

# DGAP COMMENTARY

## Now More Than Ever – Democratic Leaders Need to Stick Together



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As global tensions rise, Germany has a crucial role in leading democratic nations toward stronger alliances. In the face of rising global authoritarianism, democratic leaders must work to strengthen their relationships, especially if, as seems likely, US leadership diminishes. Through “allyshoring” – building economic ties with like-minded nations – Germany could strengthen its economic and political influence. This would serve not only to safeguard democratic values but also to counteract the growing influence of China and Russia.

Once in office, Donald Trump – who owes his sweep to victory in the US presidential elections to the economic anxieties and frustrations of working-class voters across ethnic and racial lines – will hopefully rethink his economic plans. The new rounds of tariffs that he has so far proposed will only add to the high cost of living and pinched pocketbooks of his voters (those who aren’t Elon Musk) instead of delivering security to those feeling insecure.

At the same time, the new tariffs will also alienate countries that are important democratic partners and allies against the aggressive intent and intensifying collaboration of authoritarian regimes including China, Russia, Iran, and North Korea. Yet to believe that Trump may rethink his plans may be too optimistic, whether regarding tariffs or indeed the reshaping of US leadership of the Western world.

Should the Trump administration truly walk away from Washington’s leadership role in NATO and the West, Germany and the EU together with other leaders of democracies across the globe like Japan, South Korea, Chile, or Brazil will need to step up. They must find a way not only to prevent Trump from damaging the transatlantic alliance but to enhance and reinforce the global alliance of democracies. To that end, they will need to rely on multiple levels of governance and broaden their partnership base with all nations that seek to participate in and benefit from an open, rules-based economic and political order.

## PUTTING MUSCLE BEHIND NATO'S SECURITY GUARANTEES

While this will certainly be difficult, a path forward exists. It demands a new focus on [allyshoring](#) – enhancing global and regional economic value chains and creating sourcing relationships for strategically important products with countries that share similar values and wish to strengthen the rules-based international trade and economic order. This would entail turning to Chile, Argentina, Australia, and Canada for lithium and other critical minerals. This would also mean enhancing partnerships and production of battery components for EVs with Mexico, Vietnam, and India – and loosening China's chokehold on the global market. Currently, China controls 70 percent of global critical components. In the area of innovative technologies, such as green technology and energy storage, this could mean exploring strategic technology, R&D, and next-generation energy development partnerships and investments, with the United States and European nations pioneering these advanced technologies.

Sectoral free trade agreements could be equally important if, in order not to further disrupt global trade governance, they are WTO-compatible. Such small-scale agreements could help revitalize free trade norms while avoiding the political gridlock that has halted more ambitious agreements such as the Transatlantic Trade and Investment Partnership.

For all countries seeking to collectively strengthen a rules-based economic order, [a program of enhanced domestic investment, while allyshoring with global democracies across the world](#), would serve to strengthen all participating economies. This would also benefit NATO member states and aid their ability to put two percent or more of GDP into defense and, by extension, their political heft. Working

together on an allyshoring economic growth program would put muscle behind the alliance's security guarantees to new NATO members like Finland and Sweden and eastern European members like the Baltic States that are

## Democracies must embrace their economic and political entanglements and turn global interdependencies into a benefit

worried that Putin might turn there after Ukraine. At the same time, it would add new partners through [friendshoring and allyshoring](#) arrangements.

### ALLYING WITH FREE AND LIKE-MINDED NATIONS

In fact, allyshoring would be a much better response to a possible US pull-back from NATO leadership than a realignment of democratic nations into various regional power blocs (for example one in Asia, one in the Americas, one in Europe) as historically proposed by France's president Emmanuel Macron [under the banner of European strategic autonomy](#). That would be the wrong strategy – a foreign policy cul-de-sac that would leave each regional bloc more isolated, smaller, and weaker in both economic and political terms.

Such an erosion is exactly what China and Russia are hoping for because it would make it so much easier to

achieve the dismemberment of the alliance and the rules-based international order that NATO supports. Responding to Trump's "America-first" argument with a Europe-first, or even Germany-first, economic policy would also threaten humanity's common goals as expressed for instance in the Paris Agreement or the Sustainable Development Goals.

Now is the time for Germany and the EU to extend and enhance international engagements and organize the co-production and sourcing of critical materials and components among free and like-minded nations. Only then will the world's democracies collectively gain the economic and political strength to pursue all their objectives – from continuing to help Ukraine's defense effort to effectively checking a somewhat [economically weakened China](#) in its power grab in the Indo-Pacific, and to countering China's and Russia's efforts to create puppet regimes in the developing world.

### A GOLDEN MOMENT

Even in the absence of active US leadership, democracies in Europe, Asia, Africa, and the Americas can maintain leadership within a highly integrated global economic system. Instead of retreating to their domestic or regional economic fortresses, democracies must embrace their economic and political entanglements and turn global interdependencies into a benefit and a source of strength. Germany together with Spain and Portugal, for instance, could lead allied nations in efforts to strengthen engagements with Latin American countries, in particular Brazil, which has just concluded a successful round of G20 talks and is taking on the COP presidency in 2025. The EU Mercosur trade agreement, which was signed by EU Commission President Ursula von der Leyen in early December after 25 years of negotiation, is an important step in this regard. The

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agreement allows for closer economic ties while also including new climate change provisions. This closer collaboration between the EU and Mercosur is also important in the current geopolitical environment, in order not to leave relationships with Southern American democracies to China.

Together, the economies of democratic nations including EU member states and middle-income countries like Indonesia or South Africa dwarf China and Russia in size and market power. These nations working closely together is precisely what Moscow and Beijing fear most, as that would effectively negate their ability to offer the rest of the world equally attractive economic and political partnerships. In a globalized economy, interdependencies and mutual alliances among like-minded countries sharing core values can be a force for the good, which is why China and Russia are so eager to divide the world into competing regional blocs.

Rather than to wring their hands over a new Trump Presidency, now is the moment for Germany and the EU – together with like-minded partners around the world – to forge a shared global agenda. Democratic nations need to equip themselves with the economic strength and the political will to maintain a democratic, rules-based order at home while checking authoritarian interests abroad. They have a golden moment to demonstrate that they can deliver both political freedom and better economic opportunities than states like Russia or China that foster corruption at home, destroy basic rights, build dependency, and employ tools of coercion abroad. Even without the United States as “ally number 1,” allyshoring can serve to protect democracy and an international rules-based order.

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