



Bálint Jurászik: The Transformation of Stability in the South Korea–U.S. Alliance and Its Geopolitical Recalibration (1945–2026)¹

Executive Summary

- The South Korea–U.S. alliance has evolved from a military relationship into a complex security, industrial, and technological partnership, increasingly shaped by transactional logic under the second Trump administration.
- “Sovereignty trade” and large-scale industrial investments (e.g., MASGA) are fostering deep integration and enhancing South Korea’s strategic weight.
- Through increased defense spending and burden-sharing, South Korea is not only a beneficiary but also an active contributor to U.S. interests.
- Seoul functions both as a deterrence platform against North Korea and as a key actor in Indo-Pacific cooperation.
- Alliance status is increasingly contingent on economic and technological contributions, creating new pressures for adaptation.
- Traditional alliances are gradually transforming into hybrid systems complemented by economic and industrial integration.
- Competition among allies is intensifying, with economic and technological performance increasingly shaping influence and room for maneuver.

Under the second Trump administration, U.S. foreign policy shifted toward a transactional logic, generating significant uncertainty among its allies. In this new environment, South Korea has emerged not as a passive actor but as a beneficiary of the transformation. Through a deliberate strategy, Seoul has positioned itself as a “model ally” that not only adapts to changing conditions but also actively shapes them. In doing so, South Korea offers a potential template for other allies on how to remain valuable to Washington while simultaneously pursuing a more autonomous foreign policy.

1. Introduction

The United States is increasingly adopting a cost-based approach toward its allies, linking the maintenance of security guarantees and economic relations to concrete contributions, while often rhetorically questioning the value of alliances. This environment generates uncertainty: for allied states, it is becoming less clear what types of behavior and strategy can ensure the sustainability of their relationships and continued support from Washington. In this context, a particularly relevant question is whether there exists a viable model demonstrating how a medium-sized state can remain both valuable and relatively autonomous within a transactional U.S. foreign policy framework.

This analysis argues that South Korea has emerged as a “model ally” in this transformed, transactional environment, offering a potential template for other states to redefine their alliance relationships. The study first briefly outlines the historical evolution of the alliance, then examines the emergence and functioning of the current transactional model,

and finally analyzes its regional and long-term implications. The complexity of this model can only be fully understood within its historical trajectory; accordingly, the historical overview focuses specifically on the functional transformation of the alliance.

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2. The Formation of the Classical Alliance Model (1945–1987)

In order to understand the current transactional model of the South Korea–U.S. alliance, it is necessary to briefly examine its origins. The initial phase of the relationship was defined by a classical security logic, centered on military protection and geopolitical stability. Modern Korean–American relations began at the end of World War II with the collapse of the Japanese colonial system. In 1945, the peninsula was divided along the 38th parallel into Soviet and American occupation zones in the north and south, respectively. What was originally intended as a temporary division became permanent due to the ideological polarization of the early Cold War. The United States was initially uncertain about Korea's strategic importance, as reflected in the withdrawal of its troops in 1949.² A turning point came on June 25, 1950, when North Korea, with Soviet and Chinese support, invaded the South. Washington's response was swift and decisive: under the auspices of the United Nations, it organized a coalition to defend the Republic of Korea (ROK). The experience of the war created a lasting strategic bond. The armed conflict was brought to an end by the armistice of July 27, 1953; however, in the absence of a formal peace treaty, relations between the two Koreas have remained legally unresolved. At this point, however, the focus shifts from inter-Korean relations to the relationship between the United States and the Republic of Korea. The legal and institutional cornerstone of alliance stability was the 1953 Mutual Defense Treaty, which established the alliance's classical, military-based logic for decades. Syngman Rhee accepted the armistice only on the condition that Washington would guarantee South Korea's security. The treaty both ensured the U.S. right to station forces on the peninsula and formalized the obligation to defend against external aggression.³ From the 1950s to the late 1980s, the stability of the alliance was primarily sustained by a shared anti-communist stance and the persistent threat from the North. In South Korea, successive authoritarian regimes often suppressed democratic movements in the name of national security. Cold War priorities generally favored short-term order and deterrence. The moral crisis of the alliance was epitomized by the suppression of the Gwangju Uprising in 1980, when Chun Doo-hwan declared martial law and the military violently cracked down on pro-democracy protesters.⁴

3. Democratization as a New Dimension of Stability (1987–2022)

Social legitimacy and institutional stability enabled Seoul to later act with greater strategic autonomy and industrial weight. The democratic transition of 1987 fundamentally reshaped bilateral relations. From this point onward, the stability of the alliance could no longer be understood solely at the governmental level; increasing importance was attached to social legitimacy and institutional norms. At the same time, democratization introduced new challenges.⁵ Progressive administrations pursued the "Sunshine Policy," prioritizing dialogue and economic cooperation with Pyongyang.⁶ This at times generated friction with Washington, particularly when U.S. administrations adopted a more hardline stance. It is important to empha-

² [U.S. Relations With the Republic of Korea](#), Bureau of East Asian and Pacific Affairs, U.S. Department of State, 2020.02.08. [Online, 2026.02.25.], AHN, Jennifer and A. SNYDER, Scott: [The U.S.–South Korea Alliance](#). Council on Foreign Relations, 2023.12.01. [Online, 2026.02.25.]

³ [Defense Vision of the U.S.–ROK Alliance](#), U.S. Department of War, 2023.03.13. [Online, 2026.02.25.], [Mutual Defense Treaty Between the United States and the Republic of Korea; October 1, 1953](#). The Avalon Project, Yale Law School, Lillian Goldman Law Library. [Online, 2026.02.25.]

⁴ GREGORY, Scott and PARK, Sandra: [Martial Law in Twenty-First Century South Korea? \(Part II\)](#), The University of Arizona, College of Humanities, Center for East Asian Studies, 2025.02.17. [Online, 2026.02.25.], KUHN, Anthony: [Lessons from self-inflicted blows to democracy in South Korea and the U.S.](#), OPB, 2025.01.08. [Online, 2026.02.25.]

⁵ DRAUDT-VÉJARES, Darcie: [The Transformation of South Korean Progressive Foreign Policy](#), Carnegie Endowment for International Peace, 2025.05.29. [Online, 2026.02.25.]

⁶ The "Sunshine Policy" is associated with South Korean President Kim Dae-jung and defined Seoul's approach toward North Korea between 1998 and 2008 (continuing under his successor, Roh Moo-hyun). Its core principle was to promote cooperation and gradual rapprochement instead of confrontation, primarily through strengthening economic, humanitarian, and cultural ties. Within this framework, key developments included the first inter-Korean summit in 2000, as well as joint projects such as the Kaesong Industrial Complex. The policy aimed to build trust and facilitate the peaceful reunification of the peninsula; however, critics argue that it involved unilateral concessions to Pyongyang while failing to meaningfully constrain its nuclear program.



size, however, that this developmental trajectory cannot be separated from the limited democratic framework of the Cold War period. The so-called “developmental state” model—one of the key drivers behind the rise of the Asian Tigers—was based on close state–business cooperation aimed at rapid industrialization and export-led growth. In this context, the state often ensured the implementation of economic policy objectives by restricting certain forms of social participation and interest representation, including the scope of trade union activity. Within this framework, however, South Korea rose to become one of the world’s leading economies, fundamentally transforming its relationship with the United States: the previously highly asymmetrical patron–client relationship gradually evolved into a more balanced, partnership-based alliance.⁷ The KORUS FTA (2012), along with global security contributions (e.g., involvement in Iraq and cooperation in counterterrorism), increasingly anchored alliance stability in institutionalized dialogue and economic interdependence.⁸

4. The Yoon Suk Yeol Administration: The “Global Comprehensive Strategic Alliance” and the Preparation of the Transactional Model (2022–2024)

The period of the Yoon Suk Yeol administration can be interpreted as a transitional phase in the transformation of the South Korea–U.S. alliance, laying the groundwork for the later emergence of a transactional model. In May 2022, Yoon and Joe Biden elevated bilateral relations to the level of a “Global Comprehensive Strategic Alliance,” expanding the traditional military partnership to include technological and economic dimensions.⁹ Under the Yoon government, the alliance extended into critical technologies, including semiconductors, batteries, and other strategic sectors. Seoul assumed a more active role in shaping Indo-Pacific economic and economic security strategies, particularly in rule-making, regional coordination, and the protection of critical infrastructure, while also undertaking concrete commitments to diversify supply chains and deepen technological cooperation with the United States. This positioning strengthened alliance stability vis-à-vis Washington while simultaneously preparing the conditions for a more explicitly transactional form of cooperation.¹⁰ Regarding the North Korean threat, Yoon adopted a hardline deterrence approach (“peace through strength”). The Washington Declaration¹¹ and the establishment of the Nuclear Consultative Group¹² (NCG) signaled a move toward the institutionalization of extended deterrence: the two sides sought to coordinate nuclear-related strategic planning, information sharing, and decision-making within more structured frameworks. Seoul gained deeper insight into U.S. nuclear planning, which became an important factor in enhancing both the credibility of U.S. deterrence and the domestic legitimacy of the alliance in South Korea.

On the night of December 3, 2024, Yoon unexpectedly declared martial law, a move widely described in domestic and international perceptions as an attempted coup. At the same time, the crisis

⁷ CAMPBELL et al.: [U.S.-South Korea Relations](#), *Congress.gov*, 2022.02.24. [Online, 2026.02.25.]

⁸ BOOSE JR et al.: [Recalibrating the U.S. – Republic of Korea Alliance](#), *Strategic Studies Institute, U.S. Army War College*, 2023.05. [Online, 2026.02.25.]

⁹ [Korea, US upgrade ties to 'global comprehensive strategic alliance'](#). *Ministry of Foreign Affairs, Republic of Korea*, 2022.05.24. [Online, 2026.02.25.], [Strengthening Strategic Technology Cooperation Between South Korea and the United States](#), *Council on Foreign Relations*, 2023.11.30. [Online, 2026.02.25.]

¹⁰ AHN, Jennifer: [U.S.-South Korea Policy Coordination on Advanced Technology](#). *Council on Foreign Relations*, 2023.12.05. [Online, 2026.02.25.], [Remarks by President Biden and President Yoon Suk Yeol of the Republic of Korea in joint press conference.](#), *U.S. Mission Korea, U.S Embassy & Consulate in the Republic of Korea*, 2023.04.27. [Online, 2026.02.25.]

¹¹ The Washington Declaration was signed in April 2023 by the leaders of the United States and the Republic of Korea. The document aimed to strengthen the credibility of extended deterrence, particularly in response to North Korea’s nuclear and missile programs. As part of this framework, the United States increased the visible presence of strategic assets in the region (e.g., nuclear-powered submarines), while South Korea reaffirmed its commitment to nuclear non-proliferation.

¹² The Nuclear Consultative Group (NCG) is a bilateral institutional mechanism established in 2023 between the United States and the Republic of Korea. Its purpose is to facilitate strategic consultations on nuclear deterrence, coordinate crisis management and response planning, and prepare the integrated application of nuclear and conventional capabilities. The NCG aims to increase South Korea’s involvement in deterrence-related decision-making without leading to the development of an independent nuclear arsenal.

demonstrated the resilience of South Korea's institutional system: the National Assembly was able to take formal countermeasures within a short period, and constitutional order was restored.¹³

Washington's response was marked by initial surprise and concern. The United States had not been notified in advance of Yoon's decision, signaling a serious crisis of trust within the alliance.¹⁴ The situation highlighted the extent to which alliance stability is exposed to domestic political risks: an institutional crisis within an allied state can generate regional security risks, particularly due to the potential misinterpretation of North Korea's intentions. In the longer term, the crisis reinforced the lesson that alliance stability cannot depend on the personal predictability of a single leader, but must rest on structural factors and institutional guarantees.

Following the lifting of martial law, the political system rapidly moved toward accountability. As a result of constitutional proceedings, Yoon's presidential powers were suspended, and he was subsequently removed from office by a decision of the Constitutional Court. His removal and criminal prosecution constituted an unprecedented political precedent.¹⁵ The legal process concluded in February 2026 with a life sentence, sending a strong normative message: the circumvention of democratic order through force or extraordinary legal measures is not a legitimate political instrument. At the same time, the crisis did not produce a lasting weakening of the alliance. Rather, it reinforced the recognition that the stability of the ROK–U.S. relationship is grounded in institutional cooperation and structural interests.¹⁶

5. The Lee Jae-myung Period: Pragmatism and the Transactional Alliance Model (2025–)

The period after 2025 marks a new phase in the functioning of the South Korea–U.S. alliance, in which the relationship is increasingly organized along a transactional logic. Following the early presidential election of June 2025, the progressive Lee Jae-myung came to power. While many expected a loosening of the alliance as a result of the progressive turn, Lee instead advocated a "pragmatic foreign policy," centered on the acceptance of security realities alongside a pragmatic recalibration of costs and benefits.¹⁷ Particular significance was attached to Lee's relationship with the second Donald Trump administration established in 2025. Within this framework, the maintenance of bilateral stability became more closely tied to investment and industrial cooperation. Lee's approach was to offer a politically "marketable" package that would render the alliance sustainable and domestically rational in Washington. During the August 2025 summit between Lee Jae-myung and Donald Trump, Seoul presented a "flashy" investment package aimed at avoiding U.S. protectionist tariffs and ensuring the continuity of the alliance. The package included approximately \$350 billion in Korean investments in the United States, particularly in the fields of semiconductors, energy, and shipbuilding.¹⁸

¹³ MANYIN, Mark E.: [South Korean Political Crisis: Martial Law and Impeachment](#). *Congress.gov*, 2024.12.31. [Online, 2026.02.25.], Ro et al.: [The 2024 Self-Coup in South Korea: Democracy Challenged and Saved](#), *GIGA Focus, German Institute for Global and Area Studies*, 2025. [Online, 2026.02.25.], CLOTHIER, Kennedy: [Martial Law & Aftermath: South Korea's Constitutional Crisis](#), *Michigan State International Law Review*, 2025.05.08. [Online, 2026.02.25.]

¹⁴ CHING, Nike: [US welcomes South Korean president's reversal of martial law](#), *VOA*, 2024.12.03. [Online, 2026.02.25.], LEE, Michael: [U.S. 'relieved' by end of martial law in South Korea: White House](#), *Korea JoongAng Daily*, 2024.12.04. [Online, 2026.02.25.]

¹⁵ YUN, Bee: [A Stress Test for South Korea's Democracy: Conservatism's Authoritarian Relapse](#), *The BTI Transformation Index*, 2025.04.09. [Online, 2026.02.25.], [South Korea: Life sentence for Ex-President Yoon a significant step towards accountability](#), *Amnesty International*, 2026.02.19. [Online, 2026.02.25.]

¹⁶ PARK, Sun Ryung: [What Yoon Suk Yeol's Life Sentence Means for South Korea's Democracy](#), *Asia Pacific Foundation of Canada*, 2026.02.19. [Online, 2026.02.25.]

¹⁷ SNEIDER, Daniel: [Lee Jae-myung's foreign policy successes in the shadow of political polarisation](#), *East Asia Forum*, 2026.01.18. [Online, 2026.02.25.], Howell, Edward: [How South Korea can balance its US commitments with global engagement](#). *Chatham House*, 2025.12. [Online, 2026.02.25.], SNYDER et al.: [U.S.-South Korea Relations in 2026: Key Issues to Watch](#), *KEI*, 2026.02.02. [Online, 2026.02.25.]

¹⁸ KIM, J. James: [Redefining the US–ROK Alliance in an Era of Uncertainty](#), *Stimson*, 2026.01.30. [Online, 2026.02.25.], [The August 2025 U.S.-South Korea Summit](#), *Congress.gov*, 2025.09.03. [Online, 2026.02.25.], YEO, Andrew and FOREMAN, Hanna: [The art of the alliance: 3 takeaways from the Trump-Lee summit](#), *Brookings*, 2025.08.28. [Online, 2026.02.25.], CHA, Victor: [South Korea's Response to U.S. Demands: Minimize Risk, Maximize Reward](#), *Center for Strategic & International Studies*, 2025.10.06. [Online, 2026.02.25.]



5.1. Sovereignty Trade and Industrial Integration

In the post-2025 period, the functioning of the South Korea–U.S. alliance has been reorganized along a new transactional logic, characterized by the deepening of transaction-based strategic cooperation, increasingly described as “sovereignty through trade.” Within this framework, the sustainability of security guarantees is achieved through economic and industrial integration. This approach departs from the classical value-based alliance model: the maintenance of security guarantees is no longer grounded solely in military presence or a normative community, but in deep industrial, technological, and economic interdependence. Under the second Donald Trump administration, South Korea has emerged as a “model ally,” primarily because of its willingness to assume a significant share of both defense and economic burdens. The term reflects the official terminology of the administration, crystallizing in strategic documents and statements by senior officials in late 2025 and early 2026. In this context, Poland, Israel, and South Korea are most frequently cited as examples.¹⁹ Accordingly, the increase in defense spending as a share of GDP (targeting approximately 3.5–5%) should be understood not only as military modernization, but also as a financial reinforcement of alliance credibility. The alliance has thus evolved into a transactional yet structurally stable partnership, in which Seoul is not merely a beneficiary of extended deterrence but an active contributor to U.S. industrial and national security interests. One of the most tangible manifestations of this strategy is investment policy linked to American industrial revitalization, particularly within the framework of the “Make American Shipbuilding Great Again” (MASGA) program.

South Korean firms, including Hanwha and HD Hyundai, have contributed to the modernization of U.S. shipyards through substantial investments and technology transfer, especially in Rust Belt industrial regions such as Pennsylvania.

These investments go beyond conventional capital inflows, generating structural industrial integration in which segments of the U.S. maritime and defense industries increasingly rely on Korean technological capabilities. When an ally directly contributes to the maintenance of American industrial employment and defense production capacity, the political costs of sanctions or trade restrictions against that ally rise significantly. As a result of mutual industrial dependence, the “economic embeddedness” of the alliance deepens, reducing the likelihood of confrontational policy decisions. South Korea’s strategy can therefore be interpreted not merely as diplomatic adaptation, but as a deliberate mechanism for ensuring alliance stability. Industrial integration has also facilitated the expansion of sensitive technological and defense cooperation. As a result of its economic contributions and technological indispensability, Washington has granted Seoul greater room for maneuver in strategic areas that were previously subject to strict limitations. President Lee Jae-myung has managed to secure Donald Trump as a supporter of the alliance, while domestically promoting the image of a “strong Korea.”²⁰ Although U.S. maritime dominance has not disappeared, it has eroded in relative terms: while the United States remains globally dominant—particularly in aircraft carrier capabilities and nuclear-powered submarines—its position in the Indo-Pacific has become increasingly contested. This shift is driven in large part by the rapid expansion of the Chinese navy, as well as the relative decline of U.S. shipbuilding capacity, developments that may, over the longer term, contribute to a rebalancing of maritime power.

5.2. Regional Role Expansion and the Transformation of the Alliance System

a) *The Role of a Security Exporter*

At the regional level, South Korea’s role has undergone a significant transformation. China has replaced the Soviet Union as the primary strategic competitor of the United States. According to the 2026 U.S. National Defense Strategy, the Indo-Pacific region constitutes the center of gravity of the global economy,

¹⁹ DUNAY, Esther – LEE, Peter K.: [The Alliance Runway: The Capability-Expectations Gap of Being a “Model Ally” in Trump 2.0](#), *The Asan Institute for Policy Studies*, 2026.02.20. [Online, 2026.04.09.]

²⁰ YOSHIDA, Kenji: [Trump-Lee Summit Signals South Korea’s Serious Strategic Shift](#), *Japan Forward*, 2025.09.04. [Online, 2026.02.25.], TOSO, Anna: [“Make American Shipbuilding Great Again:” The US-South Korea Deal](#), *Bloomsbury Intelligence & Security Institute*, 2025.09.12. [Online, 2026.02.25.], LEE, Peter K.: [MAASGA: Making American and Allied Shipbuilding Great Again](#), *The Asan Institute for Policy Studies*, 2025.08.29. [Online, 2026.02.25.], KAN, Hyeong-woo: [Friends turned rivals: Korean shipbuilding heirs enter MASGA race](#), *The Korean Herald*, 2025.11.26. [Online, 2026.02.25.]



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in which South Korea plays a key role in countering Chinese dominance. At the same time, the development of North Korea's nuclear capabilities poses a direct threat even to the U.S. mainland, making stability on the Korean Peninsula a continuing strategic priority. Seoul is no longer merely a protected "forward base" against North Korea; it increasingly operates as a "security exporter," participating in regional intelligence coordination, trilateral U.S.–Japan–South Korea cooperation, and the stabilization of global supply chains. By 2026, South Korea can be understood as a global partner whose technological and economic capabilities directly support U.S. competitiveness and national security. One of the most significant outcomes of the 2025–2026 negotiations with Washington was U.S. support for South Korea's nuclear-powered submarine program. The agreement also included the easing of restrictions on uranium enrichment and fuel processing, effectively granting Seoul a form of "latent nuclear sovereignty." This example illustrates how technological taboos within 21st-century alliance systems can be renegotiated when a partner becomes a key pillar of the U.S. security architecture. At the same time, a functional division of labor persists within the alliance network. This not only ensures the efficient allocation of responsibilities but also enhances the resilience and crisis resistance of the alliance system through the deliberate overlap of certain capabilities.²¹

b) Strategic Autonomy and China

Within the alliance system, South Korea primarily functions as a "deterrence platform" on the Korean Peninsula, where the presence of U.S. ground forces ensures rapid response capability vis-à-vis North Korea, while Japan supports the depth dimension of U.S. Indo-Pacific operations as a regional logistical and operational hub. This differentiated division of roles simultaneously enhances the strategic flexibility and redundancy of the alliance system, while also allowing for increasing competition among allies. The implicit competition surrounding economic and defense contributions—well illustrated by large-scale investment and industrial cooperation commitments directed toward the United States—suggests that strategic positions in the 21st century are becoming increasingly performance-based. For Tokyo, however, the risk that Seoul might assume a primary regional defense role remains limited. South Korea's China policy—particularly during the period of Lee Jae-myung—has remained pragmatic and balancing in nature, with Seoul refraining from overt military involvement around the Taiwan Strait in order to avoid a "two-front" security situation.²² As a result, from the perspective of U.S. strategic objectives vis-à-vis China, Japan's role—especially as a regional operational and logistical hub—remains difficult to substitute.²³

For Taiwan, the situation is more ambivalent. On the one hand, it welcomes the strengthening of the "First Island Chain," in which South Korea now plays an increasingly active role. On the other hand, Taipei and Seoul have become direct competitors in securing U.S. strategic preference. Taiwan has announced a \$250 billion investment package in the semiconductor sector in order to avoid 100% protective tariffs and secure U.S. defense guarantees. This dynamic demonstrates that, in the 21st-century alliance system, strategic competition is no longer limited to adversaries but is also emerging among allies. Overall, this indicates that alliance systems are becoming increasingly based on economic and technological performance, where strategic position is no longer a given, but a continuously renegotiated status.

c) Regional Expansion (the Philippines and Indonesia)

The logic of South Korea's "sovereignty through trade" does not stop at Washington: the "flashy package" functions not merely as a bilateral bargain, but as a regionally multiplying mechanism.²⁴ Although not an

²¹ BARTHA Levente: [The 2026 National Defense Strategy: Decoding the Pentagon's Priorities](#), *Atlas Institute for International Affairs*, 2026.02.19. [Online, 2026.02.25.] THOMAS, Richard: [Top 5 highlights from the US National Defense Strategy](#), *Naval Technology*, 2026.01.27. [Online, 2026.02.25.]

²² [South Korea's Lee Jae-myung deftly navigates domestic and diplomatic minefields](#), *East Asia Forum*, 2026.01.19. [Online, 2026.02.25.], [Experts react: What does South Korean President Lee Jae-myung mean for Indo-Pacific security?](#), *Atlantic Council*, 2025.06.03. [Online, 2026.02.25.]

²³ [First Year Accomplishments under Secretary Howard W. Lutnick](#), *U.S. Department of Commerce*, 2026.01.20. [Online, 2026.02.25.], [Fact Sheet: President Donald J. Trump Drives Forward Billions in Investments from Japan](#), *The White House*, 2025.10.28. [Online, 2026.02.25.], WINGROVE, Josh and LEE, Yian: [Taiwan Trade Pact Pledges \\$500 Billion for US Chipmaking](#), *Transport Topics*, 2026.01.15. [Online, 2026.02.25.]

²⁴ MANAK, Inu: [Tracking Trump's Trade Deals](#), *Council on Foreign Relations*, 2026.02.11. [Online, 2026.02.25.]



official term, it is widely used to describe South Korea's strategy. Seoul reinforces the political sustainability of the alliance in the United States through industrial investments (job creation, industrial revitalization, and strategic technologies). At the same time, it extends alliance-related capabilities into the region: Korean industrial and defense capacities become accessible to Southeast Asian partners, enabling the United States to maintain its regional presence at lower cost. This model is particularly evident in the Philippines and Indonesia, which—at the intersection of U.S. strategic priorities in 2026 and South Korea's pragmatic diplomacy—have assumed distinct roles. Within this framework, the Philippines functions both as a frontline state and as a market. Manila is becoming a key actor in “deterrence by denial,” while for Seoul it is increasingly emerging as a direct defense export hub, particularly in the areas of shipbuilding, weapons systems delivery, capability development, and interoperability. The South Korean shipbuilding sector—especially the frigate programs of HD Hyundai Heavy Industries and the submarine ambitions of Hanwha Ocean—is effectively turning the Philippines into one of the most important Southeast Asian showcases of Korea's defense industry. In this context, Seoul acts not only as a supplier but also as a designer of Manila's security capacities. As a result, the strategic value of the South Korea–U.S. alliance extends into a third country. Joint exercises such as Balikatan reinforce the perception that Korean technology and the U.S. security umbrella operate as a modular, combinable security package in the region, where Washington's military presence and Seoul's industrial contributions are mutually reinforcing.²⁵

Indonesia, by contrast, functions more as an economic hub. Within the Trump–Prabowo “New Golden Age” framework, the relationship is grounded in economic and trade deals, reciprocal concessions, and industrial access, elevating Indonesia to one of the most important U.S. economic partners in the region. Here, MASGA-type thinking is no longer directed at the revitalization of the American Rust Belt, but at expanding Southeast Asian industrial capacities, enabling Seoul to increase its regional weight while Jakarta maintains its “hedging” position—that is, a balanced and multi-directional foreign policy stance that avoids rigid bloc alignment.

In this sense, the “flashy package” operates not merely as a bilateral arrangement but as a regionally embedded mechanism. The broader implication is that South Korea is effectively regionalizing the alliance: toward the Philippines as a security stronghold and defense exporter, and toward Indonesia as an economic and industrial hub, thereby extending the logic of the Korea–U.S. “package” across the region.²⁶

All of this suggests that under the second Trump presidency, national security is increasingly taking the form of a “business fusion,” which the South Korean model is capable of operating not only through bilateral bargains but also as a regional network.

6. Conclusions

The evolution of the South Korea–U.S. alliance between 1945 and 2026 illustrates how a classical military alliance can adapt to the geopolitical and economic competition of the 21st century. The trajectory from post-war devastation to a global technological partnership has not been linear; it has been accompanied by authoritarian setbacks and crises of legitimacy. Nevertheless, the long-term stability of the alliance has not weakened but rather transformed.

Based on the period under examination, four overarching conclusions can be drawn. First, the sources of stability in South Korea have shifted: alongside military deterrence, democratic institutional resilience and economic-technological integration have become decisive. Second, the 2024 domestic political crisis in South Korea functioned as a stress test, generating short-term disruptions of trust both domestically and at the alliance level, while ultimately reinforcing the role of democratic norms within the South Korean political system. Third, the emergence of transactional logic has introduced a new mode of operation in which alliance stability increasingly rests on industrial and technological cooperation. Finally, the South Korean case demonstrates that a medium-sized state does not necessarily become subordinate

²⁵ [Korea's Shipbuilding Giants Propose US Partnerships for MASGA](#), *Hellenic Shipping News*, 2025.11.26. [Online, 2026.02.25.]

²⁶ [Indonesia, US firms sign deals worth US\\$38.4 billion ahead of Trump-Prabowo meet](#), *Channel News Asia*, 2026.02.19. [Online, 2026.02.26.]



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in great power competition; through sufficient industrial and technological embeddedness, it can enhance its strategic value while preserving a degree of sovereignty.

In this sense, South Korea's significance is set to reach a structural level in the coming decade: it is transitioning from the role of a classical military ally to that of an industrial and technological engine within U.S. global strategy. Large-scale investments and direct contributions to the American defense-industrial base are creating a form of mutual dependence that makes the marginalization of Seoul increasingly difficult.

The South Korean model extends beyond the bilateral relationship, offering a potential template for how a fully sovereign, medium-sized state can navigate a transactional great-power environment—not merely by adapting, but by positioning itself as a valuable and proactive actor. This role is not primarily based on graduated sovereignty, but rather on increased independent contributions in the fields of defense, industry, and technology, aligning in part with U.S.-encouraged burden-sharing logic. In this sense, South Korea can be described as a "model ally": a partner that strengthens the alliance system through the development of its own defense capabilities and its economic and technological contributions, while maintaining full sovereignty. The conditions of alliance status are thus evolving: political loyalty alone is no longer sufficient, and concrete economic, industrial, and technological contributions are gaining increasing importance.

At both the regional and global levels, these developments suggest that alliance systems are gradually transforming into hybrid structures in which security guarantees and economic integration function as mutually reinforcing elements.

In this context, the "model ally" is not merely a description of a single country, but a broader adaptation strategy for the 21st-century international order: it exemplifies how, within historically asymmetrical alliances—particularly in the cases of South Korea and Japan—the practical exercise of sovereignty may not only be constrained but, through appropriate strategic and economic positioning, can also be strengthened.



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