

Korea's grand strategy in the Trump era

Ramón Pacheco Pardo

Professor of International Relations at King's College London

The start of the second Trump administration, Xi Jinping's ongoing revisionist foreign and security policy, and superpower rivalry between the U.S. and China have reconfigured the international order. This has fundamental implications for middle powers, which cannot rely on old and outdated perceptions and behaviours. In the case of Korea, it has a well-established grand strategy dating back to its transition to democracy and the end of the Cold War. In order to navigate the new international order, Korea needs to adapt this grand strategy---rather than completely overhaul it. This will allow Korea to navigate this more uncertain environment. The case of the recalibration of Korea-Europe security, diplomatic and economic relations suggests that Seoul can survive and even thrive in the emerging international order.

1. Grand strategy in uncertain times

Korea has a well-defined grand strategy that can be traced back to its democratic transition and the end of the Cold War during the late 1980s and early 1990s. This grand strategy is the result of a convergence about the key goals to pursue and the tools to achieve them shared by Korea's political, security, diplomatic, economic and bureaucratic elites. Simply put, these elites want Korea to be able to make its own foreign and security policy decisions as a way to strengthen the country's security, prosperity and status.

Is this grand strategy tenable today, with the Trump administration dismantling the remnants of Liberal International Order after years of China's aggressiveness undermining it? After all, US-China competition is the result of the previous order not being fit for purpose for any of the two superpowers. Washington believes that it has spent decades underpinning and funding the Liberal International Order only for other countries to benefit more than itself from it. Beijing thinks that the institutions underpinning the order, from the United Nations to the World Bank, do not adequately reflect its undeniable political and economic rise. Thus, both of them agree that the order in which Korea's grand strategy was defined and implemented should be dismantled.

For it is middle powers such as Korea that have benefited from the Liberal International Order more than any other countries. The order brought stable diplomatic relations, economic openness and a mostly peaceful international environment. In contrast, the realignment of the international system currently underway is marked by superpower competition and the return of ideological rivalry, a shift towards economic nationalism and the prioritisation of economic security, and war and the use of military force as a feature of great power and even middle power strategy. This realignment has accelerated during Trump's second term in office. Is bound to outlast him.

Korean policy-makers, however, should remain confident that their long-term grand strategy should allow their country to survive and even thrive throughout this turbulent period. After all, Korea's grand strategy includes the necessary tools to navigate the emerging international system. Thus, Korea should adapt rather than dramatically change the goals that it wants to achieve. The case of its relations with Europe underscores how this can be achieved.

2. Korea as a "niche superpower"

Middle powers have different tools available as part of their grand strategy arsenal. In the case of Korea, it has very ably developed one of the most sophisticated and diversified toolkits among its peers. It includes the following tools: strong and growing military capabilities; cybertools, especially of a military nature; the decades-old and still robust ROK-US alliance; a highly-skilled and well-resourced diplomatic corps; strong economic power in the form of trade, investment and aid; public diplomacy to spread its preferred messages; and strong and universally recognised soft power.¹⁾ Developed over the decades, this toolkit should continue to serve Korea well even as the certainties of the Liberal International Order have given way to a more unpredictable environment.

In fact, one of the ways for middle powers to continue to remain influential is by developing key capabilities that the United States, China or both of them need to get hold of. These are "niche superpowers", which are able to leverage their special capabilities as a way to pursue their preferred foreign policy goals.²⁾ Certainly, these niche superpowers can also make use of their special tools to strengthen ties

1) Ramon Pacheco Pardo, *South Korea's Grand Strategy: Making Its Own Destiny* (New York: Columbia University Press, 2023).

2) Ramon Pacheco Pardo and Robyn Klingler-Vidra, "Middle Powers Don't Have to Work Together to Get Ahead", *Foreign Policy*, 3 February 2026.

with fellow middle powers and other actors. However, in an international system defined by Sino-American competition, it is particularly important to be able to exercise a degree of influence over one or both superspowers.

In the case of Korea, a key tool for the country to deploy are its high-tech goods and investment. Firms including Samsung, SK, Hyundai or LG are amongst the world leaders in some of the key technologies and sectors powering economic growth today. These include advanced semi-conductors, high-tech ships, solid state batteries or humanoid robotics. This is the result of long-term thinking and planning by successive Korean governments and large conglomerates, working together in an open innovation system along with high-tech startups.³⁾ The long-term nature of Korea's support for and development of new technologies to develop an innovation-driven economy is difficult to replicate. Thus why this is a niche superpower that not all middle powers can build in a relatively short period of time.

Korea's Make American Shipbuilding Great Again (MASGA) is a clear example of the use of this superpower by the Lee Jae-myung administration. In November 2025, Seoul and Washington released a joint statement with confirmation of a US\$150 Korean investment package in the US shipbuilding industry.⁴⁾ Korea dominates the high-tech shipbuilding industry, with the largest share of international hydrogen-powered ship orders by a wide margin. More generally, the Korean shipbuilding industry is much more productive, integrated and advanced than the US's. This helped Korea to gain a reduction from the Trump administration's "reciprocal tariffs" announced in April 2025, and, more generally, has served to support the ROK-US alliance. A specific example was Hanwha winning its first order from the US Navy in March 2026, to work in the development of a next-generation logistics ship.⁵⁾

When focusing on relations among middle powers, one example is Korea's high-tech, quickly delivered and comparatively low-cost arms exports, including K2 main battle tanks, K9 self-propelled howitzers, K808 armoured vehicles or K239 Chunmoo rocket artillery systems.⁶⁾ Korea is also finding interest in its KF-21 Boramae jet fighter. While Korea—and for that matter, any other country—cannot match the high-end tech weapons produced by the US defence industry, its weapons systems are sufficiently good for most countries and can be delivered at short notice. This matters in regions afflicted by war and unstable relations among neighbours, such as the Middle East or Europe since Russia's invasion of Ukraine.

Korea should certainly heed Canadian Prime Minister Mark Carney's call at this year's Davos Forum for middle powers to cooperate with each other to promote their interests.⁷⁾ After all, diplomacy is one of the tools that

Korea has been very adept at using as part of its grand strategy over the years. And in fact, the Lee government has already been acting on this push for US-less unilateralism. In September 2025, Korea was one of eight middle powers—half from the Indo-Pacific and half from Europe—that met on the sidelines of the UN General Assembly to discuss global affairs.⁸⁾ Plus, Korea has been the main driver of the MIKTA middle power initiative dating back to the Park Geun-hye years.

Yet, at present time Korea should prioritise the use of its niche superpowers to advance its foreign policy goals. It can certainly rely on its other tools to help navigate US-China competition and maintain strong relations with Washington while managing the relationship with Beijing. But a transactional United States and an assertive China call for Korea to continue to strengthen its autonomous capabilities for the foreseeable future, and to deploy them in pursuit of its self-interested goals.

3. Adaptation, not overhaul

Middle powers strive for autonomy as their foremost grand strategy goal. Their leaders want to be as independent as possible to make their own decisions regarding foreign and security policy. This has been a well-established middle power objective for decades. Korea is not different from other middle powers in this respect. Yet, each middle power also has its other goals to ensure that it can achieve security, prosperity and status. In the case of Korea, its other goals include protection from external military threats; reconciliation and eventual reunification with North Korea; deeper integration in the world economy; and recognition as an influential middle power.⁹⁾

These goals have not changed in the context of the new international system that Korea and other middle powers are facing. This explains why Seoul needs to adapt its grand strategy to the existing conditions, rather than overhaul it. In particular, Korea needs to find ways to ensure that it can protect itself from external military threats at a time when the Trump administration is demanding that its allies step up to defend themselves while the United States focuses on its own priorities. Plus, Korea needs to achieve deeper integration in a changing world economy in which the United States and China—the two biggest economies—are pursuing economic nationalism as their preferred approach to attain economic growth and security. Even the EU, the other of the "big three" economies in the first half of the 21st century, is starting to embrace economic protectionism after spending decades championing multilateralism.

In the case of protection against external military threats,

3) Robyn Klingler-Vidra and Ramon Pacheco Pardo, *Startup Capitalism: New Approaches to Innovation Strategies in East Asia* (Ithaca: Cornell University Press, 2025).

4) The White House, "Joint Factsheet on President Donald J. Trump's Meeting with President Lee Jae Myung", 13 November 2025.

5) Park Jae-hyuk, "Hanwha Wins 1st US Navy Subcontract for Next-generation Logistics Ship", *The Korea Times*, 31 March 2026.

6) SIPRI, "SIPRI Arms Transfer Database"

7) World Economic Forum, "Davos 2026: A Special Address by Mark Carney, Prime Minister of Canada", 20 January 2026.

8) German Federal Foreign Office, "Joint Statement of the Foreign Ministers and High-Level Representatives of Australia, France, Germany, Japan, New Zealand, Poland, Republic of Korea, United Kingdom", 23 September 2025.

9) Pacheco Pardo, op. cit.

Korea needs to pursue a two-pronged strategy. To begin, Korea needs to strengthen its own capabilities. This explains why Korea has been spending record amounts of money for self-defence.¹⁰⁾ In essence, Korea is building and purchasing new military equipment. In this context, it also makes sense for the Lee government to prioritise regaining the operational control of its own forces in case of war. This is the so-called OPCON transfer. After all, the Trump administration insists that Korea should take the lead in defending itself in any possible inter-Korean conflict—in particular, if there is a simultaneous Taiwan Strait contingency. This should not be perceived as “abandonment” by the United States, but rather as a recalibration of the ROK-US alliance as the United States has decided to focus its military resources on addressing the threat that American policy-makers feel from China. Plus, the United States will invariably remain entangled in the Middle East, as its current war with Iran has once again made clear.

At the same time, Korea needs to continue to prioritise the ROK-US alliance as a cornerstone of its security policy. This will include negotiations about the appropriate number of US troops stationed in the Korean Peninsula, the right amount of annual payments that Korea will need to make for the troops to remain in the country or the necessary purchases of US military equipment that implicitly support the alliance. Korea’s agreement with the United States for the latter to support Seoul’s quest to build attack nuclear-powered submarines for the ROK Armed Forces is a case in point.¹¹⁾ Plus, ongoing trilateral Korea-US-Japan cooperation will also support a stronger ROK-US alliance. All of these developments showcase that the alliance will strengthen Korea’s defence but in return Seoul will have to implicitly or explicitly align with Washington’s goal of deterring China.

Regarding deeper integration in the world economy, Korea needs to continue to strike a balance between the two largest economies in the world, which also happen to be its two largest trading partners. China and the United States are likely to continue to be Korea’s two largest partners in the area of trade for the foreseeable future. But there is a key difference between both of them: the United States is becoming a more important partner, particularly in high-tech sectors, while China’s relatively share of Korean trade is decreasing. And when it comes to investment, Korean firms have been gravitating away from China and towards the United States for years.¹²⁾ Ultimately, the Korea-US economic relationship is bound to become closer as successive US administrations implicitly or explicitly link inward investment and overseas market access to stronger security ties. However, Korea cannot afford to neglect its economic relationship with China, given its close geographical proximity and still respectable rates of economic growth. Thus, Korea will need to carefully

navigate its economic relations with both of them.

Concurrently, the Korean government will need to continue to support exports and investment by the country’s high-tech chaebol and other firms.¹³⁾ Certainly, the government and the private sector have been working together for years, including to seal the recent tariff agreement with the Trump administration. And successive Korean governments have pursued a free trade agreement strategy to ensure that the country’s firms have preferential access to key markets and suppliers.¹⁴⁾ Yet, diversification of investment and trade ties has become a more important aspect of Korea’s integration in the world economy with the growing irrelevance of the World Trade Organisation, Washington’s turn towards economic nationalism and Beijing’s ongoing protectionism—plus the EU’s ongoing protectionist turn as well.

4. The case of Korea–Europe relations

Korea’s policy towards Europe is a test case of the country’s grand strategy in practice in the post-Liberal International Order era. Among Korea’s goals, Europe can be particularly important to attain greater integration in the world economy and recognition as an influential middle power. And it seems that these are the two goals that Korea has been focusing on in recent years, aided by Europe’s own turn to seek stronger partnerships beyond the United States.

Perhaps the clearest example of the new reality of Seoul seeking to better integrate in the world economy was Korea and the EU concluding negotiations for a bilateral Digital Trade Agreement in March 2025.¹⁵⁾ Agreed barely a few weeks after Trump took office for a second term, the agreement supplemented the free trade agreement that the two sides signed in 2010 and underscored an effort by both Seoul and Brussels to reduce trade and investment dependence on the United States and China. Tellingly, this digital trade agreement also came at a point in time when the WTO failed to reach an agreement focusing on this type of trade. Thus, the EU recognised that the failure of this organisation to advance digital trade called for deepening ties with key partners on a bilateral basis. And Seoul was prioritised as one of these partners, as Brussels had already done when Korea became the first country in the world to sign a next-generation trade agreement with the EU back in 2010.

Another example is growing investment by Korean chaebol in the electric battery market of the EU, with Hungary, Spain or Poland as focal points.¹⁶⁾ As Europe follows the United States in becoming less open to Chinese firms and investment as a result of its own protectionist turn, Korea can benefit in high-tech industries in which

10) Ju-min Park and Heejin Kim, “South Korea to Increase Defence Budget by 8.2% Next Year, President Lee Says”, *Reuters*, 1 October 2025.

11) The White House, op. cit.

12) Hua Chai and Hyeryoun Kim, “Republic of Korea”, *IMF Country Report No 25/42*, February 2025.

13) *Ibid.*

14) Ministry of Trade, Industry and Resources, “Korea’s FTA Network”, 2026, available at <https://english.motir.go.kr/eng/contents/10>.

15) European Commission, “EU and Korea Deepen Ties with Landmark Digital Trade Deal”, 10 March 2025.

16) Jeong Jae-hwon, “Korean Battery Firms Expand Investments in Europe after Northvolt Bankruptcy”, *Chosun Biz*, 1 April 2025.

it competes against them. Thus, the visits by Italian Prime Minister Georgia Meloni and French President Emmanuel Macron to Seoul in early 2026 need to be understood, primarily, in the context of European countries seeking to diversify their own trade and investment links. This includes, among others, encouraging investment from Korean firms in high-tech sectors such as semiconductors, electric batteries, electric vehicles or space technologies, along with joint research and development in this same type of sectors.

Regarding recognition as an influential middle power, Europe is a test case study of Korea's growing influence at the global level. Most notably, Russia's invasion of Ukraine has resulted in the realisation among European policy-makers that the continent needs to rearm. This has been further exacerbated by the Trump administration casting doubt on the future of NATO while demanding that European countries increase their spending. Thus, several European countries including Estonia, Norway or Poland have been purchasing Korean military equipment in recent years.¹⁷⁾ This trend will continue as long as the Russian threat remains in place, especially as European governments seek to reduce overreliance on US military equipment yet the rebuilding of the European arms industry continues to progress slowly.

More recently, the war launched by the United States and Israel against Iran has demonstrated that Korea-Europe cooperation as a result of Seoul's growing influence as a middle power now has a global dimension. In March 2026, Korea was one of the countries issuing a joint statement along with a group of countries led by European middle powers calling for freedom of navigation along the Strait of Hormuz.¹⁸⁾ A few days later, in early April, Korea joined around 40 countries led by Europe's middle powers in a meeting to discuss the reopening of this strait. Tellingly, neither the United States nor China joined this meeting.¹⁹⁾ And during his pre-scheduled visit to Seoul also in April, Macron also agreed with Lee for Korea and France to cooperate on safe passage throughout this strait.²⁰⁾ In years past, neither European countries nor the EU would have sought to discuss Middle Eastern matters with Korea. In 2026, however, European countries expect Korea to have a position on these matters and to work together with them to address their concerns.

In fact, Korea is now considered Europe's key partner in Asia along with Japan, as well as one of Europe's priority

partners globally along with other leading middle powers such as Australia or Canada. The uncertainty that Korea feels today is shared by both the EU and European countries. In particular, since the end of World War II, Europe has arguably been the main beneficiary of the US-led Liberal International Order that allowed for the integration of the continent's countries formerly at war, provided a security umbrella in the form of NATO, and opened markets at the global level. Similarly to the case of Korea, the alliance with the United States and the US-led opening of markets, in particular, helped to make Europe safe and prosperous.

Therefore, Korea's grand strategy goals and tools will continue to serve the country well in its relationship with Europe, whether the EU or its many middle powers. What is more, a more unstable international order in which no superpower ensures stability will probably make Korea an even more important partner for its fellow middle powers in Europe. The example of Europe's response to the Iran war, which includes working with other middle powers to limit the impact of the conflict, is a case in point. It is the same in other regions including Latin America, the Middle East or Southeast Asia. This suggests that Korea can thrive even as the old international system that Korean policy-makers cherish gives way to a less certain one. But in order to thrive, Korea needs to remain true to its well-tested grand strategy.

Ramón Pacheco Pardo is Professor of International Relations at King's College London and the KF-VUB Korea Chair at the Brussels School of Governance of Vrije Universiteit Brussel. His publications include the books *Startup Capitalism: New Approaches to Innovation Strategies in East Asia* (Cornell University Press, 2025; with Robyn Klingler-Vidra), *North Korea: Survival of a Political Dynasty* (Agenda Publishing, 2024), *Korea: A New History of South & North* (Yale University Press, 2023; with Victor Cha), *South Korea's Grand Strategy: Making Its Own Destiny* (Columbia University Press, 2023), *Shrimp to Whale: South Korea from the Forgotten War to K-Pop* (Hurst and Oxford University Press, 2022) and *North Korea-US Relations from Kim Jong Il to Kim Jong Un* (Routledge, 2019).

17) SIPRI, op. cit.

18) Government of the United Kingdom, "Joint Statement from the Leaders of the United Kingdom, France, Germany, Italy, the Netherlands, Japan, Canada and Others on Strait of Hormuz: 19 March 2026", 19 March 2026.

19) Andrew Macaskill, John Irish and Muvija M, "Britain Says 40 Countries Discuss Reopening Strait of Hormuz after Iran Blockade", *Reuters*, 2 April 2026.

20) Kim Eun-jung, (5th LD) S. Korea, France Agree to Cooperate on Safe Passage through Strait of Hormuz", *Yonhap News Agency*, 3 April 2026.



RINSA, KNDU

1040, Hwangsangeol-ro, Yangcheon-myeon, Nonsan-si
Chungcheongnam-do, 33021, Rep. of KOREA

Tel : +82-41-831-6414

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