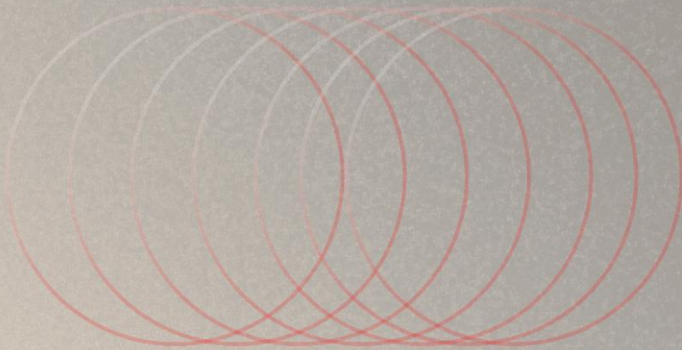


After the Rupture

An Alliance of Middle- Power Democracies Led by a D7



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Copenhagen - 2026



Executive Summary

The post–World War Two order has ruptured. An Axis of Autocracies is consolidating. United States foreign policy has turned erratic, with tariffs at levels not seen since the 1930s. China weaponises economic dependence to extract political compliance from democracies one at a time, from Australia to Lithuania, South Korea to Canada. Democratic middle powers now face coercion, protectionism and multilateral institutions that can no longer protect them.

Middle powers may appear to face a binary choice: pursue unattainable self-sufficiency or accept a performative sovereignty as satellites of a great power. This report sets out a third path.

At its centre is a Democracies-7 (a D7) consisting of Australia, Canada, the European Union, Japan, New Zealand, South Korea and the United Kingdom as founding members. Together they represent roughly US\$36 trillion in combined GDP, around 30% of the global total. They hold the economic weight to deter coercion, even from global hegemons.

The D7 would act as a vanguard, not a boundary, with concentric tiers of Associates and Partners engaging on specific initiatives creating variable geometries.

At its outset we identify six areas of potential focus:

1. A plurilateral trade alliance to keep rules-based open trade alive as WTO reform stalls.
2. An Economic Article 5 to create a collective front of defence against coercion.
3. A Democratic Technology Initiative to shape standards, align export controls and invest jointly in AI, quantum and space.
4. A critical raw materials strategy to break China's grip on rare earth processing.
5. A defence pillar, taking inspiration from Ukraine and the Coalition of the Willing.
6. Coordinated Global investment as a credible alternative to China's Belt and Road.

Governance of the D7 should be light: annual leaders' summit, super-majority voting, and a lean secretariat to focus on outputs rather than bureaucratic self-aggrandisement. The door should remain open to the United States alongside others who wish to assume the mantle of global democratic leadership.

Introduction: After the rupture, what comes next?

Great powers now deploy economic integration as a weapon. They see tariffs as leverage, financial dominance as coercion, and supply chains as vulnerabilities. The multilateral institutions of the past century such as the United Nations, the World Trade Organisation, even the G7, have been diminished. Autocratic leaders collaborate in an Axis of Autocracy, visible on the Ukrainian battlefield through North Korean soldiers and Iranian drones. At the same time, United States foreign policy has turned erratic, calling into question Washington's willingness to lead the free world by example.

In this more unpredictable world, democratic middle powers appear to face a binary choice: pursue unfeasible self-sufficiency or accept a performative sovereignty as satellites of a great power, denuding their democracy in the process. This report sets out a third path: an inclusive alliance of democracies built through pragmatism, with a Democracies-7 (D7) founding vanguard spearheading variable geometry partnerships across trade, technology, raw materials, defence and development.

For too long, Europe has depended on cheap Russian energy, cheap Chinese goods, and cheap American security. That era is over. What replaces it will not arrive by itself; it must be built.

The long demise of the rules-based order

For fifteen years, China has turned the global trading system to its geopolitical advantage, systematically weaponising its position in global supply chains. Australia was subjected to trade boycotts over its call for a COVID-19 inquiry. Lithuania was punished for allowing Taiwan to open a representative office. South Korea was targeted over THAAD missile defence. Canada was hit with canola bans during a diplomatic dispute. The pattern is unmistakable: Beijing uses economic dependence as a lever to extract political compliance, targeting democracies one by one.

Meanwhile, the United States has abandoned the open trading system it helped forge, treating allies and adversaries with near-equal suspicion. Under the Trump

administration, average US tariff rates have risen to levels not seen since the 1930s, shattering the assumption that Washington would act as the guarantor of the liberal trading order.

Democratic middle powers now face coercion from China, protectionist antagonism from the United States, and a multilateral system that cannot protect them. They must work together to defend both their interests and the values that have kept the world in relative freedom, peace and prosperity for over 80 years.

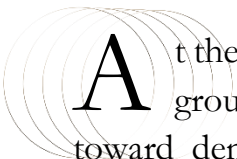
Variable geometry: coalitions of the willing

Rather than building a single rigid institution, variable geometry creates cooperation through overlapping coalitions tailored to specific issues. Democratic multilateralism can be forged through a growing web of bilateral and plurilateral arrangements between democracies, from those countries whose democracy is fully embedded through to emerging and imperfect democracies.

The approach has been demonstrated by the Coalition of the Willing on Ukraine, launched by United Kingdom Prime Minister Keir Starmer and French President Emmanuel Macron in March 2025, now encompassing 34 to 35 countries. It operates outside NATO's consensus structure, which would have been blocked by (Orban's) Hungary and potentially others, yet it draws fully on NATO infrastructure, personnel and planning.

The premise is simple: those willing to act should be empowered while maintaining interoperability within a broader alliance. That principle can be replicated even in multilateral settings across trade, technology, raw materials, defence and development. What has been missing is a convening force.

The D7: a vanguard for broader democratic cooperation



At the centre of this architecture should sit a new D7 group, loosely modelled on the G7 but oriented toward democratic economies willing to deepen trade, investment and resilience among themselves. Initial members would be Australia, Canada, the European

Union, Japan, New Zealand, South Korea and the United Kingdom.

Together, the D7 represents roughly US\$36 trillion in combined GDP, approximately 30% of the global total: the economic leverage required to deter coercion, even from hegemons.

This is not a closed club. It is a centre of gravity around which democratic initiatives can converge. India, Indonesia, Brazil, South Africa, Ghana, Norway and many others could strengthen, and benefit from, aligning with D7 initiatives on a case-by-case basis.

Concentric circles

The D7 could build three tiers to structure engagement:

1. Core (D7). Seven members providing economic weight and political direction.
2. Associates. Democracies aligned on specific initiatives, e.g. India on critical minerals and space; Brazil on raw materials; Indonesia and South Africa on supply-chain resilience; Norway on Arctic and energy security.
3. Partners. Non-democratic states that wish to cooperate on issues of mutual interest without political alignment.

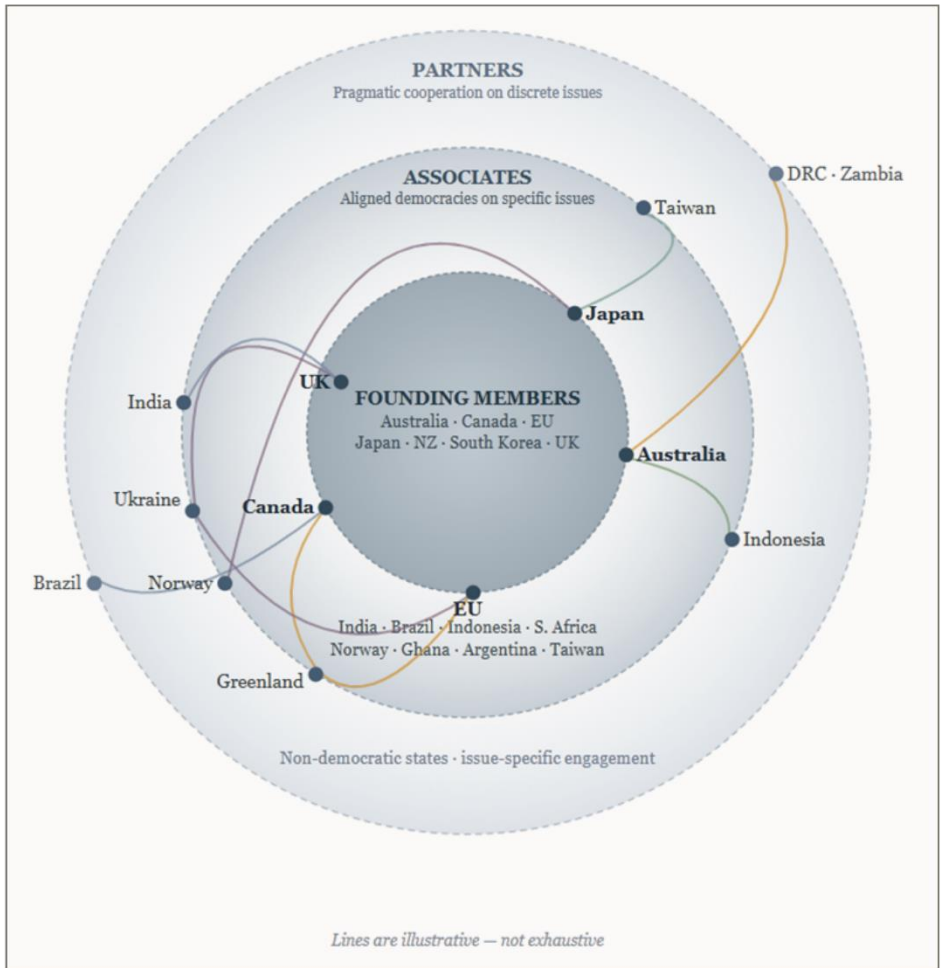


Figure 1. The D7 architecture: concentric circles of engagement.

This structure addresses the critique that democratic alliances deepen polarisation and alienate important partners. By maintaining open engagement with all states while building deeper solidarity among committed democracies, the D7 avoids a zero-sum framing.

Core membership should not be permanent. It should be structured around renewable two-year terms, with members reviewed against democratic commitment and will to act. This keeps the door open, not least to the United States which could also work alongside the D7 in areas of common interest and potentially join should its political trajectory change. This renewable membership model builds on a proposal first advanced by the Alliance of Democracies Foundation and the Atlantic Council in 2021, now given new urgency by the fractures of the intervening years.

Governance and pathway to creation

The D7 should be understood as a cooperation format in the mould of the G7, with high-level political engagement, not built around a heavy bureaucracy.

- Annual leaders' summit. Provides strategic direction and political visibility. Given his leadership on the topic, Prime Minister Mark Carney of Canada could serve as the inaugural chair, with the chairmanship rotating annually thereafter.
- Quarterly Steering Council. Senior trade and economic officials from each member serving as the principal coordination body.
- Super-majority decision-making. Four of seven votes to invoke collective action such as Economic Article 5, preventing any single member from wielding a veto.
- Lean secretariat. Ministerial and Sherpa-level working groups on each priority area to maintain continuity between summits.

Action within the D7 should not be obligatory on every issue. A coalition of four, five or six members acting in concert still represents formidable economic weight.

Pathway

Formal treaty establishment would be ideal but slow. A more realistic start is an informal convening meeting on the margins of G7, WTO or OECD summits, gradually acquiring institutional heft. This is how the G7 itself evolved from informal economic summits in the 1970s. The Copenhagen Democracy Summit could serve as a venue for early political mobilisation.

Trade: a plurilateral alliance as WTO reform falters

We will also build a coalition of like-minded countries to reform the global trading system, like the CPTPP. Because trade allows us to strengthen our supply chains. Open up markets. Reduce dependencies.

— Ursula von der Leyen, State of the Union address, September 2025

Consensus-based reform at the World Trade Organisation is blocked. The breakdown of reform efforts at the end of March 2026 confirmed the need for plurilateral arrangements to prevent the global trading system from folding into deadlock with consistent rule-breaking by major powers. The aim is not to undermine the WTO but to keep its founding spirit alive while its bodies are paralysed.

The web of D7 agreements is already dense. The EU has free trade or economic partnership agreements with Japan, South Korea, Canada, Australia and New Zealand. The United Kingdom has joined the CPTPP alongside Canada, Japan, Australia and New Zealand. Annual bilateral trade flows among the seven are approximately US\$2 trillion (rising to around US\$7 trillion when intra-EU trade is included). An EU–CPTPP Digital Trade Agreement is now progressing.

But the D7 cannot become a closed club. The global response to the Trump Administration's tariffs has not been a universal race to the bottom. Most countries still seek to uphold a rules-based trading system. This presents middle powers with an opportunity to both promote, and take advantage from, new trade opportunities.

The EU's landmark agreements with Mercosur (January 2026) and India (concluded January 2026), and with Australia (March 2026), were long in the making but undoubtedly driven forward by the increasingly hostile US trade environment. The EU–India agreement creates a free trade zone of two billion people and roughly a quarter of global GDP, with Brussels expecting EU exports to India to double by 2032. A parallel security and defence partnership was signed alongside.

The D7 can act as a conduit to actively coordinate outward-facing free trade agreements, extending the open-trade model beyond the democratic core. ASEAN and African economies - many of them democracies - are the next frontier. D7 members should coordinate their approach, offering a credible alternative to China's Regional Comprehensive Economic Partnership. After years of WTO deadlock, the next-best option is a dense network of plurilateral and bilateral agreements that keep the flame of rules-based open trade alight.

Economic Article 5: collective defence against coercion

At its core, an Economic Article 5 is a collective commitment that when one democracy is targeted by sustained economic coercion, the others respond together.

The trigger would be straightforward. A D7 member or a qualifying partner would determine that it faces economic coercion for political purposes. This could include the deliberate use of trade restrictions, boycotts, investment bans or other economic pressure. A D7 Council convenes, hears the plaintiff's case, and a super-majority decision confirms whether coercion has occurred.

Coordinated countermeasures would then follow:

1. Emergency supply diversification - alternative sources for withheld goods.
2. Market absorption - opening D7 markets to absorb blocked exports.
3. Retaliatory restrictions - coordinated measures against imports from the coercing state.
4. Financial countermeasures - targeted sanctions against entities implicated in the coercion.

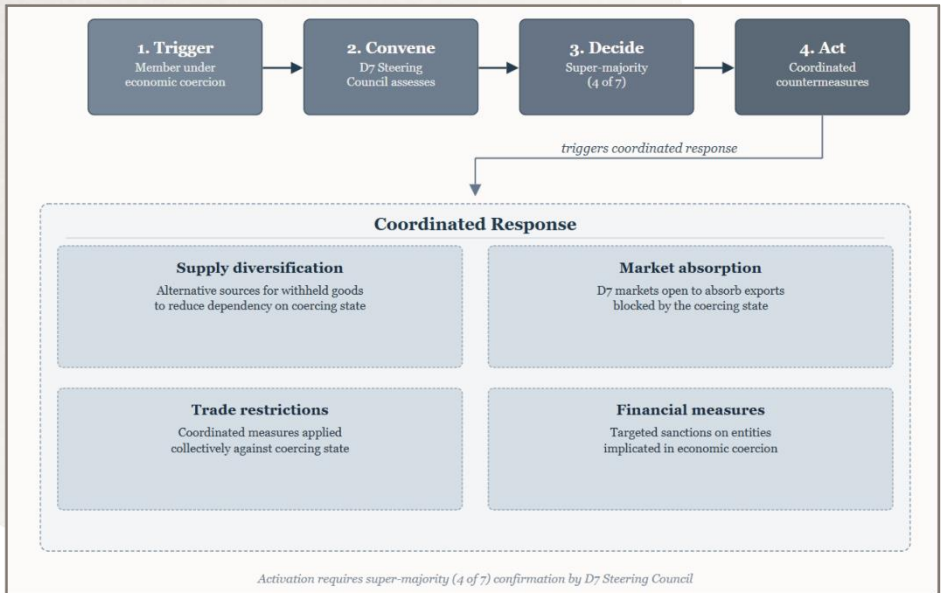


Figure 2. How Economic Article 5 and the D7 link. From trigger to coordinated response.

For example: if Beijing imposed a trade boycott on New Zealand - as it has done to Australia, Lithuania, South Korea and Canada - Wellington would invoke Economic Article 5. Other D7 members would confirm coercion, absorb affected exports, and signal that further pressure

would trigger proportional restrictions across all seven economies. Faced with simultaneous trade friction from economies representing a third of global GDP, the coercing state's calculus changes fundamentally.

This solves the core problem that makes economic coercion so effective: it is far easier to bully democracies one at a time than to confront them all at once. The EU's Anti-Coercion Instrument, in force since 2023, provides a legal template but the D7 would globalise its logic.

The Democratic Technology Advantage

Decisions now being taken on Artificial Intelligence, quantum, 6G and biotech development, as well as their standards-setting will be seminal to deciding whether democracies or autocracies will lead the 21st century.

China understands this. Its Digital Silk Road is not merely a commercial programme but also a standards-deployment strategy. Beijing has submitted more proposals to international standards bodies in key technology areas than any other single country. Once surveillance-friendly architectures are baked into infrastructure deployed across the developing world,

reversing them becomes prohibitively expensive, as much of Europe discovered when it invited high-risk Chinese vendors into its 5G networks.

A Democratic Technology Initiative, launched by the D7 and likeminded states, should pursue three objectives:

- Common standards. Coordinated democratic caucusing in international standards bodies, ensuring that proposals embedding surveillance-by-design do not advance by default.
- Aligned export controls. During the Cold War, Western powers coordinated export controls through CoCom (Coordinating Committee for Multilateral Export Controls). A modern regime should be created as a successor, harmonising control lists, aligning investment screening, and bringing third-country partners into compliance to close circumvention.
- Joint investment and infrastructure to compete, not merely regulate. Democratic middle powers must pool investment so that they are not writing rules for a game the hegemons are winning. Among the priorities could be an open-source democratic AI coalition to pool research, safety frameworks and

compute infrastructure. Coordinated space cooperation could build on Canadian, French and Japanese expertise and India's ambitions, to secure sovereign access to orbit, prevent its early monopolisation by US players, and protect space infrastructure from weaponisation.

Critical raw materials: breaking the chokehold

China controls approximately 90% of global rare earth processing and it has locked down much of Africa's critical raw materials. For example, it has a near-monopoly on cobalt from the Democratic Republic of the Congo, a country that produces around 70% of the world's cobalt. It achieves this through state-backed deals that often swap infrastructure for mining rights, leaving local communities with little added value and raising serious questions about debt, labour conditions, and environmental impact. Addressing this is one of the D7's most urgent priorities.

The building blocks are already in place. Australia, Canada and New Zealand are major producers; Japan and South

Korea have advanced processing capabilities; the United Kingdom holds significant lithium deposits. Beyond the core, Greenland's rare earth potential is game-changing, and its advancing Arctic strategy signals a clear willingness to partner with democratic economies. The 2023 EU-Greenland Memorandum of Understanding provides a template.

A coordinated D7 approach would cover mining, processing, stockpiling and recycling under shared frameworks, with joint purchasing arrangements to increase collective bargaining power. Beyond the D7, major Global South producers such as Zambia, the Democratic Republic of the Congo and others are increasingly open to partnership with democratic investors who offer transparent terms and genuine development benefit. The alternative is extractive deals that swap infrastructure for mining rights under opaque conditions. The D7 should pursue raw materials agreements that are both secure and structured to deliver shared prosperity for producer nations.

Global South investment: a democratic alternative

Democratic cooperation must extend beyond the economic interests of wealthy nations if it is to command legitimacy. D7 members should coordinate their infrastructure investment programmes in the developing world to provide a credible alternative to China's Belt and Road Initiative.

The EU's Global Gateway, British Investment Partnerships, Japan's Partnership for Quality Infrastructure and similar programmes currently operate in parallel with limited coordination. Aligning them under a shared D7 umbrella would allow democratic economies to offer developing countries a genuine choice with transparent terms, environmental standards and real local benefit.

This dimension serves a strategic purpose. A D7 that actively invests in Global South infrastructure while negotiating free trade agreements opening wealthy-country markets to developing-world exports clearly signals that democratic cooperation is a framework for shared prosperity, not a rich-country club.

Defence: enablers, the Arctic, and Ukraine

Defence enablers

Democratic middle powers face a deficit in the strategic enablers that underpin any serious military operation: intelligence, surveillance and reconnaissance (ISR); strategic and tactical airlift; air-to-air refuelling; satellite communications; and logistics. No single middle power can close these gaps alone but collectively the D7 possesses the industrial base, technological expertise and financial weight to do so.

A model template exists within NATO. Its Multinational Multi-Role Tanker Transport Fleet sees eight nations pool Airbus A330 MRTT aircraft for air-to-air refuelling, strategic transport and medical evacuation. Capabilities that would be unaffordable individually become accessible.

A D7 defence enablers initiative should apply this logic more ambitiously: shared ISR constellations, jointly operated surveillance drone fleets, common logistics hubs, and multinational strategic lift accessible to the broader democratic coalition.

A key priority is interoperability and interchangeability with common equipment, shared logistics and interchangeable components. The diversity of systems donated to Ukraine created enormous logistical burdens and underlined how much faster democracies could act if their forces were built to operate together from the outset.

The Arctic

The High North is no longer a periphery. Russian militarisation of its Arctic coastline, expanding Chinese polar ambitions under the so-called “Polar Silk Road”, and the strategic value of Greenland, Svalbard and the emerging sea routes have turned the Arctic into a geopolitical frontline. The D7 is unusually well-placed to respond with Canada, the EU's Nordic members and D7 associate Norway possessing unique Arctic expertise and capabilities.

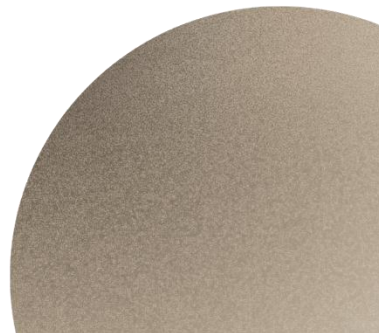
A D7 Arctic coordination track should align surveillance and domain awareness, ice-capable naval presence, protection of critical infrastructure (including subsea cables), and scientific cooperation with Greenland and Iceland. Critically, it must reject any coercive approach to Greenland and root cooperation in consent and partnership. The 2023 EU-Greenland Memorandum of

Understanding should be expanded into a full D7-Greenland framework.

Ukraine: contributor, not only beneficiary

Ukraine has become the world's leading laboratory of 21st-century warfare. Its mastery of drone swarms, electronic warfare, rapid civil–military innovation cycles and mass low-cost munitions production offers lessons no democracy can afford to ignore. Any credible European security architecture must integrate Ukraine as a contributor of capability and doctrine, not merely as a recipient of guarantees.

D7 defence cooperation should therefore include structured knowledge exchange with the Ukrainian armed forces, joint procurement of Ukrainian-designed systems that have proved themselves under fire, and long-term, treaty-based security guarantees anchored in the Coalition of the Willing. The January 2026 UK–France Declaration of Intent with Ukraine is a foundation to build on, not a ceiling.



A European Security Partnership within NATO

NATO remains the cornerstone of transatlantic security and must be preserved. But its consensus-based structure means it can only move as fast as its most reluctant member, making coalitions of the willing an essential complement, but not a replacement.

As a re-insurance policy, European and non-US NATO middle powers should consider a treaty-based new security partnership within the Alliance anchoring EU member states, the United Kingdom, Turkey, Canada and Ukraine together to develop collective defence capabilities, deepen operational coordination, and build a command structure modelled on NATO standards but capable of functioning independently should the full NATO Alliance be unable to act.

Obstacles and answers

Divergent approaches to China

D7 members have very different economic exposures and political appetites. South Korea and Japan are deeply integrated into Chinese supply chains. The EU is China's

largest trading partner. Australia has experienced the sharpest deterioration in relations. These differences are real, but they are precisely what variable geometry is designed to accommodate. A coalition of five acting together is still more powerful than any member acting alone.

The United States question

The architecture proposed here is designed to function without US participation, because it is needed precisely because American leadership has been withdrawn. But the door must remain open. The United States could participate as an Associate in specific coalitions, or eventually join as a D7 core member, if its political trajectory changes. In the meantime, D7 members will need to manage the tension between building an architecture that can withstand US economic coercion and preserving bilateral relationships with Washington that remain vital on security and other fronts.

The EU as a single actor

The European Union is not a state or a unitary actor. In many trade and economic areas, it still operates by unanimity of its 27 member states, and the European Parliament's consent is required for trade-deal ratification.

The EU's capacity to act is therefore limited by a coalition of the unwilling, and it must seek internal alignment before initiating D7-level action. The EU should move decisively toward qualified majority voting on its engagement in the D7 and use constructive abstention where consensus cannot be reached, allowing willing member states to join D7 action voluntarily.

The polarisation critique

Critics will argue that formalising democratic cooperation deepens ideological bloc formation. But the global order is already polarised. Autocrats cooperate openly; China and Russia have deepened their strategic alignment, and economic coercion is wielded systematically against individual democracies. The D7 does not create this polarisation but responds to it. The free world must unite too.

Conclusion: a coalition of the willing and the able

The post-war order as we knew it is gone. The institutions that served democracies for seventy years are diminished, co-opted, or actively undermined by the great powers they were designed to constrain.

Nostalgia is understandable - but it will not bring that order back.

The architecture proposed here is ambitious but realistic. It does not require utopian consensus. It requires a critical mass of democracies willing to act together on concrete problems - issue by issue - building trust and institutional capacity as they go. The Ukraine Coalition of the Willing has demonstrated that this approach works. If democracies can do it for defence, they can do it for trade, investment, technology and critical minerals.

The collective economic, hard and soft power of the world's democracies remains formidable. What is lacking is the political architecture to convert this competitive advantage into effective collective action.

The window of opportunity is narrow. Every act of unanswered economic coercion normalises the practice. Every uncoordinated response to protectionism weakens democratic solidarity. The time to act is now, not with a single grand gesture, but with practical steps toward a new way of working together.

The time has come to build a true *Alliance of Democracies*.



With project steering by Joaquim Querol Mercadé, James Holtum, and Jonas Parello-Plesner

Annex: Building blocks already in place

The D7 does not have to be built from scratch. A dense web of agreements, instruments and coalitions already exists among the proposed members and their likely associates. The D7's task is to connect, deepen and steer these initiatives.

1. Trade

1. [Agreement between the European Union and Japan for an Economic Partnership \(EU–Japan EPA\)](#) (in force February 2019)
2. [Comprehensive and Progressive Agreement for Trans-Pacific Partnership \(CPTPP\)](#) (in force 2018; UK accession December 2024)
3. [EU–Mercosur Partnership Agreement \(EMPA\) and Interim Trade Agreement \(iTA\)](#) (political agreement December 2024; signed 17 January 2026; provisional application from 1 May 2026)
4. [EU–India Free Trade Agreement \(EU–India FTA\)](#) (negotiations concluded 27 January 2026; not yet in force)

5. [Australia–European Union Free Trade Agreement \(A–EU FTA\)](#) (negotiations concluded 24 March 2026; not yet in force)
6. [EU–CPTPP Strategic Trade and Investment Dialogue](#) (joint ministerial statement March 2026, in progress)

2. Economic Coercion Defence: Economic Article 5

7. [Regulation \(EU\) 2023/2675 on the Protection of the Union and its Member States from Economic Coercion — Anti-Coercion Instrument \(ACI\)](#) (in force 27 December 2023)
8. [G7 Leaders’ Statement on Economic Resilience and Economic Security, Hiroshima Summit](#) (May 2023)

3. Democratic Technology Initiative

9. [Regulation \(EU\) 2023/1781 establishing a Framework of Measures for Strengthening Europe’s Semiconductor Ecosystem — EU Chips Act](#) (in force September 2023)

10. [Semiconductor manufacturing equipment export control coordination \(informal\)](#) (2022–present)
11. [AUKUS — Trilateral Security Partnership, Pillar II Advanced Capabilities](#) (announced September 2021; Japan discussions from 2024)
12. [Regulation \(EU\) 2024/1689 laying down Harmonised Rules on Artificial Intelligence — EU Artificial Intelligence Act \(EU AI Act\)](#) (in force 2024)
13. [UK Semiconductor Strategy](#) (published May 2023)

4. Critical Raw Materials

14. [Regulation \(EU\) 2024/1252 establishing a Framework for Ensuring a Secure and Sustainable Supply of Critical Raw Materials — Critical Raw Materials Act \(CRMA\)](#) (in force May 2024)
15. [Memorandum of Understanding between the European Union and the Government of Greenland for a Strategic Partnership to Develop Sustainable Raw Materials Value](#)

- Chains (EU–Greenland Strategic Minerals Partnership) (signed 30 November 2023)
16. EU Critical Raw Materials Strategic Partnerships (2021–2024, ongoing)
 17. EU–South Africa Clean Trade and Investment Partnership (November 2025)
 18. EU–Namibia Green Hydrogen Partnership (2022, ongoing)
 19. Lobito Corridor Initiative (2023, ongoing)

5. Defence

20. United Kingdom–United States of America Agreement (UKUSA Agreement) — Five Eyes (FVEY) (signed 5 March 1946; extended to current five members by 1956 and security cooperation among Anglosphere members.)
21. AUKUS — Trilateral Security Partnership, Pillar I Nuclear-Powered Submarines (announced September 2021)
22. Convention on the Establishment of the Global Combat Air Programme — GCAP International Government Organisation

(GCAP) (leaders' announcement December 2022; Convention signed December 2023; ratified by UK October 2024)

23. Coalition of the Willing on Ukraine — Multinational Force Ukraine (MNF-U) (established March 2025)

24. Declaration on Modernising UK–French Defence and Security Cooperation — Lancaster House 2.0 (signed July 2025, building on Lancaster House Treaties of November 2010)

25. Reciprocal Access and Cooperation Agreement between the United Kingdom and Japan (UK–Japan Reciprocal Access Agreement) (signed January 2023; in force 2024)

26. **NATO Multinational Multi-Role Tanker Transport Fleet (MMF)** (operational)

6. Democratic Infrastructure Investment

27. Global Gateway (launched December 2021; Africa target €150 billion by 2027)

28. **Tokyo International Conference on African Development (TICAD)** (established 1993; held every three years)
29. **British International Investment (BII)** (established 2022, successor to CDC Group, est. 1948)
30. **Canada's Indo-Pacific Strategy** (published November 2022)
31. **Partnership for Quality Infrastructure (PQI) / G7 Partnership for Global Infrastructure and Investment (PGII)** (PQI launched 2015; evolved into PGII in 2022)

