

The World in 2026

A Fragmenting International Order and Japan's Choices

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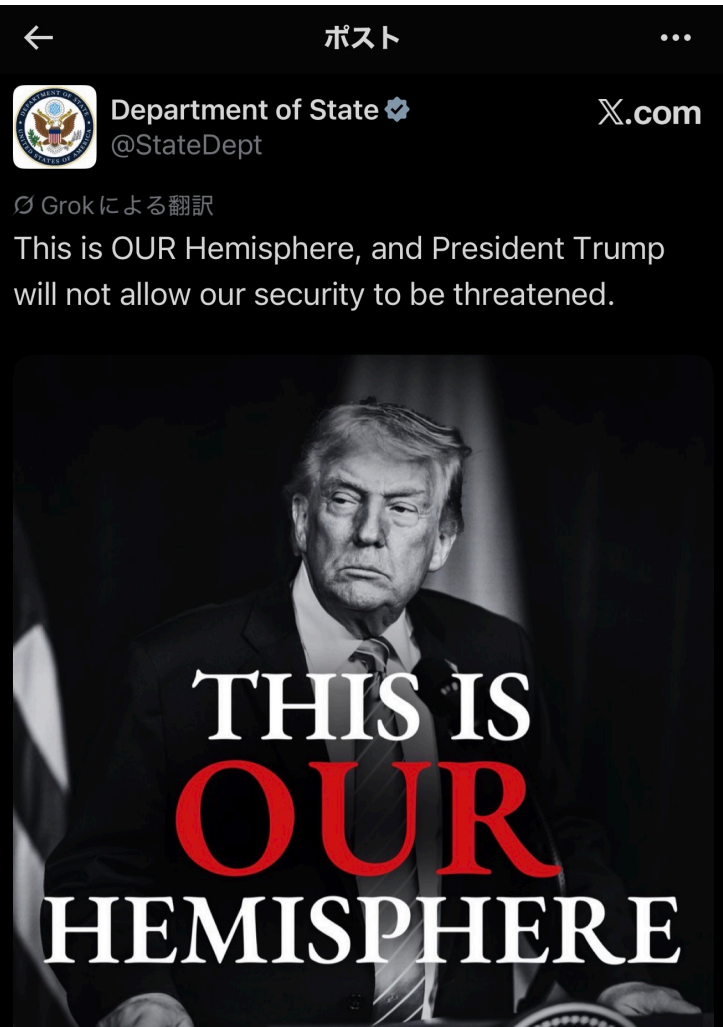
How Should We Understand the World Today?

- The Trump administration's distinctive worldview and political momentum are real and consequential.
 - The "America First (MAGA)" movement has evolved flexibly into something closer to "**Trump First.**"
 - While it has reached toward militarism, this does **not** represent a return to a coherent strategy of hegemony
 - "Donroe-ism" amounts to little more than a **sphere-of-influence conception** of world politics.
 - Indifference toward international order, law, and norms: a shift **from a liberal empire to a naked imperialism.**
 - The central focus remains economic, but we now see **economic security without a command center.**
 - Excessive demands on allies regarding supply chains, and overreach in policies toward foreigners.
- **The Accelerated End of the Postwar Order—and the Post–Cold War Order**
 - **What Should Japan Do?**
 - A world "**without the United States**" is expanding, as many countries hedge by positioning themselves closer to China.
 - International cooperation is weakening, and international institutions—laws and norms—can no longer effectively constrain state behavior.

What Does “Peace Through Strength” Really Mean?

While there have been some successes in **mediated diplomacy**, responses to the Middle East and Ukraine remain **unfinished and inconclusive**.





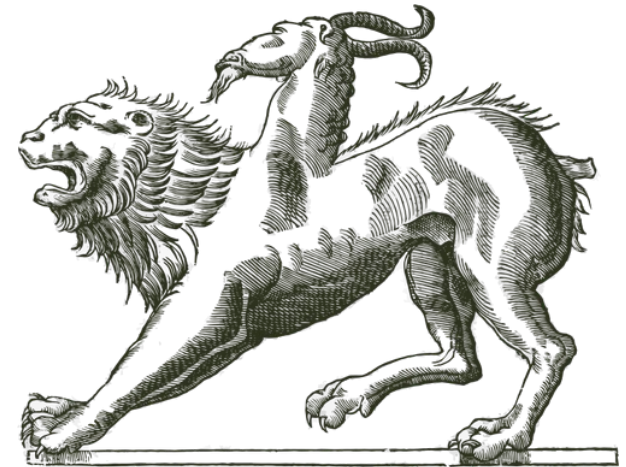
NEW BALANCE OF POWER

YOU'RE
SUPPOSED TO
BE AT THE
OTHER END



What Will Happen to U.S.–China Relations?

- Under the Biden administration, there was a degree of restraint in managing U.S.–China competition.
- Under the Trump administration, the central theme is economic rivalry.
- China policy now reflects a hybrid mix—a **chimera**—of negotiators seeking deals with China, economic hawks, security hawks, and proponents of a civilizational confrontation.
- Above all, the **overwhelming presence of a dominant president-as-negotiator** shapes the trajectory of U.S.–China relations.



How Should We Read U.S.–China Negotiations?

- **April–May 2025 (“Liberation Day” onward):**
In the opening round, the Trump administration suffered a **substantive defeat**, despite strong rhetoric.
- **A series of ministerial-level talks:**
These meetings largely resulted in **staged, incremental announcements**, with limited real breakthroughs.
- **October 2025 – Gyeongju U.S.–China Summit:**
The two leaders reached a **clear agreement to continue stabilizing relations**, at least on the surface.
- Going forward, negotiations aimed at a **“deal”** are likely to follow a **zigzag trajectory**.
In downward phases, **tough countermeasures** and the **signaling of potential leverage** (“showing cards without playing them”) remain possible.
- Key uncertainties ahead:
 - When (and whether) a **(small) deal** will be concluded
 - Or when negotiations might **collapse altogether**

Implications for the Asian Regional Order

- **Taiwan:** Within the Trump administration, there are both **advocates of Taiwan's defense and others who are less committed**. Recent arms sales to Taiwan **do not signal a fundamental shift** in U.S. policy.
- **U.S.–North Korea negotiations:** The likelihood of renewed talks is **high**, with the next window likely around **April 2026**. North Korea, emboldened by its relationship with Russia, is expected to negotiate **from a position of confidence**, seeking to maintain the upper hand.
- **South Korea:** Ongoing debates over **wartime operational control (OPCON)** and the role and functions of **U.S. Forces Korea (USFK)**. The Lee Jae-myung administration is making strenuous efforts to **preserve stable relations with the United States**, but uncertainties remain.
- **ASEAN (including the South China Sea):** U.S. interest is **limited**, including on South China Sea issues.
- Asia appears to be where **the most restrained strategy is at work** (R. Smith 2026).

What Is the Role of Alliances?

- Alliances are treated primarily as **instruments**, not as values in themselves.
 - ✕ Not a **moral project**
 - ✕ Not an **equal partnership for maintaining international order**
- Allies are expected to contribute simultaneously to **the U.S. economy *and* economic security** — resulting in a **dual burden**.
- If demands for **policy alignment** on China-related tariffs and economic security intensify, this will impose **additional costs** on allies.
- Pressure to **increase defense spending** is **serious and sustained**, not rhetorical.
- **Military-to-military cooperation** remains solid and institutionalized between Japan and the US — **but...**

The Importance of Bottom-Line Thinking

- The need for **bottom-line thinking**: preparing for worst-case scenarios and breaking free from **normalcy bias**.
- Go beyond prevailing trends and consider **adverse scenarios** — playing the role of a **devil's advocate**.
- One plausible scenario:
The United States becomes **excessively hostile** toward countries such as **Iran and China**, remains (ultimately) **lenient toward Russia**, and is willing to **threaten or use force** against **North Korea**.
- Other scenarios to consider include:
 - crises triggered by the collapse of **U.S.–China negotiations** and the use of the **Taiwan card**,
 - breakdowns in **U.S.–North Korea dialogue**,
 - a **U.S.–China–Russia “concert”** or tacit coordination,
 - military action against **Venezuela**.
- War is not the only scenario that matters.
For business and economic actors, **the prewar phase**—sanctions, coercion, disruption, uncertainty—can be **far more consequential**.

The International Order (Conceptual Framework)

✗ The Post–World War II International Order

- Built on three core pillars:
 - ① **Access to the U.S. market / multinational corporations**
 - ② **The U.S. dollar**
 - ③ **Alliances / nuclear weapons**
- Under great-power leadership, an order incorporating **human rights** and **free trade** also took shape.

✗ The Post–Cold War Order

- The emergence of a **liberal hegemonic order**
- **Integration as a “third way”**, alongside the participation of **China and Russia**
- Expectations of:
 - the **expansion of liberalism** (convergence of values), and
 - the continued advance of **globalization**
- → These expectations have now **run aground**.

➔ Looking Ahead

- No single country commands sufficient legitimacy to serve as a **widely accepted leader**.
- The world is likely to fragment into:
 - a **“world with the United States”**, and
 - a **“world without the United States.”**
- **Regionalization** and the weakening of universal frameworks are expected to accelerate.

What Should We Prepare for in 2026?

- **U.S.–China relations:**
Oscillation between **deal-making** and a **sudden shift into confrontation mode**.
- **U.S.–North Korea summit:**
Another risk that talks give way abruptly to a **confrontational spiral**.
- **Ukraine negotiations:**
A possible settlement—and the resulting **friction between the United States and Europe**.
- **Greenland:**
The potential **rupture of U.S.–European relations** over territorial and strategic issues.
- **Latin America:**
The search for a “**second Venezuela**”—a repeat of coercive intervention or regime pressure.
- **Iran:**
A markedly **hardline U.S. posture**, raising the risk of escalation.
- **International institutions and aid regimes:**
A **complete goodbye** to multilateral organizations, foreign aid frameworks, and institutional restraint.

The Situation Japan Faces

- Since the restoration of Japan's sovereignty and the establishment of the Japan–U.S. security framework, it is arguably unprecedented that the governments of Japan and the United States have diverged **so sharply in their worldviews**.
- Moreover, the United States today differs even from past cases such as the Iraq War. It is no longer simply an America that is “in the wrong,” but increasingly one that **does not even attempt to justify its actions through international law**, and that is **actively damaging the international order it once led**. This is occurring in parallel with challenges to the order posed by authoritarian powers such as **China and Russia**.
- Even so, Japan's options remain **limited**. Through advanced military cooperation with the United States, Japan can enhance its security by **multiplying power** with a security partner—something that cannot be replicated unilaterally. Securing national security on its own would impose **extraordinarily high costs**, both fiscally and diplomatically.
- From the perspective of Japan's interests in the **global economy**, even in a world where the U.S. presence is diminished, Japan has little choice but to **continue upholding a rules-based order**.

Strategic Principles Japan Should Pursue

- Strengthen the alliance with the United States, including extended deterrence, while promoting economic cooperation within a range of acceptable costs.
- At the same time, **enhance strategic autonomy** in both **security** and **economic** domains.
- **Institutionalize international cooperation** with advanced economies—such as European countries, Canada, South Korea, and Australia—while also engaging selected countries in the Global South.
Increase cooperation to **sustain international organizations and foreign aid frameworks**.
- Develop defense capabilities that are **compatible with Japan's economy and fiscal conditions**, including **strengthening the defense industrial base** and **investing in science and technology foundations**.
- Secure **critical materials and supply chains** so they are not vulnerable to **economic coercion**.
- Reinforce **homeland defense**, including the protection of **critical infrastructure** and measures against **election interference**.
- Build **domestic political support and consensus** capable of sustaining new defense spending, economic security policies, and international cooperation.
- Maintain **channels of communication with neighboring countries** to **avoid worst-case scenarios**.

The Autonomy Japan Needs

— But Is That Really “Independence” from the United States?

- Many pundits fail to recognize the difference between **Plan A+** and **Plan B**.
- Some politicians **deliberately blur the line** between the two.
- Statements advocating **nuclear armament** exemplify how debates over **Japan’s autonomy, deterrence, and alliance politics** are likely to intensify.
- The most pressing issue today is **not** the lack of a Plan B—as argued by Gordon and Karlin (2026)—but the **intellectual and political struggle over Plan A&B**.

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