

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



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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

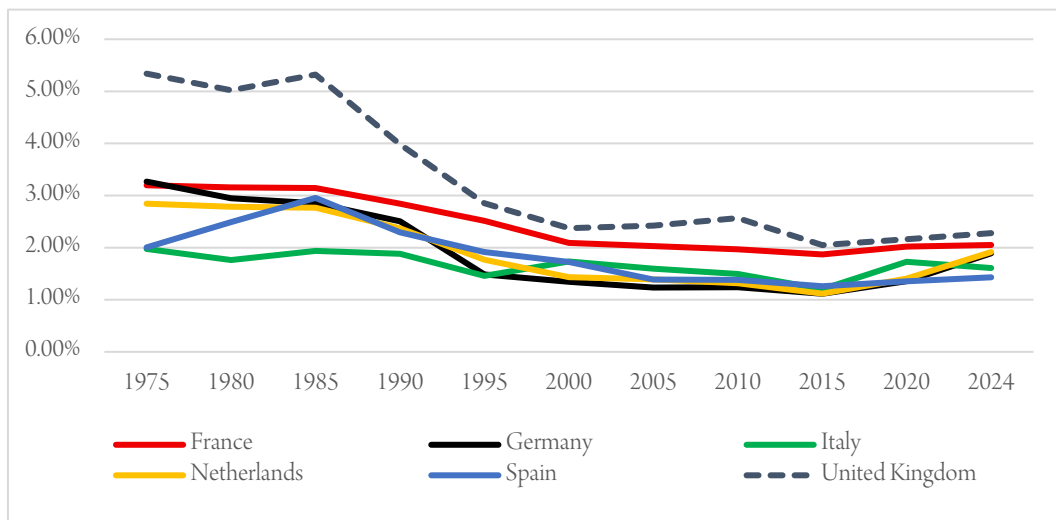


Figure 1: Defense Spending as a Percentage of GDP

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).

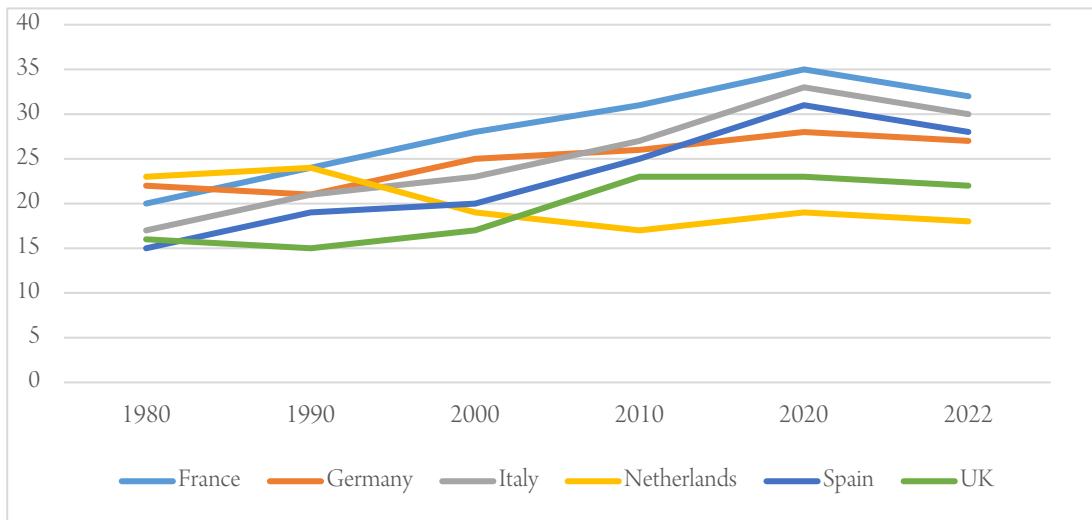


Figure 2: Social Expenditure as a Percentage of GDP (%)

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

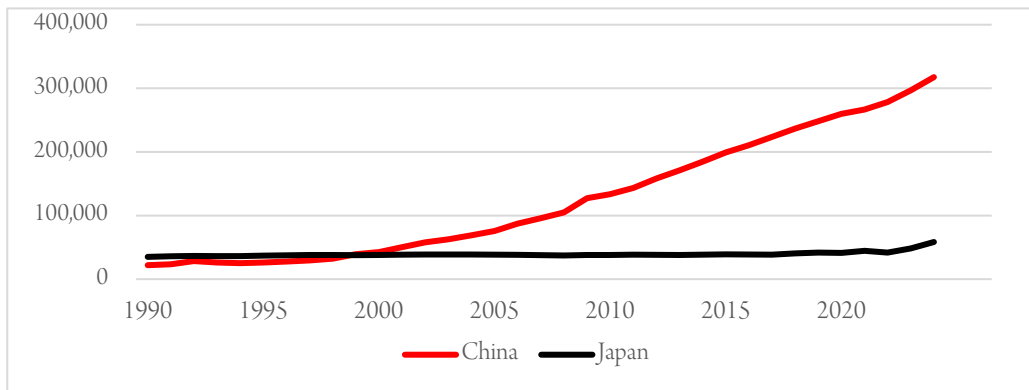


Figure 3: Defense Spending Compared (millions of 2023 constant \$US)

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 cities 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.”

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