

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



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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.

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