike on Iranian nuclear facilities and domestic political constraints. The low likelihood of securing a meeting with President Trump also factored in. Likely contributing considerations included a desire to avoid discussions on defense spending increases and to distance themselves from the contentious alliance politics playing out in Europe. In effect, the IP4 governments appear to have made a calculated decision that no meeting was preferable to a high-profile but potentially divisive encounter.

This represents a setback for the momentum that had been building since the 2022 Madrid Summit, where IP4 leaders convened for the first time alongside NATO. That momentum carried through to the 2023 Vilnius Summit. While the 2024 Washington Summit saw only partial participation (Australian Prime Minister Albanese did not attend for domestic reasons), the group still launched flagship initiatives on Ukraine assistance, cyber defense, disinformation, and emerging technologies. By contrast, the 2025 gathering was a low-key affair, reduced to a brief joint statement reiterating general commitments to practical cooperation.

The cancellation of an IP4 leaders' summit underscores the limitations of formalizing the group further and reflects a shared preference among IP4 members to keep the format flexible and agenda-driven, at least for now. While this development may be seen as a missed opportunity, it reflects the political reality for IP4 countries, each of which is navigating complex alliance management challenges of their own. In the short term, the reduced visibility of the IP4 may alleviate political pressure at home, especially regarding defense spending.

At the same time, the no-show should not be interpreted as a disconnect between Indo-Pacific and Euro-Atlantic security agendas. On the contrary, numerous statements from NATO and IP4 leaders have underscored that the two theatres are more interconnected than ever, particularly in light of North Korea's support for Russia and the deepening alignment among authoritarian states. Rather, it reflects tactical caution by IP4 governments as they await greater clarity on NATO's internal trajectory.

Furthermore, the IP4's participation in other NATO frameworks, such as the NATO Foreign Ministers' Meetings and, for the first time in 2024, the NATO Defence Ministerial, suggests that functional cooperation continues to advance. Focusing on technical, issue-specific areas such as cyber defense, supply chain security, and defense industry cooperation allows the IP4 to make tangible progress and, over time, naturally deepen security and defense linkages between the IP4 and NATO. A regular high-profile summit appearance by all four IP4 leaders is the logical next step to visibly demonstrate Indo-Pacific solidarity with NATO values, but this year's no-show highlights that such visible unity will take time to materialize. In the meantime, building habits of cooperation through low-profile, functional channels offer the most realistic and politically sustainable path forward.

### **Implications for South Korea**

The events in the Hague Summit offer lessons for South Korea and other Indo-Pacific allies and raise important considerations. First, it is likely that President Trump will, once again, link defense spending to trade negotiations. South Korea already maintains relatively high defense spending, at approximately 2.32%<sup>11</sup> of GDP, but will likely face pressure to significantly increase its contributions. During the Hague Summit, when the Spanish Prime

Minister stated that Spain would only spend 2.1% on defense, Trump accused Spain of free-riding and warned that Spain would “have to pay it back” through import tariffs. Although trade policy within the EU is negotiated collectively, the exchange made clear that, under Trump, defense spending will be treated as a prerequisite for favorable treatment in other aspects of alliance relations. South Korea, which is already navigating complex trade tensions with the United States, will need to approach defense spending not only as a military issue but as part of its broader portfolio of alliance, security, and economic issues.

At the same time, the structure of the 5% target provides some political and diplomatic flexibility. The split between 3.5% for traditional defense spending and 1.5% for broader defense-related areas, including infrastructure, resilience, and innovation, creates space for countries to negotiate how their contributions are assessed. The Hague Summit Declaration also notes that allies' support for Ukraine's defense and defense industrial base can count toward the overall target. South Korea could adopt a similar approach by emphasizing its defense industry cooperation, technological contributions, and support for Ukraine as part of its broader security commitments. This would allow Seoul to demonstrate alignment with allied expectations without necessarily committing to drastic increases in traditional defense spending.

Finally, the success of the Hague Summit was, to a large extent, based on President Trump returning home with a political win. This underscores the importance of preparing the broad outlines of agreements in advance of high-level meetings. Quiet, behind-the-scenes coordination will be essential for South Korea to manage alliance expectations while protecting its interests.

The second key consideration for South Korea is the need to define the long-term trajectory of its relationship with NATO. Over the past three years, South Korea's cooperation with NATO has steadily expanded, particularly through its Individually Tailored Partnership Program (ITPP), including cooperation on cyber defense, non-proliferation, and support for Ukraine. Yet, the absence of a full IP4 Summit this year, and the restrained political messaging from the Hague Summit, highlight both the limits of that cooperation and the uncertainty surrounding NATO's evolving role in the Indo-Pacific.

South Korea's decision to forgo attendance at this year's summit is understandable. The new president had been in office for only a matter of weeks, and it would have been unwise to engage in a high-stakes global summit without adequate preparation. However, looking ahead, South Korea should adopt a more proactive approach, particularly within the IP4 format. One way forward would be to establish the IP4 as a recognized forum in its own right, rather than simply treating it as a side event on the margins of the NATO Summit. A dedicated meeting of IP4 members in the Indo-Pacific would not only signal political commitment but also ensure that the agenda reflects the priorities and security concerns of the region, rather than being overshadowed by Euro-Atlantic developments. Furthermore, rather than viewing NATO engagement as symbolic, Seoul should treat it as an integral

component of its broader strategy to diversify partnerships and shape the global security order in ways that align with South Korea's interests. By actively investing in both the IP4 framework and its evolving relationship with NATO, South Korea can enhance its strategic influence in both regional and global contexts.

Third, a practical extension of this broader strategy lies in South Korea's growing role in the global defense industry. With NATO members now committed to raising defense spending to 5% of GDP, demand for advanced weapons systems and defense technology is set to rise sharply. South Korea's defense sector, which has seen rapid growth in recent years, is well-positioned to meet this demand. The country has emerged as one of the world's leading arms exporters, with European demand serving as a key driver as NATO allies seek to replenish stockpiles, modernize their capabilities, and diversify suppliers in response to evolving security threats.

South Korea's competitive advantage lies not only in its ability to deliver advanced military platforms at scale but also in its reputation for reliability, affordability, and speed of production. Recent landmark agreements, such as defense export deals with Poland involving tanks, howitzers, rocket systems, and fighter jets, demonstrate how South Korea's defense industry is becoming increasingly integrated into Europe's defense landscape.

Building on this momentum, South Korea and NATO agreed to establish a Defense Industry Consultative Group, led at the director-general level.<sup>12</sup> This initiative aims to promote structured dialogue on key areas such as military standardization for interoperability, defense supply chain resilience, and industrial cooperation. The two sides have also explored South Korea's potential participation in NATO's "High-Visibility Projects," designed to support critical capability development and foster deeper defense-industrial collaboration across the alliance.<sup>13</sup>

To fully capitalize on these opportunities, South Korea should treat defense industry cooperation not simply as a commercial venture but as a core pillar of its broader security and alliance strategy. By aligning defense exports with NATO's evolving priorities and actively engaging in mechanisms like the consultative group, South Korea can help bolster transatlantic defense resilience while simultaneously advancing its own national security and economic interests.

## **Conclusion**

The 2025 NATO Summit demonstrated that the alliance can project unity under pressure, but it also exposed persistent weaknesses. The agreement on defense spending targets and the avoidance of open rifts were politically significant. However, they gloss over underlying differences on core issues such as the future of the U.S. role in the alliance, the Russia threat, and NATO's global role. For South Korea, these dynamics have direct implications. NATO's

internal uncertainty, coupled with Washington's shifting strategic focus, reinforces the need for Seoul to take a more deliberate approach to its engagement with NATO.

Rather than viewing NATO solely through the lens of symbolic partnership, South Korea should approach its cooperation with NATO, particularly the IP4, as part of a broader effort to diversify partnerships, manage alliance dependencies, and contribute to global security frameworks in areas where it holds comparative advantages. Defense industry cooperation, in particular, offers a practical avenue to advance this strategy.

At the same time, disagreements within NATO are neither new nor inherently destabilizing. Diverging views on burden sharing or threat prioritization are features of alliance politics, not signs of collapse. The key test will be whether NATO members and partners like South Korea, can manage these differences through negotiation and maintain functional cooperation in an increasingly complex security environment.

## **About the Author**

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