

### Trump's Global Realignment Strategy in a Multipolar World

By Darren Spinck

#### Introduction

Donald Trump's re-election as U.S. president has largely upended the global trade and security architecture built after World War II, and this may be only the beginning. Walter Russell Mead, who considers Donald Trump the most consequential foreign policy president since Richard Nixon, has described his approach as one centered on "the concentration of power for maximalist goals". Trump's return to office has accelerated a shift toward economic nationalism, bilateral deal-making, and reduced engagement in multilateral institutions. Trump did not "break"

the so-called international order; he pulled the plug on a system already collapsing under decades of failed policy. Unipolarity ended with Biden's chaotic 2021 Afghanistan withdrawal, though its decline had long been underway. The weaponization of the U.S. dollar, and what former Treasury Secretary Jack Lew warned was the overuse of sanctions, eroded trust in American-led financial systems. Allies and rivals alike began building workarounds: from INSTEX in Europe to China's dual circulation model and BRICS alternatives to SWIFT.

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As strategic competitors like China and Russia moved to de-risk their economies from U.S. economic statecraft, America allowed its own manufacturing sector, including the defense industrial base, to atrophy. During World War II, the U.S. produced 17 carriers, 300,000 planes, and 50,000 tanks, starkly contrasting today's defense base. The modern U.S. defense industrial base now produces only 150 F-35 stealth strike fighters annually. An estimated 3.7 million U.S. manufacturing jobs were lost in the two decades following China's accession to the World Trade Organization (WTO). The oft-cited "China Shock" report found the surge of Chinese imports into Americaled to long-term declines in employment, wages, and labor-force participation. Offshoring, accelerated by China's WTO entry, fueled capital outflows that powered Beijing's rise: modernizing its military, consolidating export dominance, and launching its global infrastructure financing machine. David Autor and Gordon Hanson, who previously warned about the impact of Chinese import competition on U.S. manufacturing, stated in July 2025 that the People's Republic of China (PRC) now challenges U.S. leadership in other strategic sectors, including AI, robotics, quantum computing, and advanced batteries.

Meanwhile, America found itself overextended. It ran up trillions in debt, became entangled in "Forever Wars", and watched its infrastructure crumble, all while China expanded its influence through pragmatic partnerships with the Global South. The dollar's "exorbitant privilege" became a double-edged sword, with its role as the global reserve currency linking American power to volatile bond markets and exposing it to the geopolitics of instability in an increasingly fragmented global economy. Responding to these shifts, the Trump administration has begun a sweeping realignment of U.S. trade and defense policy for overhaul. This strategy reflects the new multipolar reality. It is grounded in the recognition that post-Cold War globalization as we knew it is over, and that the bifurcation of the global economy is already well underway. As noted by U.S. Secretary of State Marco Rubio, the post-World War II American-led unipolar world order was an "anomaly" and a return to multiple great power competition was inevitable. Trump's strategy doesn't signal an American retreat from the world. Instead, it repositions the U.S. within a multipolar system, aiming, as the Stimson Center's Emma Ashford puts it, to make America a "first among equals". According to Ashford, U.S. foreign policy under President Trump initially seemed aimed at reversing decades of overextension by implementing policies designed to "sever [America] from things that were broken", including withdrawing forces from

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the Middle East, pushing allies toward greater defense burden-sharing, and easing broadbased sanctions.

## Trump's strategy doesn't signal an American retreat from the world.

The June 2025 strikes on Iran's nuclear enrichment facilities, along with the White House's subsequent hardening of its stance toward Moscow, however, represent a clear departure from the previously expected U.S. focus on prioritizing forward military posture in the Indo-Pacific. These policies reflect an ongoing ideological tug-of-war in Washington between primacists, who, as Jeremy Shapiro has noted, support a robust U.S. leadership posture, and prioritizers, who largely advocate focusing on deterring the PRC as America's principal peer competitor. At the same time, through tariffs, reshoring, and industrial policy, the Trump Administration has appeared focused on rebuilding manufacturing capacity, reducing the trade deficit, and aligning economic strategy with national security imperatives. However, even this strategy now appears uncertain, as reports suggest a potential reconsideration of the Trump administration's planned shipbuilding prioritization. Planned strategic shifts are also driving new alignments, including the emergence of a likely "Fortress North America" framework, a concept centered on enhanced U.S.-Canada-Mexico supply chain securitization, alongside closer coordination with the UK, efforts to reduce Chinese economic influence in North America, and strengthened ties with partners in the Indo-Pacific and Central and Eastern Europe.

### **America First Trade Agenda**

Nowhere is this shift more evident than in the renewed emphasis on supply chains. The White House's tariff-first approach, beginning with the International Emergency Economic Powers Act (IEEPA), the so-called "Liberation Day" tariffs, and now shifting toward Section 301 foreign trade practice investigations, Section 232 national security investigations, and potentially Section 122 trade provisions, reflects a more assertive use of Washington's trade policy toolbox. In practice, this will mean higher barriers for strategic competitors, primarily China, and preferential trade relationships for partners who mitigate risks related to Chinese investment and align their trade policies with Washington's strategy. This managed de-risking will target key strategic sectors in the U.S. Commerce Department's Section 232 investigations, including copper, timber lumber, pharmaceuticals, and semiconductors, medium and heavy trucks and parts, commercial aircraft and components, and, perhaps most critically, rare earths and other critical minerals. As noted by Secretary of the Treasury Scott Bessent, tariffs serve to remedy unfair trade practices, generate revenue, and provide leverage in negotiations. They also function as a strategic tool for shaping a U.S.led economic sphere less vulnerable to Chinese leverage over critical industries.

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All U.S. partners now face a narrowing set of choices: integration into an emerging U.S.-led trade and investment system, alignment with China, an increasingly untenable balancing act, or the path of multi-vector commercial engagement modeled by countries in the Western Balkans and Central Asia and the South Caucasus. Days before the initial July 8, 2025, deadline for trade negotiations with the White House, two finalized deals offered a glimpse into how other countries may chart their future economic strategies. The UK trade pact has been described as a "template that Washington could use to exclude China from other countries' strategic supply chains". Meanwhile, the agreement with Vietnam allows Hanoi to maintain a multi-vector commercial policy, engaging with both the U.S. and China, while imposing steep 40 percent tariffs on transshipped Chinese goods entering America via Vietnam. Countries like Vietnam that choose not to decouple from China in strategic sectors are expected to maintain trade with the U.S. in low-value manufactured goods. However, they are unlikely to receive exemptions from ongoing Section 232 investigations targeting strategic industries where Washington seeks to limit Chinese leverage over America's economy.

### Connectivity becomes a tool of competition, not cooperation.



These bilateral deals reflect a broader reality: the global trade system itself is being rewritten, away from multilateralism and toward competing spheres of influence. This global trade reordering, which effectively ends the WTO's most-favored nation principle, requiring members to extend equal trade advantages to all unless part of

a negotiated agreement, coincides with the collapse of globalization's ideological grip. The long-held assumption of ever-closer economic integration has been replaced by realism. Commentators from Ian Bremmer to Martin Wolf now openly acknowledge that we are in a new phase, one shaped not by global consensus, but by economic nationalism and strategic selfinterest. Trump's global realignment, centered on trade, industrial policy, alliance restructuring, and geoeconomic leverage, is also forcing middle powers that once hedged between rivals to recalibrate around shifting economic and security blocs. In this context, connectivity becomes a tool of competition, not cooperation. Gillian Tett has described this as the rise of "geoeconomics", where governments use trade, finance, and infrastructure to advance national power. Middle powers in Central and Eastern Europe, Central Asia, and the South Caucasus are especially well-positioned to benefit from this shift, provided they approach it with strategic clarity. As Hungarian political strategist Balázs Orbán put it: "Smaller nations that want to take their destiny into their own hands have no choice but to face matters with boldness and creativity." Middle powers will likely adopt resilient, pragmatic strategies as they negotiate with the Trump Administration and pursue multi-vector engagement. For these countries, four core principles are expected to guide connectivity policy in the post-globalization era. First, transport routes are expected to be insulated from geopolitical tensions and sanctions-related disruptions. Second, efficiency will need to be maximized, not only in terms of travel time, but also overall cost and customs harmonization. Third, private sector investment is projected to be scaled to reduce reliance on state-funded development finance. And fourth, supply chains, especially for rare earths and critical minerals,

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The greatest obstacle to resilient supply chains remains a shortage of private capital. For example, advancing infrastructure initiatives like the Middle Corridor or the Three Seas Initiative north-south connectivity routes beyond their current state requires foreign direct investment, not ideological conditions or token aid. A regional infrastructure development bank, for the Trans Caspian region for example, could serve as a platform to attract private capital, leveraging finance institutions and sovereign wealth funds to co-invest in key projects. Crucially, this will require less lecturing from Washington and Brussels, and more deal-making. Though widely criticized, the Trump administration's shuttering of USAID could give Washington greater flexibility to shape trade and investment policy without conditionality, particularly in regions where the PRC has long thrived. As a commentator for The Guardian noted, the now-apocryphal quip from a Kenyan official - "Every time China visits, we get a hospital; every time Britain visits, we get a lecture" - captures why Chinese infrastructure diplomacy often resonates more than Western aid conditionality.

## Strategic investment continues to outperform ideological posturing.

Hungary offers a case in point: Chinese investment in the country rose 47% between 2023 and 2024, with 31% of all PRC FDI in Europe now flowing to Hungary, primarily in greenfield battery and EV projects. While Budapest and Brussels clashed over issues of sovereignty and social policy, Beijing advanced a transactional economic agenda unburdened by political conditionality. Without a credible U.S. response, examples like Hungary could become the norm throughout the region. Washington must match its rhetoric with action. That means expanding regional US International Development Finance Corporation (DFC) operations and, for countries pursuing multi-vector commercial ties with both the U.S. and China, helping to identify alternative sectors for meaningful cooperation. Strategic investment continues to outperform ideological posturing. If America intends to lead in the emerging global order, it will need to outcompete, not out-preach, China.

### **Great Power Realism or Neoconservatism?**

As referenced above, the fracturing of the U.S.-led unipolar world into multipolarity was driven in large part by the Biden Administration's tumultuous Afghanistan withdrawal. As noted by the U.S. House Foreign Affairs Committee, adversaries such as China, Russia, and Iran

"saw weakness during the chaotic and deadly evacuation, emboldening them" to test the limits of American influence. Less than six months later, Russia's 2022 invasion of Ukraine further weakened the unipolar order. In its aftermath, Moscow and Beijing deepened their alignment, declaring a "no limits" partnership that has become a central pillar of the emerging anti-unipolarity bloc. A third major blow to the post-Cold War U.S.-led order came with Iran's central role in destabilizing the Middle East following the October 7, 2023, Hamas-led terrorist attack on Israel. Through a mix of proxy warfare and direct confrontation, Tehran has accelerated a change in U.S. security priorities.

Russia's 2022 invasion of Ukraine further weakened the unipolar order.

The Trump Administration initially was expected to adopt what Alexander Velez-Green, the deputy undersecretary of defense-designate, has called a "prioritization imperative". Under this strategy, the U.S. would recognize that there are finite resources and assets to defend the homeland and deter China's ambitions in the Indo-Pacific. Washington would, therefore, encourage other allies and partners to take charge of efforts to counter any potential military aggression from Moscow, Tehran, and/or Pyongyang. Velez-Green was initially one of a quartet of realist thinkers expected to shape U.S. defense policy under the Trump Administration, alongside Elbridge Colby, Under Secretary of Defense for Policy; Austin J. Dahmer, Assistant Secretary of Defensedesignate for Strategy; and Dan Caldwell, former Senior Adviser to Secretary of Defense Pete Hegseth. Colby, the principal author of the 2018 National Defense Strategy, has argued that America's core national interest lies in denying Chinese regional hegemony in Asia. On Ukraine, he has maintained that Europe should take the lead in shaping policy. Dahmer, like Colby and Velez-Green, has expressed support for a U.S. defense posture grounded in what Colby terms a "strategy of denial", a framework focused on preventing any credible aspirant from achieving hegemony in a key geographic region. In Dahmer's view, the most geopolitically significant regions for the U.S. are East Asia, followed by Europe and the Arabian (Persian) Gulf.

America's core national interest lies in denying Chinese regional hegemony in Asia.

Caldwell, who was dismissed from his position in April 2025, had advocated for a defense policy rooted in realism, emphasizing that America operates within clear constraints, both fiscal and material, and should scale back its presence from regions where U.S. interests are less vital, such as Europe and the Middle East. Initially, the White House appeared set to adopt this pragmatic defense policy. Washington successfully encouraged its NATO partners to commit to increasing defense spending by 5 percent of GDP by 2035. During a May 2025 visit to the Middle East, President Trump secured major economic cooperation agreements with Saudi Arabia and the United Arab Emirates, emphasized a departure from past U.S. efforts to lecture the

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region on democratization and human rights, and sought partner support to address ongoing tensions with Iran, particularly related to its nuclear program and the Gaza hostage crisis. Meanwhile, the White House applied pressure on Japan and South Korea to increase their financial burden sharing toward shared regional defense commitments.

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Administration has However, the Trump also seemingly continued along a trajectory that Colby has warned reflects the pitfalls of triumphalist liberalism. First, despite internal disagreements among U.S. defense officials over the effectiveness of striking the Houthis, and concerns about depleting munitions needed for other priority theaters, the U.S. launched missile strikes against the Tehran-backed group in Yemen. Although U.S. and UK forces reportedly hit over 1,000 Houthi targets, the success of the operation remains uncertain, as Houthi attacks on Red Sea shipping continued even after the ceasefire. Second, following Israel's strikes on Iran's nuclear facilities at Natanz and Isfahan, America entered the later phase of the 10-day war between Israel and Iran, deploying GBU-57 bunker-buster bombs and Tomahawk cruise missiles to target those sites as well as the Fordow facility. The U.S. reportedly used 14 GBU-57 bunker-buster bombs, placing significant strain on its long-range stealth strike capabilities given the munition's limited stockpile. Finally,

President Trump campaigned on a promise to end hostilities between Russia and Ukraine soon after taking office, and in February 2025, following negotiations between American and Russian diplomats in Riyadh, labelled Ukrainian president Volodymyr Zelensky a "dictator without elections". During a contentious meeting between Trump and Zelensky at the White House ten days later, U.S. officials indicated a policy review was underway regarding continued American support for Ukraine.

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In July 2025, the Pentagon agreed to suspend weapons system transfers to Ukraine, a decision which was then reversed by President Trump. Pentagon officials, including Colby, had initially expressed concern that U.S. weapons stockpiles had been depleted following America's strikes against Iran. The White House reportedly agreed to facilitate the transfer of Patriot mobile interceptors to Ukraine and to explore a potential exchange in which Kyiv would provide Ukrainianmanufactured drones to America in return for other U.S.-produced weapon systems. The Trump Administration, which had once appeared to seek a potential rapprochement with Moscow, quickly pivoted when talks for a political solution between Russia and Ukraine seemed to stall, with President Trump voicing frustration with Vladimir Putin. The White House, on July 14, 2025, issued a 50-day ultimatum on Moscow to reach a peace settlement with Ukraine or face an increase in tariffs. With America importing mostly strategic exports from Russia, including natural resources, fertilizer, and aircraft engines, it is not clear how the threat of the tariff imposition will deter Russia.

#### Conclusion

While America's maximalist trade strategy, seeking a decoupling from China in strategic sectors seems clear, its defense strategy is less so. As the Trump Administration has focused on Iran's capabilities in the Middle East and has reengaged in the European theater with pressure on Moscow, China has continued to seek a hegemonic foothold in the Indo-Pacific. In June 2025, China successfully sailed two aircraft carriers, the Shandong and the Liaoning (originally a Soviet vessel sold to Beijing by Ukraine), past the first island chain for the first time. The exercise included carrier group escorts and combat training with fighter jets and helicopters launched from both carriers. This maneuver extended the Chinese navy's forward military posture into the second island chain, bringing it closer to the U.S. territory of Guam, a key American military installation.

Meanwhile, as the Trump Administration seeks to reassert U.S. diplomatic engagement in the

Western Balkans, China has deepened its ties with Serbia, with the two countries planning their first-ever joint military exercise for July 2025. Despite the Panamanian government yielding to pressure from the Trump Administration by announcing it would not renew its Belt and Road Initiative (BRI) partnership with Beijing, Chinese entities continue to operate Panama Canal port facilities. During the 17th BRICS Summit, member states condemned "unilateral coercive measures", a clear reference to the joint U.S.-Israeli strike on bloc member Iran and broadly agreed to strengthen security and foreign policy cooperation. The Trump Administration may be confronting Iran and Russia early, recognizing China as America's primary pacing threat. In an era defined by multipolarity, the Trump Administration's evolving global realignment will likely continue to emphasize near-term crisis management. Yet unless it remains focused on the long-term objective of countering China's rise, it risks repeating the strategic incoherence that plagued previous post-Cold War presidencies.

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