

Primed for Deterrence?

NATO and the Indo-Pacific in the Age of Great Power Competition

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CENTRE FOR SECURITY, DIPLOMACY AND STRATEGY

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ABSTRACT

As the United States prioritises deterrence of China in the Indo-Pacific, the question of how Europeans can take primary responsibility for conventional defence in Europe will take centre stage at NATO's upcoming 76th Summit in The Hague. Against this backdrop, the future of the Alliance's own Indo-Pacific agenda hinges on the ability to reconcile two seemingly contradictory pressures. On the one hand, NATO and its Indo-Pacific partners must think about how their cooperation can add value in the context of strategic competition with China. On the other hand, however, they must ensure that their cooperation does not detract from what must be their overriding priority: shoring up deterrence in their respective regions. This In-Depth Paper outlines a way to square that seemingly impossible circle. Ultimately, NATO and its Indo-Pacific partners face a strikingly similar conceptual and operational problem: how to implement deterrence by denial in their home regions. This underscores the potential for synergies. We advocate for NATO and its Indo-Pacific partners to strive towards a cross-theatre ecosystem of concepts, doctrines, capabilities, technologies and standards that i) bolsters deterrence by denial; and ii) respects the principle of regional prioritisation. Such cross-theatre deterrence ecosystem, we argue, would simplify standards and reduce the number of systems, platforms and munitions produced by the US and its allies, thus potentially yielding significant gains in terms of efficiency, scale and speed of delivery.

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INTRODUCTION

China and the Indo-Pacific have gained importance in NATO debates in recent years. This is understandable. For one thing, the Indo-Pacific has become increasingly central to global military competition, economic growth and technological innovation, and China's geo-economic and strategic rise is broadly perceived as the defining feature of the early 21st century. Indeed, the role played by China or the Democratic People's Republic of Korea (DPRK) in enabling Russia's war in Ukraine is a clear example of how Indo-Pacific actors and dynamics can impinge on European security. For another thing, China and the Indo-Pacific region have become central in the United States' (US) grand strategy. This has led successive US administrations to think about a NATO role in the context of competition with China. For their part, non-US NATO allies have taken a greater interest in China and Indo-Pacific dynamics, both because they recognise their own geopolitical and economic importance and because of their relevance in the context of transatlantic relations.

Paradoxically, the war in Ukraine and growing concerns about Russian revisionism in Europe have led to greater – not lesser – attention to China and the Indo-Pacific in a NATO context. In fact, a key takeaway from the war in Ukraine has been the consolidation of two sets of adversarial geopolitical alignments, one structured around China, Russia, the DPRK and Iran, and the other around greater cooperation between the US and its Euro-Atlantic and Indo-Pacific allies. This has been a prism through which the previous Biden administration connected the war in Ukraine and the Euro-Atlantic region to the Indo-Pacific and broader geopolitical dynamics. For its part, in recent years, NATO as a whole has developed an increasingly detailed agenda towards China and has pushed further on cooperation with the so-called Indo-Pacific four ("IP4"): Australia, Japan, New Zealand and South Korea.

President Trump's arrival to power in 2025, however, has triggered questions about the future direction of the transatlantic relationship, with the current administration insisting on the need to prioritise the "pacing challenge" in the Indo-Pacific (i.e. China) and asking Europeans to focus on Europe and assume primary responsibility for conventional security on the continent. This, in turn, raises questions about the future of NATO's China and Indo-Pacific agendas. Because the US is so central to NATO, and the Indo-Pacific and China so central to US interests, any NATO strategy towards the region and China must take into account US priorities if it is to have any traction. At the same time, the US' seeming interest in China and the Indo-Pacific means the debate on how NATO – and Europe more broadly – can make itself useful in the context of US competition with China is unlikely to go away. For their part, even as they remain focused on Europe, European allies will continue to pay attention to the strategic implications of China's rise, and view their cooperation with IP4 partners as an opportunity to raise their own awareness about a critical region. Moreover, non-US NATO allies and IP4 partners will remain interested in continuing their cooperation, not least to hedge against any uncertainty coming from the US.

To be sure, the former and current US administrations seem to agree that "competition with China" should be at the centre of US grand strategy, and also that the war in Ukraine has a bearing in the context of competition with China. This implies that both the Biden and Trump administrations operate under the assumption of a high-degree of interdependence between the Euro-Atlantic and Indo-Pacific theatres. That said, they appear to have different – even opposite – perspectives on how to conceptualise and manage such interdependence. The Biden administration placed emphasis on reputation and the preservation of global norms, treated China and Russia as a cohesive bloc and emphasised cooperation between US allies in Europe and the Indo-Pacific. The second Trump administration may be challenging some of these premises as it emphasises prioritisation as opposed to reputation, appears to reject the logic of treating China and Russia as a cohesive bloc – and may even look to create divisions between them – and may not seem to be as interested in prioritising cross-regional cooperation between US allies. However, the importance attached to the strategic, technological and economic security challenges associated with

China's rise means the Trump administration may still view NATO as a useful lever to align European and American priorities on China. It was in fact the first Trump administration that pushed to include China in NATO's agenda back in 2019.

Taking the above premises as a point of departure, and as NATO allies inch closer towards The Hague Summit, this In-Depth Paper outlines a future vision for NATO's China and Indo-Pacific agendas. Our vision revolves around a simple principle. We recognise the centrality of China and the Indo-Pacific for both global geopolitics and US geostrategy, and hence their importance for NATO. But we also recognise that European and Indo-Pacific allies must focus their defence priorities overwhelmingly on their respective regions. On this there is broad agreement. The signal from Washington is clear. And America's Euro-Atlantic and Indo-Pacific allies seem to agree that their over-riding priority should be to invest in capabilities to meet regional threats, and develop denial-based strategies that allow them to delay, disrupt and, if possible, defeat potential aggressions in their respective regions without or with very limited US support. Concretely, this means that allies in Europe – and the Indo-Pacific – will need to step-up and fill gaps in areas such as force enablement and defence industrial capacity. That said, Euro-Atlantic and Indo-Pacific allies agree both on the value of cooperation and on the fact that China poses a systemic challenge (i.e. one that spans security and defence, technology as well as economic security).

Going forward, the key question in relation to NATO's China and Indo-Pacific agendas is how to structure cooperation with the IP4 in a way that respects regional prioritisation and adds value in the context of strategic competition with China. Fortunately, this can be achieved because the nature of the threats facing the Euro-Atlantic and Indo-Pacific allies are remarkably similar. Even if the geography of the Indo-Pacific and Euro-Atlantic theatres and the nature of the challenger – China and Russia, respectively – call for tailored solutions, both sets of alliances face a strikingly similar conceptual and operational problem: how to implement deterrence by denial against a nuclear-armed great power challenger who is trying to restrict access to the external security guarantor – the US – and achieve local escalation dominance. "Denial defence"¹ is anticipated to become the fundamental principle structuring the military forces and cycles of defence industrial production of the US and its core allies in Europe and the Indo-Pacific. Both sets of alliances are thus expected to focus on developing the operational concepts, capabilities, technologies and industrial solutions required to implement deterrence by denial. This underscores the potential for synergies when it comes to capability development, industrial production and technological collaboration even if assuming that each alliance set will remain squarely focused on its respective region. This is where the idea of a cross-theatre ecosystem of shared concepts, doctrines, capabilities, technologies and standards oriented towards deterrence by denial comes in. The principle behind this cross-theatre deterrence-by-denial ecosystem is that it respects regional prioritisation but adds value through cross-theatre exchanges and cooperation. Ultimately, 'stockpiling critical munitions', investing in robust 'defense industrial bases' able to maximise 'capacity in priority capabilities and forces' are all key and necessary markers of an emerging cross-theatre deterrence-by-denial ecosystem that puts regional prioritisation at its core.²

Critically, a cross-theatre deterrence ecosystem would simplify standards and reduce the number of systems, platforms and munitions produced by the US and its allies, potentially yielding significant gains in terms of efficiency, scale and speed of delivery.

The ecosystem construct is crucial for empowering Europe to enhance its capabilities for large-scale, high-end warfare, which includes focusing on the development of long-range strike capabilities and air and missile defence systems. Concurrently, the ecosystem construct can be pivotal for strengthening and shoring up deterrence in the Indo-Pacific region.

¹ Colby, E., *The Strategy of Denial: American Defense in an Age of Great Power Conflict* (New Haven, CT: Yale University Press, 2021). Colby emphasises the centrality of "denial defence" in shaping US defence strategy, specifically in terms of the posturing of military assets, developing forces or approaching alliance relationships.

² Dahmer A., "Resourcing the Strategy of Denial: Optimizing the Defense Budget in Three Alternative Futures", *The Marathon Initiative*

The ongoing conflict in Ukraine illustrates that effective deterrence requires the readiness for sustained, high-intensity campaigns and the existence of an industrial base capable of supporting such extended efforts. In a global context in which protracted engagements and attritional warfare seem to be the norm, credible conventional deterrence increasingly depends on industrial capacity and manufacturing capabilities.³ Within this framework, the European pillar of the ecosystem can, for instance, make a significant impact by providing essential strategic industrial depth, enhancing manufacturing capacity and mass-producing capabilities, particularly the stockpiles of precision-guided munitions (PGMs), necessary to establish and resource a credible deterrence by denial posture. Over time, establishing a versatile reserve of PGMs capable of rapid redeployment across various operational theatres could significantly enhance deterrence capabilities.

If leveraged thoughtfully, the ecosystem construct could potentially address and mitigate some of the challenges associated with what some have identified as a capability “simultaneity problem”.⁴ This is particularly relevant because of the insufficiency of US capabilities for large scale contingencies (platforms, munitions, enablers), and the anticipation that most existing resources will be prioritised where they are needed most – in the decisive (i.e. Indo-Pacific) theatre.

We hereby anticipate three broad recommendations, but more detailed ones can be found in the conclusion:

1. **Get priorities right:** a key conclusion stemming from our analysis is that the main strategic priority for both NATO and its Indo-Pacific partners is the strengthening of deterrence by denial in their respective regions. Relatedly, there is a high likelihood that the US will itself prioritise the need to deter Chinese adventurism in the Indo-Pacific⁵, although what Washington expects of European allies in relation to China remains somewhat unclear. Strengthening deterrence in each region means that any move towards a global alliance comprising NATO and IP4 partners is unrealistic. Nevertheless, this In-Depth Paper argues that in the context of the China-Russia partnership NATO and the IP4 should permanently exchange analysis and intelligence and coordinate approaches to operational concepts, capability development, technologies (specifically air and missile defence) and countering anti-access and area denial (A2/AD), hybrid tactics and nuclear intimidation.
2. **Take China seriously:** while China’s military modernisation and assertiveness poses a serious (and growing) threat, many countries in Europe and the Indo-Pacific are similarly worried about China’s approach to supply chains and economic statecraft. If anything, this is likely to gain further prominence under the current administration. Critically, China’s “decisive enabling” of Russia’s aggression in Ukraine through the transfer of dual-use goods has received little response from NATO, beyond rhetorical complaints. NATO allies should think seriously about how to cut such life-lines through serious diplomatic sanctions and technological and trade restrictions against China. More broadly, NATO’s China and Indo-Pacific agenda should also feature a strong geo-economic component, focusing on technological coordination and restrictions, supply chain monitoring, infrastructure and economic resilience, and the countering of economic coercion.
3. **Embrace flexibility:** while the NATO-IP4 framework provides a unique venue to bring together US allies in the two regions, many relevant initiatives to further defence cooperation at the cross-regional level are of a more bottom-up form, and take place in the context of bilateral or minilateral groupings, such as “AUKUS” – the trilateral security agreement between Australia, the United Kingdom (UK) and US –, Global Combat Air Programme (GCAP), etc. Relatedly, efforts to coordinate policies among various allies in key areas like technology or infrastructure resilience also take place in smaller clusters, such as the Group of Seven (G7), the Quadrilateral Security Dialogue (“Quad”) or the EU-US Trade and

³ Rehman, I., Planning for Protraction: A Historically Informed Approach to Great Power Warfare and Sino-US Competition (Routledge: 2023).

⁴ Velez-Green A. and Peters R., “The Prioritization Imperative: A Strategy to Defend America’s Interests in a More Dangerous World”, The Heritage Foundation, August 2024.

⁵ An important implication is that NATO’s European allies will need to step up their contribution to deterrence in Europe, a key issue which is beyond this paper’s scope. See Simón, L., Fiott, D. and Manea, O. “Two Fronts, One Goal: Euro-Atlantic Security in the Indo-Pacific Age”, The Marathon Initiative, August 2023.

Technology Council. While NATO and the IP4 should recognise the added value of smaller and flexible groupings, they should also think of ways to monitor, liaise with and complement them as appropriate. By creating common standards and principles, NATO and the IP4 can enable and augment many of the existing initiatives, even if much of the implementation will probably take place in bilateral and minilateral settings.

Overall, these three general recommendations imply that NATO and the IP4 partners should work together to develop a cross-theatre deterrence-by-denial ecosystem of shared concepts, doctrines, capabilities, technologies and standards that gives them the scale required to outmatch their competitors, especially in a context of attrition and protraction.

THE AIMS OF THIS PAPER

The paper's findings are the direct result of consultation and debate among experts and officials from across the Euro-Atlantic and Indo-Pacific regions. The project team have benefitted from sustained and in-depth debates about unfolding security trends in the Indo-Pacific and their impact on Euro-Atlantic security. This In-Depth Paper has benefitted from an opening workshop in Brussels and three expert roundtables held in Canberra (Australia), Tokyo (Japan) and Paris (France). The opening workshop in Brussels (25 January 2023) helped define the study's scope and methodology. In Canberra, the project team held a closed-door roundtable on 11 May 2023 to discuss emerging and disruptive technologies (EDTs) in the Indo-Pacific. In Tokyo, the project team held a closed-door expert roundtable on 15 November 2023 to examine China's evolving military strategies, other relevant military dynamics in the Indo-Pacific, and their possible implications for Euro-Atlantic security. In Paris, the project team held a closed-door expert meeting on 9 February 2024 to reflect on the evolving regional security architectures in the Indo-Pacific and Euro-Atlantic, as well as patterns of cross-regional defence cooperation. Each of these expert roundtables allowed the project team to engage renowned experts and government officials from NATO, allied countries and IP4 partners, allowing us to build-up a comprehensive analytical picture of security dynamics in the Indo-Pacific. This is, thus, a truly collaborative research endeavour, coordinated by the Centre for Security, Diplomacy and Strategy (CSDS) at the Vrije Universiteit Brussel and also involving the Australian Strategic Policy Institute (ASPI), Japan's National Institute for Defence Studies (NIDS) and the Center for International Studies at Sciences Po.

The In-Depth Paper is structured as follows. In the first chapter we examine the historical evolution of NATO's approach to China and the Indo-Pacific, and outline our analytical framework. We identify three relevant levels of analysis relating to NATO's China and Indo-Pacific agendas. The first is global, and relates to how China's rise and the Indo-Pacific's alleged centrality may impinge on the future of global order and norms. The second chapter focuses on China's military rise in the Indo-Pacific and more globally and it unpacks some of the consequences for NATO and its IP4 partners. Chapter three looks at the issue of military technology development in the Indo-Pacific and it investigates some of the challenges of building the technological basis to deterrence across the Euro-Atlantic and Indo-Pacific regions. The fourth chapter discusses the transformation of security cooperation patterns within and between the Euro-Atlantic and Indo-Pacific regions. Finally, we end with a conclusion that offers a range of specific policy recommendations on how to take NATO's China and Indo-Pacific agendas forward..

CHAPTER ONE

CONCEPTUALISING CHINA AND THE INDO-PACIFIC

Debates about how China or Indo-Pacific dynamics – hitherto “Asia-Pacific” or “East Asian” – may impinge on Euro-Atlantic security have a long lineage.⁶ This is not surprising. After all, the US and several European allies, most notably the UK and France, have alliance commitments and overseas territories in that region. Indeed, references to the challenges and opportunities associated with China’s rise, how a war in Asia could divert US resources and draw Europe’s attention, the need for NATO and Europeans to engage with Asia and/or China for the sake of solidarity with the US, or the Alliance’s reluctance to engage militarily in Asia despite America have regularly appeared – and disappeared – in NATO discourse since 1949. Indeed, when looking at NATO’s approach to China and the Indo-Pacific in a historical perspective, several phases can be identified⁷.

PHASE ONE OF NATO’S APPROACH

During the first phase, China was construed by NATO as an adversary, and East Asia as an extension of the broader competition with the Soviet Union.⁸ This phase starts with the onset of the Korean War, in which many NATO members participated, and the signing of the Sino-Soviet Treaty (1950). The Korean theatre was viewed as part of a global Cold War, and China as a junior partner in a Soviet-led axis. In this context, NATO debates revolved around the risks that US, British and French engagement in the Far East might divert resources away from Europe or Soviet attempts to exploit intra-alliance divisions on far eastern issues to isolate the US from Western Europe. The second Taiwan crisis (1954-1955) triggered a similar sets of concerns, with NATO asserting ‘that all problems, wherever they arose in the world, were closely interconnected’⁹, and Europeans worrying about being dragged into a US-China war over Taiwan. This adversarial phase took on a more pronounced turn as the US stepped up its role in Vietnam from the early 1960s.

The US tried – and failed – to persuade its European allies to “share the burden” in Vietnam, which it depicted as a battle to defend the “Free World” against an aggressive Communist bloc. Later on, following China’s detonation of an atomic bomb in 1964, the US sought to frame China as a direct threat to NATO, and to the Alliance’s “Western Flank”. Despite US pressures, European allies remained by-and-large unconvinced about either approaching the Vietnam War as part of the broader NATO-Soviet competition or construing China as a direct threat to the Alliance. In this context, the NATO legal office issued an opinion in the spring of 1965 stating that Hawaii was not covered by the Article 5 provision of the North Atlantic Treaty¹⁰.

PHASE TWO OF NATO’S APPROACH

The second phase began with the worsening of Sino-Soviet relations from the late 1960s, eventually leading into the so-called Sino-Soviet split. During this phase, NATO-China relations took a positive turn, and the Alliance perceived the intensification of Sino-Soviet tensions in East Asia as broadly positive for European security.

⁶ Op.Cit. “A Very Different Kind of Challenge?”.

⁷ Ibid.

⁸ While we will use “Indo-Pacific” throughout, our historical review refers to “East Asia” or “Asia-Pacific” depending on the conventional usage at the time.

⁹ Op.Cit. “A Very Different Kind of Challenge?”.

¹⁰ See Sulzberger 1965 and 1967 in Op.Cit., “A Very Different Kind of Challenge?”.

References to a China threat to the Alliance's Western Flank, fear of a communist expansion in Asia or a Sino-Soviet axis were dropped, and the Nixon administration pushed for a fundamental re-evaluation of NATO's approach to China. The build-up of Soviet forces along the Chinese border and the prospect of a two-front war – which became a serious concern for the Soviet leadership – reduced the pressure on the European theatre. Thus, an alignment of interests presided over a period of increased diplomatic consultations between NATO and China, with former US Secretary of State Henry Kissinger going as far as arguing, in 1975, that 'China may be one of the most important NATO allies'¹¹. During this period, the US advocated for briefing the Chinese on NATO initiatives and exercises, accepting visits of People's Republic of China (PRC) officials to NATO headquarters and a NATO delegation visit to China. Even during the heyday of NATO-China relations, however, a balance had to be struck between improving relations with Beijing and averting a breakdown in US-Soviet relations. In this regard, Washington encouraged European allies to sell weapons to Beijing but refrained from doing so itself.

PHASE THREE OF NATO'S APPROACH

The third phase began with Gorbachev's ascent to power in 1985 and the improvement of NATO-Soviet relations from the late 1980s. Against this backdrop, and following the 1989 massacre in Tiananmen Square, both the US and European Economic Community declared arms embargoes on China¹². During this period, which coincides with the end of the Cold War and NATO's search for a new role, the pendulum in NATO-China relations swung back to a more negative space, yet not as far as adversarial territory. China opposed NATO enlargement and criticised its intervention in the former Yugoslavia, with the bombing of the Chinese Embassy in Belgrade representing a new low in NATO-China relations. During this third phase, as NATO searched for a new role, it also began to set up an ad hoc series of partnerships and political dialogues with third countries. That said, most of its emphasis was on the former Soviet space, the Mediterranean and the Middle East. Thus, for instance, even though NATO and Japan engaged in dialogue and cooperation from the early 1990s – especially in the Balkans –, this was mostly ad hoc in nature and not linked to any coherent approach to Indo-Pacific partners as a whole.

PHASE FOUR OF NATO'S APPROACH

The fourth phase kicked in after the 9/11 terrorist attacks in the US. This phase was characterised by greater dialogue between NATO and China – especially around the fight against terrorism and the Alliance's engagement in Afghanistan – as well as the beginning of practical cooperation between NATO and its Indo-Pacific partners. Throughout the early 2000s, NATO and Chinese officials would liaise in Kabul directly, with the principal point of contacts being the NATO Senior Civilian Representative to Afghanistan and the Chinese ambassador. While this did not go as far as China contributing militarily to the International Security Assistance Force (ISAF) in Afghanistan, Beijing's participation in international counter-piracy efforts off the coast of the Horn of Africa beginning in late 2008 marked yet another high point in NATO-China relations. During this period, NATO's cooperation with Indo-Pacific partners also matured, as the Alliance established a formal political dialogue with Australia in 2005, Abe was the first Japanese prime minister to visit NATO headquarters in 2007 and both Australia and Japan engaged significantly with the Alliance's operation in Afghanistan as well as broader counter-piracy efforts in the Horn of Africa¹³.

¹¹ See Kissinger 1976 in Op.Cit., "A Very Different Kind of Challenge?".

¹² See Evron 2019 in Op.Cit., "A Very Different Kind of Challenge?".

¹³ See Tsuruoka, M. "NATO and Japan: A View from Tokyo", *The RUSI Journal*, 156(6) (2011): 62-69; "Frühling, S. and Schreier, B. "The 'Natural Ally'? The 'Natural Partner' – Australia and the Atlantic Alliance", in Edström, H. et al. (eds.), *NATO: The Power of Partnerships* (Springer Books, 2011): 40-59; Hornung, J. "Allies Growing Closer: Japan-Europe Security Ties in the Age of Strategic Competition", RAND Corporation, 21 December 2020.

PHASE FIVE OF NATO'S APPROACH

If the 2000s presided over a phase of practical cooperation on transnational challenges between NATO, China and other Indo-Pacific partners, the 2010s were a time of transition. From the early 2010s, China began to display an increasingly assertive behaviour in the South China Sea. In that context, even though the US announced its so-called pivot or rebalance to Asia, NATO exhibited little interest in Indo-Pacific developments, arguably partly due to its focus on Afghanistan, Libya and the prospect of intervention in Syria. Soon thereafter, following Russia's annexation of Crimea in 2014, the Alliance itself pivoted away from the broader Middle East onto eastern Europe, and the Obama administration showed little sign of wanting to mobilise NATO – or, for that matter, Europe – in a China or Asia-Pacific context. That said, it was during this time that NATO created a mechanism called the Individual Tailored Cooperation Packages of Activities, which allowed it to structure cooperation with so-called “Partners Across the Globe”, including Australia, Japan, New Zealand and South Korea¹⁴. In this context, the Alliance began to develop formal institutional dialogues and practical cooperation with its Indo-Pacific partners around the need to tackle transnational challenges, mostly drawing inspiration from their recent joint experiences countering terrorism and piracy.

PHASE SIX OF NATO'S APPROACH

It is actually following the first Trump administration's arrival to power, Beijing's designation as a “long-term strategic competitor”, and Europe's own realisation about the strategic implications of China's rise, that a new phase in NATO's approach to China and the Indo-Pacific kicks in. This phase develops against the backdrop of a broader US push to get Europeans in line on China, which also includes efforts to convince European allies to restrict Chinese access to key technologies and infrastructures and to contribute to Indo-Pacific security through naval deployments. While Washington put much emphasis on lobbying individual European countries and, to a lesser extent, the European Union (EU), about how best to tackle the geo-economic, technological and diplomatic challenges associated with China's rise and behaviour, NATO also became an increasingly important vector of transatlantic cooperation on China.

Indeed, China was officially recognised as an important topic to NATO for the first time at the 2019 London Summit, when the Alliance's Heads of State and Government argued that Beijing's ‘growing influence and international policies present both opportunities and challenges that we need to address together as an Alliance’¹⁵. That statement paved the way for an increasingly substantial debate within NATO.

The 2019 London declaration was followed by “NATO 2030”, a consultation process launched by the then Secretary General Jens Stoltenberg to reflect on the Alliance's future direction, which included a report by an independent group of experts. Notably, the report alerted Allies to the ‘simultaneous geopolitical and ideological challenges posed by Russia and China’, and urged NATO to ‘remain the platform around which the Alliance organises itself for an era of truly global challenges’¹⁶. In doing so, the case was made for transcending a narrow geographical or functional interpretation of NATO: while recognising the centrality of security in the Euro-Atlantic region, the 2030 report also underlined NATO's political nature and global scope, thus aiming to set the foundations for a more substantial China agenda. Also interestingly, the report linked the need to tackle the China challenge globally and address simultaneous geopolitical and ideological competition to the strengthening of cooperation with key partners in the Indo-Pacific, notably Australia, Japan, New Zealand and South Korea. In the 2021 Brussels Summit Communiqué NATO leaders devoted two full paragraphs to China, in which they explicitly affirmed that ‘China's stated ambitions and assertive behaviour present systemic challenges to the rules-based international order and to areas relevant to Alliance security’. The rule and order elements were indeed a distinctive print of the Biden administration. They also pointed to a number

¹⁴ NATO, “Relations with Partners Across the Globe”, 3 October 2024.

¹⁵ NATO, “London Declaration”, 1 December 2019.

¹⁶ NATO, “NATO 2030: Making a Strong Alliance Even Stronger”, 14 June 2021.

of concrete problems, such as the expansion of China's nuclear arsenal, its growing military cooperation with Russia, its civil-military fusion strategy and its actions in space, cyber-space and disinformation. At the same time, the Communiqué reiterated the importance of keeping an open dialogue with China.

Building on the Brussels Summit, the Strategic Concept approved by Allies the following year at the 2022 Madrid Summit offers a detailed analysis of how China's actions challenge core NATO values and interests, and denounces China's use of economic leverage to create strategic dependencies. It put emphasis on China's and Russia's mutually reinforcing attempts to undercut the rules-based international order, which run counter to our values and interests, and warns about the need to 'protect against [China's] coercive tactics and efforts to divide the Alliance'¹⁷. At the 2023 Vilnius Summit, NATO leaders urged China 'to condemn Russia's war of aggression against Ukraine, abstain from supporting Russia's war effort, to cease amplifying Russia's false narrative blaming Ukraine and NATO for Russia's war of aggression against Ukraine, and to adhere to the purposes and principles of the UN Charter'¹⁸.

In the 2024 Washington Summit declaration, leaders agreed that China's 'stated ambitions and coercive policies continue to challenge our interests, security and values'¹⁹. In particular, they highlighted how the 'deepening strategic partnership between Russia and the PRC and their mutually reinforcing attempts to undercut and reshape the rules-based international order, are a cause for profound concern'²⁰.

The Washington Summit's conclusions in many respects solidified the US' and Alliance's contemporary vision of China. In fact, there are many similarities in the political line taken by the past and present administrations. In essence, the Biden administration sought to raise Allies' appreciation of the China threat and to also seek to coalesce Europeans around the US' position on China. There is every indication that this line will continue under the new administration. In fact, in his inaugural address on 20 January 2025, President Trump singled-out China for its role in operating the Panama Canal²¹. What is more, the US under President Trump have also announced a wholesale review of the 2020 US-China trade agreement, with the prospect of the US levying a blanket 10% tariff rate on all Chinese goods²².

¹⁷ NATO, "NATO 2022 Strategic Concept".

¹⁸ Ibid

¹⁹ NATO, "Vilnius Summit Communiqué", 11 July 2023.

²⁰ NATO, "Washington Summit Declaration", 10 July 2024.

²¹ The White House, "The Inaugural Address", 20 January 2025.

²² Jennings, R. "Trump's America First Trade Policy: US-China 2020 Import Deal is a Again Under Scrutiny", South China Morning Post, 22 January 2025.

THE CONTINUED UNDERLYING TENSIONS IN NATO'S INDO-PACIFIC AND CHINA AGENDAS

Despite recent progress at NATO Summits, an underlying tension continues to loom over NATO's Indo-Pacific and China agendas. On the one hand, there is indeed a growing recognition in NATO circles that geostrategic dynamics in the Euro-Atlantic and Indo-Pacific regions are increasingly intertwined, and both NATO Allies and Indo-Pacific countries are progressively worried about deterrence in a great power context. On the other hand, the Alliance maintains political caveats about framing China as a security threat to NATO, and directly engaging in the Indo-Pacific. This is further compounded by the fact that both NATO and its Indo-Pacific partners understandably prioritise their respective regions. If anything, this is likely to become more pronounced under the Trump administration. Thus, there are questions about the scope or limits of NATO's China and Indo-Pacific agendas, which are often framed either too broadly (i.e. emphasising the need to uphold global rules and tackle transnational threats) or too narrowly (i.e. by pointing to China's military activities in the Euro-Atlantic or identifying niche areas for cooperation with Indo-Pacific countries). This is paradoxical.

For one thing, NATO and its Indo-Pacific partners have very similar strategic and operational priorities: how to strengthen deterrence in the face of great power revisionism, and how to generate the forces, operational concepts, capabilities and technologies required to that end. Even if their main threat referent or area of responsibility is indeed different, the fact that the challenges they face are so similar underlines the existence of important synergies and the potential for structured cooperation in key areas like operational planning, capability development or military-technological innovation. For another thing, deterring China in the Indo-Pacific is likely to put a permanent strain on US military resources, which constitute the centre of gravity of Euro-Atlantic security. Last but not least, both NATO and its Indo-Pacific partners are well aware about the economic security challenges associated with China, and have in fact taken a number of measures. Europeans in an EU context; Indo-Pacific allies nationally as well as through venues like Quad, etc. These conversations remain scattered and disconnected from broader strategic discussions taking place at NATO, and efforts should be taken to bring them together.

Several conclusions can be extracted from the above brief historical overview. The first relates to the fact that China and the Indo-Pacific are intertwined in NATO's agenda, but they are also partly autonomous items. While China tends to loom large over NATO discussions on the Indo-Pacific, the Alliance has also paid attention to other Indo-Pacific actors and dynamics.

This is fully in-line with the Alliance's traditional "demand driven" partnership policy, which has resulted in more flexibility and consensus building in developing the partnership with the IP²³. This includes developments on the Korean peninsula. The second is that NATO's China and Indo-Pacific agendas have been driven by-and-large by the US, with Europeans being in the passenger seat, at times resisting US calls to push against China and/or engage in the Indo-Pacific, and at times being less enthusiastic about US calls for cooperation with China. A third, critical factor, relates to the fact that the nature of the relationship with Russia and the salience of the threat in Europe has been a key determinant of NATO's approach to China and the Indo-Pacific. Last but not least, the different approach followed by different US administrations towards NATO itself, China, Russia or the Indo-Pacific can also have a pervasive impact on the Alliance's China and Indo-Pacific agendas.

A final conclusion is the existence of three overlapping levels of analysis dominating NATO's discourse on both China and the Indo-Pacific. The first is more global, and relates to repeated attempts to frame – or reject – China and Indo-Pacific related developments as a global struggle, often linked to the future of the free world. A second relates to the notion of China or Indo-Pacific developments posing a direct threat to the Euro-Atlantic region. The third relates to the notion that developments in the Indo-Pacific itself can affect European security indirectly, not least by pulling away the attention of the US or other NATO allies.

²³ Tsuruoka, M. "NATO and Japan as Multifaceted Partners", *NATO Defence College Research Paper*, 91 (2013).

As we shall see, all of these themes continue to feature prominently in NATO's contemporary debates on China and the Indo-Pacific. Yet, one key difference has to do with the newfound centrality of China and the Indo-Pacific in global geopolitics and in the context of US strategy. This is likely to have a pervasive impact on the transatlantic relationship, not least as Washington is likely to give greater consideration to how its engagement in and with Europe impinges on its competition with China and its role in the Indo-Pacific. Relatedly, this newfound centrality also explains why Europeans have themselves developed a growing interest in China and Indo-Pacific strategic dynamics. This likely means that, despite the pressing threat posed by Russia or ongoing questions about the future of US views of alliances – let alone cross-regional cooperation –, the importance of China and the Indo-Pacific for NATO and transatlantic relations is likely to grow.

CHAPTER TWO

UNDERSTANDING THE MILITARY CHALLENGE FROM CHINA

China's growing power and increasingly aggressive military posture in the Indo-Pacific poses short- and long-term challenges, not only for its direct neighbours but also for nations far beyond the region itself²⁴. China's leader, Xi Jinping, has accelerated the military build-up to transform the People's Liberation Army (PLA) into a "world-class" military by the mid-century. The PLA has expanded its nuclear forces in an effort to achieve a goal to 'establish a strong strategic deterrence system' aimed at making external intervention prohibitively expensive²⁵. In addition, the PLA is fielding growing numbers of increasingly sophisticated conventional military capabilities, especially in the maritime domain. It has integrated the latter into grey-zone operations that are seemingly aimed at enforcing its maritime claims over contested territories and waters. What is more, China's defence industry is expanding at a significant pace which furnishes Beijing with a more responsive and productive capacity in key manufacturing areas such as munitions, ship-building, drones and more²⁶.

All of this has fuelled growing suspicions in the region about China's power and the revisionist challenge it represents to the status quo. Various neighbouring countries are responding by boosting their own defence capabilities and strengthening alliance relationships with the US, as the latter are critical for maintaining strong theatre-level deterrence. Further overseas, European countries are becoming increasingly apprehensive of the challenge China poses to global stability. Its ongoing abetment of Russian aggression against Ukraine – as manifested in the ongoing export of dual-use systems supporting Russia's defence industrial production – and its intimidating behaviour against smaller countries in its own neighbourhood, as well as in Europe, are at the root of this emerging trend. In this chapter, we first describe the long shadow cast by China's military rise, then we dissect the conflict that is brewing between China and its neighbours over competing territorial claims – with far-reaching implications for global supply chains – and, finally, we analyse the emerging responses to the changing military balance of power in the Indo-Pacific and in Europe.

THE LONG SHADOW CAST BY CHINA'S MILITARY RISE

China's military rise encompasses two major components, namely the development of a fully survivable nuclear triad and the construction of technologically state-of-the-art conventional forces. The former likely represents an attempt to counterbalance the coercive value of the US nuclear arsenal, whereas the latter enables China to tilt the regional military balance – especially within the First Island Chain – decisively in its own favour²⁷.

China's nuclear expansion represents a long-term strategic challenge to the US. The US Department of Defense estimates that the PRC possesses more than 600 nuclear operational nuclear warheads as of 2024 – on track to exceed previous projections²⁸. While this number is still considerably smaller than the US arsenal, Washington's concerns about China's emergence as a second nuclear peer are growing rapidly. The PRC will probably have over 1,000 operational nuclear warheads by 2030, much of which will be deployed at higher readiness levels, and expand its arsenal of long-range intercontinental ballistic missiles, including multiple independently targetable re-entry vehicles and road-mobile missile systems.

China will continue growing its force to 2035 with the number of 1,500 nuclear warheads available for delivery by land-based ballistic missiles, sea-based ballistic missiles and bombers²⁹. Since the US

²⁴ A previous version of this chapter was published as a CSDS Policy Brief in June 2024.

²⁵ Government of the PRC "China Ministry of Foreign Affairs", 2025.

²⁶ Jones, S.G. and Palmer, A. "China Outpacing U.S. Defense Industrial Base", CSIS Report, 6 March 2024.

²⁷ Zhao, T. "The Real Motives for China's Nuclear Expansion", *Foreign Affairs*, 3 May 2024.

²⁸ US Department of Defense, "Annual Report on Congress: Military and Security Developments Involving the People's Republic of China 2024"

²⁹ Kristensen, H.M. et al. "Chinese Nuclear Weapons, 2024", *Bulletin of the Atomic Scientists*, 15 January 2024.

currently deploys about 1,550 strategic warheads under the New START limits – which end in early 2026 –, numerical parity will no longer be a distant prospect. Just as importantly, the ongoing diversification of China's nuclear delivery systems signals a growing willingness to differentiate between the strategic and non-strategic use of nuclear weapons. This may result in a so-called imbalance of political resolve, in which China may be willing to accept much greater risk over Taiwan than the US³⁰. As a result, the US has become 'concerned about the erosion of what it sees as a longstanding position of nuclear advantage relative to China'³¹.

Simultaneously, US allies and partners in the Indo-Pacific face a large and rapid power shift vis-à-vis China as a short-term challenge. Since Xi Jinping became president and the military's commander-in-chief a decade ago, China's defence budget has ballooned: one estimate has it at an increase of CN¥ 1.67 trillion (US\$ 230 billion) in 2024 from CN¥ 720 billion in 2013³². There are, however, differing estimates of China's military spend³³.

While China's announced defence budget in fiscal 2024 is around of one quarter of US defence spending, it is also more than 5 times that of Japan's defence budget for the same year³⁴. Furthermore, China alone is outspending its neighbours: The Military Balance 2024 assesses that China represented 43% of all of Asia's defence spending in 2023³⁵. Taking purchasing power parity into account, this share would even be considerably larger.

These steady defence budget increases have enabled the PLA to continuously improve its conventional military capabilities, especially in the maritime domain and A2/AD capabilities. China already operates the world's largest navy in numerical terms with an overall battle force of over 370 ships and submarines, including more than 140 major surface combatants³⁶. This number is nearly 80 more than the US Navy's 291 ships, mainly concentrated in a single region as opposed to being spread out globally³⁷. The People's Liberation Army Navy (PLAN) is building new warships such as guided-missile cruisers, destroyers and corvettes at a rapid pace. In August 2023, the PLAN launched the new Type-054B frigate, which is likely to have a full displacement of approximately 6,000 tons³⁸. This new frigate is larger than the previous 4,000-ton Type-054A, being expected to accompany aircraft carriers, amphibious ships and destroyers in far sea voyages³⁹. Similarly, its already large submarine force continues to expand. The PLAN is thus assessed to reach near-parity with US Indo-Pacific Command on a tonnage basis in the mid-2030. While the size and sophistication of Chinese forces matters, we should also acknowledge that larger naval forces gives China the ability to exact vast damage to US forces in a Taiwan contingency⁴⁰.

In addition to its expanding naval capabilities, China has fielded an impressive missile inventory. This includes for instance the DF-21 and DF-26 intermediate range ballistic missiles, the DF-17 hypersonic glide vehicle armed medium-range ballistic missile and a wide suite of short-range ballistic missiles such as the DF-11, DF-15 and DF-16. China has also started fielding ground-launched cruise missiles like the DH-10 and DF-100 with ranges of approximately 1,500 kms and 2,000 kms. These weapons imply that a wide range of land and naval targets can be held at risk. As such, China is creating the conditions in which it can hope to neutralise the escalation advantage traditionally held by the US in both the nuclear and conventional domains. Such conditions increasingly permit the PLAN to pursue aggressive probing

³⁰ Kroenig, M. "Nuclear Superiority and the Balance of Resolve: Explaining Nuclear Crisis Outcomes", *International Organization*, 67(1) (2013)

³¹ Talmadge, C. "The US-China Nuclear Relationship: Why Competition is Likely to Intensify", *Brookings Institution*, September 2019.

³² Zhao, L. "China Plans to Raise Defense Spending by 7.2% to \$231b", *China Daily*, 5 March 2024.

³³ Robertson, P.E. "The Military Rise of China: The Real Defence Budget Over Two Decades", *Defence and Peace Economics*, 35(7) (2024)

³⁴ Japan's Ministry of Defense, "Defense of Japan 2024".

³⁵ Office of Naval Intelligence, "China: Naval Construction Trends vis-à-vis US Navy Shipbuilding Plans, 2020-2030", 6 February 2020.

³⁶ Shkolnikova, S. "China's Buildup of Warships on a 'Concerning Trajectory', says Nominee to Command US Forces in Indo-Pacific", *Stars and Stripes*, 1 February 2024.

³⁷ Joe, R. "Assessing the Chinese Navy's New 054B Frigate", *The Diplomat*, 11 September 2023.

³⁸ Xuanzun, L. "China Launches New-Generation Frigate: Media", *Global Times*, 29 August 2023.

³⁹ Government of Japan, "Defense of Japan 2023".

⁴⁰ Cancian, M.F., Cancian, M. and Heginbotham, E. "The First Battle of the Next War: Wargaming a Chinese Invasion of Taiwan", *CSIS Report*, 9 January 2023.

campaigns below the threshold of kinetic conflict against Taiwan and the Philippines. This results in a growing risk of a military contingency within the First Island Chain in which the cost of US intervention is raised massively.

THE BREWING CONFLICT BETWEEN CHINA AND ITS NEIGHBOURS

China's military expansion has become an urgent and short-term challenge to most of America's Indo-Pacific allies and partners, for several reasons. First and foremost, the challenge to the status quo has taken place in China's near vicinity. While the PLAN's ability to perform missions beyond the First Island Chain might still be considered relatively modest, its prowess closer to home – where it is augmented by China's Coast Guard (CCG) – is already formidable. Japan's defence White Paper – published in July 2023 – criticised China's military activities surrounding Japan, particularly in the East China Sea as creating a situation of 'great concern' to the country⁴¹. Japan's 2022 National Security Strategy also referred to China's military rise as 'unprecedented and the greatest strategic challenge'⁴². Beijing also maintains a daily coast guard presence around the Senkaku Islands (known as the Diaoyu Islands in China). In November 2023, during his inspection of the CCG's command office for the East China Sea area, Xi Jinping stressed the need for improving law enforcement capabilities in support of China's maritime claims⁴³. The CCG has subsequently drafted a plan to keep its ships presence in the vicinity of the islets every day in 2024 and to conduct inspections of foreign fishing boats in the sea area, if necessary, to boost Beijing's sovereignty claim⁴⁴.

Secondly, the coastal states in the South China Sea are alarmed at China's aggressive naval actions as well as so-called "grey-zone" operations by CCG and the maritime militia in the waters disputed with China. Following incorporation to the military-administrated People's Armed Police in 2018, the CCG has actively spearheaded the expansion of China's maritime control in the South China Sea⁴⁵. In November 2023, for instance, Filipino President Ferdinand Marcos Jr. stated that the regional situation 'has become more dire' than it was before due to China's 'coercive tactics and dangerous manoeuvres' in the South China Sea⁴⁶. This situation prompted Manila to partner with Washington and other nations around the world, so as to come to some kind of resolution and to maintain the peace. At a summit meeting in the same month, Marcos and his Japanese counterpart Fumio Kishida shared 'serious concerns' on the situation both in the South China Sea and East China Sea, referring to China's assertive maritime actions⁴⁷.

Finally, China's repeated calls for a reunification with Taiwan – no longer always accompanied by the predicate "peaceful" – highlight the growing risk of a shock to the global supply chains. Recent "Joint Sword-2024A" PLA drills following the inauguration of Taiwanese President Lai Ching-te included the staging of mock air and naval attacks against high-value targets. This prompted the US State Department to issue a statement expressing 'deep concern'⁴⁸. Whilst the rest of the world's dependence on the chipmaker TSMC is well known, Taiwan's position as a supply chain hub in fact spans across many high-tech industries. As a result, the repercussions of any such military challenge to the status quo cannot help but stretch far beyond the region in scope. Not only would Japan, South Korea and other regional partners be severely affected, but this would also be the case for their respective trading partners worldwide. In that sense, any military contingency pertaining to Taiwan would result in a global economic shock that is even more severe than Russia's invasion of Ukraine in 2022.

⁴¹ Government of the PRC, "Grasp the Characteristics and Laws of Construction and Application of Coast Guard Forces and Improve the Ability of Maritime Rights Protection and Law Enforcement", *People's Daily*, 4 December 2024.

⁴² "National Security Strategy of Japan", December 2022.

⁴³ United Nations "Provisions on Administrative Law Enforcement Procedures of Coast Guard Agencies (China Coast Guard Order No. 3 of 2024)".

⁴⁴ Shinji, Y., Masaaki, Y. and Rira, M. "China's Quest for Control of the Cognitive Domain and Gray Zone Situations", *NIDS China Security Report 2023*.

⁴⁵ Dantes, C. "Marcos Slams Chinese 'Threats'", *Manila Standard*, 21 November 2023.

⁴⁶ Ibid.

⁴⁷ Wee, S-L. and Elemia, C. "Japan and Philippines, Wary of China, Expanding Military Ties", *New York Times*, 3 November 2023.

⁴⁸ US Department of Defense, "Military and Security Developments Involving the PRC 2024: Annual Report to Congress", 18 December 2024.

THE RESPONSES TO CHINA'S MILITARY RISE IN THE REGION AND BEYOND

China's growing assertiveness in East and South China Seas is fuelling concern and anxiety about Beijing's strategic intent. For example, nearly 53% of the Japanese public has a sense of crisis about China potentially taking military action against Taiwan⁴⁹. The consequences thereof are twofold. On the one hand, various Indo-Pacific countries are increasingly apprehensive about the threat posed by China. As a result, they are increasing their levels of defence expenditure and strengthening their alliances accordingly. On the other hand, the broader implications of China's military rise are becoming increasingly apparent to many European countries. This is not only due to the risk of overstretch of US military commitments, but also due to China's growing presence worldwide and the global consequences of any major contingency in the Indo-Pacific.

Within the Indo-Pacific region, many nations are busy adapting their strategic posture in function of the deteriorating security environment they find themselves in due to China's military rise. A total of 61% of Japanese citizens support the Japanese government's decision to acquire counterstrike capabilities to enhance deterrence, for instance⁵⁰. Furthermore, a 2022 Lowy Institute poll found 64% of Australians saying that a military conflict between the US and China over Taiwan would pose a critical threat⁵¹.

As China continues its military and grey-zone expansion, Australia, Japan, the Philippines, South Korea and Taiwan have all responded by increasing defence spending to counter rising threat levels within the region⁵². As stated in December 2022, Japan is set to increase its defence budget to 2% of Gross Domestic Product (GDP) by 2027 to build 'fundamentally reinforced defence capabilities'⁵³. Tokyo plans to invest in long-range precision strike assets, comprehensive air and missile defences, and cross-domain capabilities encompassing space, cyberspace and the electromagnetic spectrum, for instance. In addition to defence reinvestment, new minilateral coalitions are being formed, such as the growing coordination between Canberra, Manila and Seoul and trilateral exercises between Japan, the Philippines and the US. Finally, the growing stress on the balance of conventional military power has prompted Japan and South to call for the strengthening of US extended nuclear deterrence.

As Seoul and Tokyo need to deal with nuclear, conventional and grey-zone threats simultaneously, the regional deterrence posture needs to span across all domains. According to its Ministry of Defence, 'Japan intends to create a seamless posture and secure its peace and security by effectively utilizing the deterrence capabilities of the U.S. military together with Japan's own national defence architecture'⁵⁴.

China's military rise is also making itself felt far beyond the Indo-Pacific region. Many European nations have been growing aware of China's growing assertiveness in the cyber domain and its proclivity to instrumentalise economic ties to further an autocratic political agenda. For several reasons, this emerging European awareness is now acquiring a military dimension too. Firstly, European nations have come to realise that China's military rise now poses a direct threat to their strategic partners in the Indo-Pacific – with all the consequences this entails for global trade and the freedom of navigation. Any military contingency in the Indo-Pacific would cause dramatic economic ripple effects throughout global supply chains and provoke a global economic crisis.

Secondly, the European NATO allies have started to recognise that any such contingency would impose major limitations on the availability of US forces to reinforce the European theatre vis-à-vis continuing Russian aggression. China's military rise in the Indo-Pacific dramatically shrinks the reservoir of military power the US can make available for underpinning European security. Thirdly, the geographic reach of

⁴⁹ "80% in Japan Oppose Tax Hike Plan to Cover Defense Outlay: Poll", *Kyodo News*, 7 May 2023.

⁵⁰ Reynolds, I. "Japan Public Opinion Turns Most Negative on China in Nine Years", *Bloomberg*, 11 October 2023.

⁵¹ Kassam, N. "Lowy Institute Poll: 2022 Report", Lowy Institute, 29 June 2022.

⁵² Op.Cit. "Military Balance 2024".

⁵³ Japan Ministry of Defense, "Defense Programs and Budget of Japan: Defense Strengthening Acceleration Package", 2022.

⁵⁴ Japan Ministry of Defense, "Significance of the Japan-US Security Arrangements".

China's power projection capabilities is extending itself to the wider European neighbourhood. Already in 2017, the PLA conducted its first joint naval exercise with Russia in the Baltic Sea, for instance⁵⁵. Finally, China is now seen to be actively abetting Moscow's revisionist quest by resupplying the ongoing Russian war effort. This cannot help but change the way Chinese power is being perceived in Europe and elsewhere.

Similar to the Indo-Pacific allies of the US, the European allies are rapidly reinvesting in their own defence establishments as well as their resilience against economic disruption and political interference. Such European defence reinvestment helps to re-equilibrate the NATO alliance internally and enables the US to allocate a growing share of scarce military resources to meeting possible contingencies in the Indo-Pacific. In addition, several European nations have started contributing in a modest but symbolic way to the effort of ensuring the freedom of navigation in the East and South China Seas. By committing themselves to an economic derisking agenda, furthermore, European nations are seeking to shield themselves against the weaponisation of economic ties by China and the undermining of the European scientific, technological and industrial base. Finally, the growth in China's nuclear arsenal and the emergence of nuclear tripolarity is increasingly understood to challenge US extended deterrence commitments worldwide, given that all US alliances are ultimately underpinned by the same US strategic nuclear arsenal. Whilst the Chinese nuclear threat is still dwarfed by that from the Russian Federation, NATO's nuclear posture adaptation will need to take the emerging cross-theatre interdependencies into account.

⁵⁵ Weitz, R. "Assessing Chinese-Russian Military Exercises: Past Progress and Future Trends", *CSIS Report*, 9 July 2021.

CHAPTER THREE

TECHNOLOGY SHARING IN THE INDO-PACIFIC

There is growing military-technological cooperation across the Euro-Atlantic and Indo-Pacific regions⁵⁶. For example, Japan, Italy and the UK are embarking on the development of a next-generation fighter jet – GCAP – and Australia, the UK and the US continue to develop the AUKUS agreement. Indeed, both GCAP and AUKUS have emerged paragons of military-technological cooperation across the Euro-Atlantic and Indo-Pacific regions, even though there are considerable challenges to implementing each project and agreement, not least in the area of military-technology exchange⁵⁷. Given that the tripartite AUKUS arrangement is not just about the procurement of nuclear-powered submarines but also about investing in EDTs, Australia, the UK and the US are attempting to harness technologies and enhance scientific innovation to counter China⁵⁸. Likewise, through GCAP, Italy, Japan and the UK seek to combine their individual military-technology expertise and jointly develop stealth, communication, radar and sensor technologies. Indeed, Beijing has a critical resource base, a growing scientific prowess and it is developing disruptive technologies in warfighting domains such as missile defence and naval forces⁵⁹.

Despite the fact that AUKUS and GCAP face critical questions, they can be seen as examples of unprecedented technological cooperation between the Euro-Atlantic and Indo-Pacific regions. Such endeavours are important because deeper technological and industrial cooperation has the benefit of strengthening and interlinking alliance structures in both regions. As stated in the introduction to this In-Depth Paper, military-technology is a critical feature of developing denial postures in the Euro-Atlantic and Indo-Pacific regions. Particularly, the Indo-Pacific is a location where resource security of supply, innovation and armaments procurement come together under an overarching militarised geostrategic context. Specifically, China's economic openness to the world and its growing military power has meant that Indo-Pacific partners have placed far greater importance on developing ICT equipment, artificial intelligence (AI), robotics, space capabilities and security critical supplies such as raw minerals and semiconductors⁶⁰.

In this chapter, we look at the AUKUS agreement in more detail and probe what measures are being taken more broadly in the Euro-Atlantic and Indo-Pacific regions. We then focus on the challenges and opportunities associated with military-technology sharing and exchange across the two regions. The chapter concludes with some thoughts on how to improve military-technology cooperation between Euro-Atlantic and Indo-Pacific partners, even in a context where existing US extraterritorial arms export control regulations may hamper cooperation. In this respect, the chapter underlines the importance of sharing military-technology where possible, and to test and commercialise such efforts – as soon as possible – through the aid of military exercises, operational exchanges and more.

⁵⁶ A previous version of this chapter has appeared in *War on the Rocks* in January 2024.

⁵⁷ Harris, B. "House Advances AUKUS Authorisations Amid Sub, Export Control Debate", *DefenseNews*, 26 July 2023.

⁵⁸ Schmidt, E. "Innovation Power: Why Technology Will Define the Future of Geopolitics", *Foreign Affairs*, April 2023.

⁵⁹ Sattely, J. and Johnson, J. "Sustaining Distributed Forces in a Conflict with China", *War on the Rocks*, 21 April 2023.

⁶⁰ Fiott, D. "Knowledge is Power? Technology and Innovation in the Indo-Pacific", *CSDS Policy Brief*, 18 (2021).

DEFENCE INNOVATION IN THE INDO-PACIFIC

After the establishment of AUKUS, the Australian government has sought to augment its defence industrial base in profound ways. AUKUS has been billed as a potential locomotive for Western military-technological innovation⁶¹. The first pillar of the trilateral pact is focused on Australia's acquisition of conventionally-armed nuclear-powered submarines. The second pillar seeks to develop advanced technologies and capabilities. AUKUS's obvious goal is to check China's rise in the Indo-Pacific with the development of autonomous systems, quantum technologies, AI, cyber defence and electronic warfare and hypersonic technologies⁶². AUKUS has stimulated Australia into revitalising its national defence posture too. The 2023 National Defence Strategic Review views pillar two of AUKUS⁶³, and technology development more generally, as key to maintaining an asymmetric technological advantage in the Indo-Pacific and to check China's rise with partners⁶⁴.

The 2024 National Defence Strategy only reinforced this view with a clearly articulated pathway to Australia's acquisition of conventionally-armed, nuclear-powered submarines consisting of three phases that would include – in phase three – the exchange of technologies from the UK and US to develop the next-generation submarine⁶⁵. The 2024 Strategy also raised the importance of investing in disruptive technologies such as guided missile systems, and in the Integrated Investment Program the Australian government set-out its priorities in the areas of quantum technology, information warfare, long-range fires, hypersonics, directed energy and trusted autonomy⁶⁶.

Australia has set aside multiple AUD\$ billions to invest in defence and innovation. The Australian government has built on its previous Australian Defence Innovation Hub⁶⁷ (DIH) with an Advanced Strategic Capabilities Accelerator⁶⁸ (ASCA). Following Australia's "Integrated Investment Program" of 2024, the capabilities accelerator will invest AUD\$3.8 billion over the next decade on priority areas such as hypersonic missiles, directed energy, autonomous systems, quantum technology, information warfare and long-range fires. Taking up and superseding the work of the Defense Innovation Hub and the Next Generation Technologies Fund, the ASCA comes with a unique mission to ensure that innovative technologies are rapidly tested, developed and procured for the military priorities identified in the 2024 National Defence Strategy. This includes undersea warfare, enhanced targeting, amphibious, sea denial and control, air and missile defence and logistics capabilities.

Australia is following the approaches taken by its AUKUS partners and allies by placing far greater importance on defence innovation. It is striking that the Australian government's evolving strategies on emerging and disruptive technologies and innovation share strong similarities with innovation initiatives presently being undertaken by Japan, South Korea and NATO and EU members and allies. For example, Japan created the Acquisition, Technology and Logistics Agency (ATLA) in 2015. The government has since revised its national strategy for technology transfers to help stimulate innovation cooperation with partners and allies.

France has created both a Defence Innovation Agency and a Defence Innovation Fund to promote innovation investments worth over €750 million each year up to 2025⁶⁹. NATO now has its own Innovation Fund worth over €66 million per year until about 2038⁷⁰. The Alliance has also put its brand to a Defense Innovation

⁶¹ Boswinkel, L. and Simón, L. "No Ordinary Arms Deal: Is Europe Learning Anything from AUKUS?", *CSDS Policy Brief*, 19 (2023).

⁶² Kahn, L. "AUKUS Explained: How Will the Trilateral Pact Shape Indo-Pacific Security?", *Council on Foreign Relations*, 12 June 2023.

⁶³ Australian Ministry of Defence, "National Defence: Defence Strategic Review 2023", 2023.

⁶⁴ Bassi, J., Ryan, M. and Curtis, L. "AUKUS Advanced Capabilities Pillar Will Require Fundamental Shifts", *ASPI The Strategist*, 12 July 2023; and "Australia's Defence Strategic Review", *War on the Rocks*, 26 April 2023.

⁶⁵ Government of Australia, "2024 National Defence Strategy", 17 April 2024.

⁶⁶ Government of Australia, "Integrated Investment Program", 2024.

⁶⁷ Government of Australia, "Defence Innovation Hub", 2 June 2023.

⁶⁸ Government of Australia, "Advanced Strategic Capabilities Accelerator", 2024.

⁶⁹ Government of France, "Document de Référence de l'Orientation de l'Innovation de Défense" 2022.

⁷⁰ NATO, "NATO Innovation Fund Closes on EUR 1bn Flagship Fund", 1 August 2023.

Accelerator for the North Atlantic (DIANA) that will combine part of the NATO Innovation Fund and venture capital for innovative projects⁷¹. Finally, the EU is also investing €2 billion under the EU Defence Innovation Scheme and it has created its own Defence Innovation Hub⁷².

Australia and its partners have clearly followed similar strategies when enhancing defence innovation and the development of emerging and disruptive technologies. Overall, this has come in the form of additional finances and investment but at the heart of initiatives such as the ASCA is a desire to bridge the innovation gap between public and private sectors. Specialised agencies and technology accelerators are designed to stimulate cooperation between militaries, defence establishments, researchers, scientists and venture capital investors. Beyond the technology buzzwords and new bodies, however, such bodies have to prove the worth of public investments. Ultimately, the only guide to success is whether emerging and disruptive technologies will make a real difference to the performance, endurance and sustainability of military capabilities. In this sense, more of a focus is needed on “defence” rather than just “innovation”.

THE CHALLENGE OF TECHNOLOGY SHARING

Another key aspect of military-technological cooperation is the challenge posed by technology transfers and sharing⁷³. Exchanging information between governments on defence innovation and capability programmes is notoriously difficult because governments and firms seek to protect their Intellectual Property Rights (IPRs). In the case of AUKUS there continue to be fears that ‘antiquated legal and regulatory settings’ could threaten the ‘realisation of the AUKUS agenda to its fullest potential’⁷⁴. The US’ extra-territorial regulations and restrictions have been designed to both protect American industrial interests and ensure that no sensitive military technologies and know-how leak to adversaries⁷⁵. Under the second Trump administration, there is every indication that the previous “Replicator” defence innovation programme will be enhanced to protect and extend the US military-technological base⁷⁶. Yet, these same legitimate regulatory steps are having a dampening effect on allied cooperation with the US through fear that technologies – including software and hardware – that include US-made components, technologies and/or software could be subjected to controls.

Key allies and partners across the Euro-Atlantic and Indo-Pacific regions should not expect the US to revise its export restrictions anytime soon⁷⁷, even if the imperative of sharing technologies between partners and allies on emerging and disruptive technologies is clear⁷⁸. One inadvertent effect of these regulations is that allied and partner nations may seek enhanced innovation efforts on a more bilateral basis.

For example, Australia and France have developed bilateral consultations for outer space⁷⁹, Australia has procured over 100 Boxer armed carriers from Germany⁸⁰, Spanish ship-builder Navantia are heavily involved in the construction of Royal Australian Navy surface vessels⁸¹ and Australia has signed an agreement with the Organisation for Joint Armament Cooperation (OCCAR) to exchange classified technical information

⁷¹ DIANA, “Defence Innovation Accelerator for the North Atlantic”.

⁷² European Defence Agency, “Hub for EU Defence Innovation Established within EDA”, 17 May 2022.

⁷³ Op.Cit. “House Advances AUKUS Authorisations Amid Sub, Export Control Debate”.

⁷⁴ Corben, T. and Greenwalt, W. “Breaking the Barriers: Reforming US Export Controls to Realise the Potential of AUKUS”, *United States Studies Centre*, 17 May 2023.

⁷⁵ Ibid.

⁷⁶ Harper, J. “Pete Hegseth, Trump’s New Defense Secretary, Issues Message Vowing to ‘Rapidly’ Field Emerging Tech”, *Defensescoop*, 25 January 2025.

⁷⁷ NATO, “Remarks by NATO Secretary General Mark Rutte at the European Parliament’s Committee on Foreign Affairs and Subcommittee on Security and Defence”, 13 January 2025.

⁷⁸ Monaghan, S. and Cheverton, D. “What Allies Want: Delivering the U.S. National Defense Strategy’s Ambition to Allies and Partners”, *War on the Rocks*, 24 July 2023.

⁷⁹ Government of Australia, “Joint Statement – Second France-Australia Foreign and Defence Ministerial Consultations”, 30 January 2023.

⁸⁰ Needham, K. “Australia to Make, Export Boxer Armed Carrier to Germany”, *Reuters*, 10 July 2023.

⁸¹ Prime Minister of Australia, “Australia-Spain Joint Statement on the Occasion of the Visit to Spain by the Prime Minister of Australia”, 28 June 2022.

on defence procurement with European partners⁸². Elsewhere, Sweden is developing its defence relations with Australia, Japan, South Korea and Singapore⁸³ and Italy and Japan have signed an agreement focusing on defence supply chain security and innovation⁸⁴.

Yet there are also limits to Euro-Atlantic and Indo-Pacific cooperation via NATO or the EU. For example, the NATO Innovation Fund has just been initiated among several allies, but the fund is not yet officially open to cooperation with the IP4 countries. The same is true of DIANA, although companies from the Indo-Pacific that are headquartered in a NATO member nation can apply for support⁸⁵. The EU's Permanent Structured Cooperation (PESCO) projects on defence have recently been opened to partners like the US and UK, although for a specific project on military mobility rather than specific military-technology projects.

Additionally, the European Defence Agency has administrative arrangements to exchange information on defence technologies with Norway, Switzerland, Serbia, Ukraine, the US, the European Space Agency and OCCAR. However, none of these EU frameworks include cooperation with states such as Australia, Japan or South Korea. Other EU initiatives such as the European Defence Fund (EDF), which focuses on military-technology innovation, are closed to non-EU partners that are not based in the EU due to security restrictions, among other reasons, that are not too dissimilar to the US' own export constraints. There is, today, no single cooperative framework where Euro-Atlantic and Indo-Pacific allies and partners can exchange technology or engage in joint defence innovation. Defence innovation cooperation is relatively well-developed in the Euro-Atlantic region, but a key challenge will be bridging these efforts to the Indo-Pacific with partners such as the IP4. AUKUS and GCAP are attempts at such a bridging effort, but they can hardly be considered a conclusive response to the actions of revisionist powers such as China. If one of the aims is to increase military interoperability between the Indo-Pacific and the Euro-Atlantic regions, then exchange of information and the development of emerging and disruptive technologies will be vital.

INNOVATING TOGETHER?

Even if the reform of American export restrictions that could greatly facilitate technology exchange between the Euro-Atlantic and Indo-Pacific regions is currently off the cards, there is nothing stopping enhanced operational cooperation between militaries across the two regions. The ASCA demonstrates the need to develop innovative technologies into military advantage, which is a shared objective of all partners and allies across the Euro-Atlantic and Indo-Pacific regions. In particular, there is a need to avoid investing in innovation for innovation's sake and to move as rapidly as possible to proof of concept and commercialisation. To ensure that defence innovation is paying off, relevant nations will need proof of concept opportunities in the form of joint military exercises and technology demonstrations.

It is already known that individual navies are currently testing technology innovations such as directed-energy weapons, including the American, British, French and German navies⁸⁶. The US Navy, for example, has already tested on land a new directed-energy weapon system in New Mexico to be eventually used to target drones and subsonic cruise missiles at sea⁸⁷. The French Navy already tested such a weapon system onboard an unnamed surface vessel in 2023⁸⁸. In time, many other states including Australia will have advanced directed-energy weapon systems. Accordingly, existing multilateral cooperation exercises at sea such as "La Perouse" or other formats would be an ideal opportunity to test and demonstrate emerging and disruptive technologies such as directed-energy weapons⁸⁹.

⁸² Felton, B. "Australia Signs Agreement with Europe's OCCAR", ADM, 21 November 2023.

⁸³ Dominguez, G. "Sweden aims to Deepen Defense Cooperation with Indo-Pacific Partners", *The Japan Times*, 4 December 2024.

⁸⁴ Amante, A. "Italy, Japan Sign Agreement on Defence Cooperation - Statement", Reuters, 25 November 2024.

⁸⁵ DIANA, "FAQ".

⁸⁶ Duffie, W. "Laser Trailblazer: Navy Conducts Historic Test of New Laser Weapon System", *US Navy*, 13 April 2022.

⁸⁷ Lye, H. "Euronaval 2022: French Navy to Trial Directed Energy Weapon from a Ship in 2023", *Shephard News*, 17 October 2022.

⁸⁸ Halton, B. and Beazley, K. "AUKUS and Critical Minerals: Hedging Beijing's Pervasive, Clever & Coordinated Statecraft", *ASPI Report*, 22 June '23.

⁸⁹ Vu, K. "Can North Korea Play Off Russia Against China?", *The Interpreter*, 1 September 2023.

In addition, defence innovation cooperation between Euro-Atlantic and Indo-Pacific nations does not necessarily have to take on a research and development dimension. For example, IP4, EU and NATO countries could continue to boost their cooperation on critical mineral supplies as a basis for securing technology supply chains. More broadly, Euro-Atlantic and Indo-Pacific nations can enhance efforts to enhance the exchange of scientists and researchers. In this sense, any discussion about defence innovation cooperation quickly becomes a reflection about broader economic relations than just the thorny issue of technology transfers and the regulation of IPRs.

All of this needs to be placed in a larger context. China, Russia, North Korea and Iran have been cultivating military and technology ties following the start of the Russo-Ukrainian war⁹⁰. With North Korea and Russia under sanctions, these countries have an added incentive to cooperate on technology areas that can enhance mutual 'financial, cyber, and kinetic' capabilities. Analysis has also pointed to deepening Sino-Russia military technical cooperation in areas such as conventional submarines, tactical missiles, AI and space systems⁹¹. Allies and partners across the Indo-Pacific and Euro-Atlantic regions need to ensure that this level of military-technological cooperation among revisionist states is kept in check.

The US and its allies need to urgently focus on dragging technologies through to application from early-stage innovation. Each partner and ally has a responsibility to enhance defence investments in innovation and military-technology, but the familiar pattern of creating new innovation funds and/or agencies may not be enough to compete with revisionist powers. While the important steps to enhance military-technological cooperation – i.e. AUKUS, GCAP, NATO-IP4, EU and more – across the Euro-Atlantic and Indo-Pacific are essential, more ambition is needed. Owing to the war on Ukraine, many defence industrial bases are being severely tested to produce basic equipment such as ammunition, but the bigger test of producing high-tech and disruptive systems in significant orders of magnitude is yet to come.

⁹⁰ Corrado, J. "North Korea's Coming Breakout", *War on the Rocks*, 12 September 2023.

⁹¹ Gorenburg, D. et al. "How Advanced is Russian-Chinese Military Cooperation?", *War on the Rocks*, 26 June 2023.

CHAPTER FOUR

ALLIANCE NETWORKING IN EUROPE AND THE INDO-PACIFIC

US allies in Europe and the Indo-Pacific have cultivated closer security ties with each other, as illustrated by NATO's efforts to expand cooperation with its so-called IP4 partners, growing bilateral ties between individual European and Indo-Pacific allies or various high-profile defence industrial projects such as AUKUS or GCAP⁹². Such a flurry of cross-regional initiatives mirrors a significant spike in Sino-Russian cooperation and Russian-DPRK cooperation. Interestingly, cross-regional security cooperation amongst US allies in distant regions is gaining ground at a time when the US-led regional alliance systems in Europe and the Indo-Pacific are themselves exhibiting important patterns of change. The canonical image of a multilateral alliance structure in Europe – centred on NATO – and a bilateral or “hub-and-spokes” one in Asia is becoming obsolete as both alliance systems evolve towards more nodal⁹³ and flexible patterns of defence cooperation around a variety of bilateral and “minilateral” initiatives.

The transformation of defence cooperation within and across US-led alliance systems in Europe and Asia is explained by both contingent and structural factors. With its emphasis on a global struggle between democracy and autocracy, the Biden administration has encouraged cross-regional cooperation between US allies in Europe and the Indo-Pacific, and pursued a “latticework” strategy connecting US Indo-Pacific allies so as to meet the challenges posed by China and North Korea⁹⁴. In Europe, the first Trump administration encouraged greater bilateralism, while also urging both NATO and individual European allies to take China more seriously. For its part, the Biden administration continued to push for greater transatlantic coordination on China all while pushing for a revival of multilateral cooperation through NATO and greater US-EU ties. Today, the question emerges of whether recent alliance patterns are likely to last. For their part, countries like Japan, South Korea, Germany or France are subject to political uncertainty, and likely to turn their attention inwards. That said, structural drivers such as China's strategic rise, Russian revisionism and growing Sino-Russian cooperation point to a more enduring trend of cross-regional and intra-alliance networking.

This chapter sets out to discuss these structural and more fluid drivers underpinning ongoing alliance transformations, and reflect on the likely endurance of recent changes.

⁹² Patton, S. “Biden’ ‘Lattice’ Asia Policy Not Meshing”, *United States Studies Centre*, 3 December 2021.

⁹³ A previous version of this chapter has appeared in *War on the Rocks* in December 2024.

⁹⁴ Patton, S. “Biden’ ‘Lattice’ Asia Policy Not Meshing”, *United States Studies Centre*, 3 December 2021.

ARCHETYPAL TYPES OF ALLIANCE STRUCTURES

Washington's approach to alliances in Europe and Asia has traditionally exhibited two main features. The first relates to the prominence of regional considerations, as illustrated by the fact that the US organised its alliances around regionally-defined threats and priorities with little communication between US alliances in different regions. The second relates to the very different approach to structuring alliance systems in Europe and Asia. The US-led alliance system in the Asia-Pacific during the Cold War is typically characterised as a "hub-and-spokes" model, whereby a dominant state established bilateral ties with different allies that had limited defence linkages with each other and were connected only through the US "hub". In contrast, Cold War NATO stands out as the quintessential example of a multilateral alliance structure in which every alliance member had robust defence ties with one another.

To be sure, both the notion that defence cooperation was organised around regions and that the European and Asian architectures exhibited radically different features are part real and part myth. For one, we saw important instances of cross-theatre cooperation and engagement during the Cold War, as illustrated by the involvement of multiple European allies in the Korea War, Britain's Five Power Defence Arrangements (FPDA) with Australia, Malaysia, New Zealand and Singapore, the Southeast Asia Treaty Organisation (SEATO) or Japan's unsuccessful bid to establish informal ties to NATO in the early 1980s – blocked by France⁹⁵. Despite these instances, however, the bulk of security cooperation remained regional. For another, multilateral and hub-and-spoke forms of alliance structure are ideal-type concepts. Even in Cold War Asia, there were instances of spoke-to-spoke and minilateral cooperation. For instance, Japan and South Korea did cooperate, albeit mostly when their doubts about the credibility of the US were at their strongest⁹⁶. Similarly, within Cold War NATO, meaningful divisions of labour existed alongside sub-regional clusters or minilaterals. One example is the cooperation between Norway, Denmark and the UK in the High North as regards to the so-called Greenland-Iceland-UK gap that Soviet submarines could have exploited. Thus, even if alliance structures were never purely bilateral or multilateral, the basic distinction between Europe's multilateral and Asia's bilateral alliance architectures remained largely intact throughout the Cold War period.

THE CO-EVOLUTION OF THE US REGIONAL ALLIANCE SYSTEMS

Over the past three decades, the region-centric and mirror-image assumptions have become even more blurred. In Europe, the collapse of the Soviet Union – the glue that held together the multilateral NATO – led different countries to focus on more localised challenges and group around bilateral and minilateral nodes of cooperation focusing on specific tasks. Eastern and northeastern European states tailored and coordinated their defence efforts around Russia's residual threat, which became more prominent after the Russo-Georgian war in 2008. For their part, western and southern European states largely configured their defence policies around such challenges as regional instability and terrorism. Although NATO always provided some unifying coherence in European security, throughout much of the 2000s and the early 2010s, the centre of gravity of defence cooperation thus shifted to the bilateral and minilateral nodes focusing on sub-regional or local threats. This is illustrated by the launch of Nordic Defense Cooperation (NORDEFCO) from 2009 onwards, the 2010 Franco-British 2010 Lancaster House Agreements or the development of the UK-led Joint Expeditionary Force (JEF).

To be sure, Russia's annexation of Crimea in 2014 presided over a progressive revitalisation of NATO and multilateral cooperation in Europe, particularly following the Alliance's decision at its 2016 Summit in Warsaw to deploy four multinational battalions to the eastern flank, an initiative known as Enhanced

⁹⁵ Op.Cit. "France Blocks Japanese Bid for Informal Ties to NATO".

⁹⁶ Cha, V.D. "Abandonment, Entrapment, and Neoclassical Realism in Asia: The United States, Japan, and Korea", *International Studies Quarterly*, 44(2) (2000): 261-291.

Forward Presence. However, even though the threat of Russian revisionism helped catalyse greater interest in deterrence and defence in a NATO context by western and southern European countries rhetorically, it was central and eastern European countries that led efforts to strengthen deterrence, both in a NATO context and through cooperation in bilateral and sub-regional clusters. Wary of European divergences and eager to consolidate security guarantees, allies along the northern and eastern flank have also been eager to strengthen bilateral ties with the US – a trend that was fuelled by the first Trump administration. To be sure, Russia's full-blown invasion of Ukraine in 2022 has spurred greater multilateral defence cooperation in a NATO context, a trend further animated by the Biden administration. However, bilateral and sub-regional defence cooperation has broadly persisted across different US administrations.

In the Indo-Pacific, an opposite trend has emerged. China's increasingly assertive behaviour has catalysed greater strategic cooperation among previously disconnected US allies and partners. Japan has emerged a key node in the Indo-Pacific, having strengthened bilateral ties with countries like Australia⁹⁷ and the Philippines⁹⁸, and becoming involved in various trilaterals – notably with South Korea and the US – and quadrilaterals (e.g. the QUAD or Squad). Meanwhile, New Zealand and the Philippines signed a mutual logistics support agreement⁹⁹, and worked to expand defence cooperation more broadly¹⁰⁰. Other examples include the Philippines-Australia Status of Visiting Forces Agreement or the South Korea-Australia Comprehensive Strategic Partnership (CSP)¹⁰¹. The Biden administration's "lattice-work" approach stimulated these efforts at fostering spoke-to-spoke interaction. However, these same efforts can also be traced back to the 2018 US National Defense Strategy, as the Trump administration's focus on China paved the way for a more networked security architecture in the Indo-Pacific.

EMERGING INTERCONNECTIVITY BETWEEN US-LED ALLIANCE SYSTEMS IN ASIA AND EUROPE

Alongside the ongoing transformation of respective alliance systems in Europe and Asia challenging the notion of mirror-image alliance architectures, the two regions are simultaneously becoming increasingly interconnected, resulting in enhanced cooperation between the – traditionally separate – two alliance ecosystems. The context here is the gradual but certain cross-theatre threat convergence among US-led alliances, spurred by three distinct but closely interrelated concerns related to China's rise and return of great power revisionism more generally¹⁰². The first has to do with both Asian and – increasingly – European allies' growing nervousness about the sustained and multidimensional challenge that China poses to international order. The second relates to the fast-expanding political, economic, military and technological cooperation between Beijing, Moscow and Pyongyang, linking the different theatres in tangible ways. The third concerns the more direct military challenge that China poses to Indo-Pacific security, and therewith US global power projection capabilities more generally. Thus, although the implications for Asian allies are more direct, these trends affect Europeans significantly given the global importance of the Indo-Pacific in terms of trade, security and technological innovation and, critically, the potential impact of an Indo-Pacific contingency on US global force allocation.

⁹⁷ Graham, E. "Is Australia-Japan Defence Cooperation About to be Throttled Up?", *ASPI The Strategist*, 5 March 2024.

⁹⁸ Tana, M.T.C. "Japan-Philippines Defence Deal Reflects Regional Security Dynamics", *East Asia Forum*, 9 September 2024.

⁹⁹ "Philippines, New Zealand Bolster Defense Ties with New Logistics Agreement", *Defence Mirror*, 10 June 2024.

¹⁰⁰ Reyes, M.T. "Joint Patrols, Defense Agreements Bolster New Zealand-Philippines Strategic Partnership", *Indo-Pacific Defence Forum*, 7/11/2024.

¹⁰¹ Dean, P. "The South Korea-Australia Partnership: State of Play", *United States Studies Centre*, 23 October 2024.

¹⁰² Op.Cit. "NATO's China and Indo-Pacific Conundrum".

These shared concerns over China's rise have spurred the recognition in both alliance systems that more cross-regional cooperation is necessary. Russia's full-scale invasion of Ukraine in February 2022 was a key accelerator in this regard. Surely, wariness about China dates further back, also in Europe, as demonstrated first more cautiously in NATO's 2019 London Declaration¹⁰³ and later more explicitly in the 2021 Brussels Summit Communiqué¹⁰⁴, which devoted two full paragraphs to China.

Yet it has been Beijing's critical cushioning of Moscow's war effort in Ukraine as well as the fast-expanding military cooperation between Moscow and Pyongyang – most recently illustrated by 10,000 North Korean troops joining Russia in combat¹⁰⁵ and the signing of a mutual defence provision between the two countries¹⁰⁶ – that is tying the two alliance systems ever more closely together. There is also no guarantee that China will not try – albeit stealthily – to expand its own military role in the future, not least to enhance the military and combat experience of PLA personnel. In Asia, allies worry about how technology transfers, exchanges of battlefield lessons and political cooperation with Russia might complicate their respective threat environments¹⁰⁷. South Korea, as a result, now considers supplying weapons to Ukraine¹⁰⁸ in addition to the humanitarian and more indirect military support that IP4 countries have provided since the start of the full-scale war¹⁰⁹. In this regard, the former administration's emphasis on connecting like-minded allies and pushing back against the global challenge posed by an authoritarian axis has been a critical factor behind growing cross-regional cooperation among US allies.

Thus, while US allies in NATO and the Indo-Pacific may differ when it comes to their main threat referents and areas of responsibility, their strategic and operational priorities appear to increasingly align. Each respective alliance system grapples with the question of how to strengthen deterrence by denial in the face of great power revisionism and related A2/AD challenges, and how to generate the forces, operational concepts, capabilities and technologies required to that end.

Additionally, NATO countries' concern about US resource diversion towards the Indo-Pacific necessitates an improved understanding as to how an Indo-Pacific contingency may affect US military resources and planning. The reverse is also true, with IP4 partners concerned that any major conflict over Ukraine with Russia, would steer vital US resources away from the Indo-Pacific region. To this end, the two regional alliance systems increasingly benefit from mutual learning in operational planning or the development of joint capabilities and technologies.

In recent years, US allies in Europe and the Indo-Pacific have expressed interest in developing greater diplomatic and strategic ties across the two regions. Substantive engagement between NATO allies and the IP4 countries emerged with the 2022 Madrid Summit, as NATO's new Strategic Concept emphasised that 'the Indo-Pacific is important to NATO, given that developments in that region can directly affect Euro-Atlantic security' and called for strengthening dialogue and cooperation¹¹⁰.

Critical to enhanced NATO-IP4 cooperation has been the conclusion of Individually Tailored Partnership Programme agreements between NATO and Australia, Japan, New Zealand and South Korea as well as the launch of four NATO-IP4 joint projects on Ukraine, AI, disinformation and cyber security¹¹¹.

At the bilateral level, countries like France, the UK, and, to a lesser extent, Germany have developed and diversified their diplomatic and security partnerships in the Indo-Pacific in such areas as logistics support, maritime security, information exchanges, space cooperation, military exercises and arms sales. Recent

¹⁰³ NATO, "London Declaration", 4 December 2019.

¹⁰⁴ Op.Cit. "Communiqué of the Brussels Summit".

¹⁰⁵ "North Korean Soldiers Joining Russia in Combat, US State Dept Says", *Reuters*, 12 November 2024.

¹⁰⁶ "Putin Signs into Law Mutual Defense Treaty with North Korea", *Reuters*, 9 November 2024.

¹⁰⁷ McCurry, J. and Harding, L. "Blood Alliance: Why South Korea Fears North's Involvement in Ukraine War", *The Guardian*, 25 October 2024.

¹⁰⁸ Lee, D.D. "With North Korea's Troops in Russia, South Koreans Weigh Role in Ukraine", *Al Jazeera*, 4 November 2024.

¹⁰⁹ Cancian, M.F. and Park, C.H. "Can South Korean 105-Millimeter Ammunition Rescue Ukraine?", *CSIS Report*, 22 March 2024.

¹¹⁰ Op.Cit. "NATO 2022 Strategic Concept".

¹¹¹ Moriyasu, K. "NATO to Launch 4 Projects with Indo-Pacific Partners, Including AI and Cyber", *Nikkei Asia*, 10 July 2024.

examples include ongoing negotiations between France and the Philippines on an access agreement or far-reaching defence industry cooperation between South Korea and Poland.

As Warsaw has been rapidly expanding its defence expenditures since the 2022 invasion of Ukraine, it turned to Seoul for the delivery of tanks, howitzers and rocket launchers¹¹². South Korea's defence industrial capacity and related ability to deliver rapidly played herein a key role, as well as South Korea's greater openness to technology-sharing and co-production¹¹³. In a similar vein, South Korea and Romania concluded a defence cooperation agreement in the spring of 2024 as they recognised the need to work more closely together in light of Russian aggression, North Korean nuclear and missile developments and expanding Russia-DPRK cooperation¹¹⁴. A few months after signing the agreement, the two countries announced Romania's acquisition of K-9 Howitzers while announcing an intent to expand future sales to infantry fighting vehicles, tanks and air defence systems¹¹⁵.

Allies have also intensified their cooperation in the context of various cross-regional minilateral initiatives with or without the US. The AUKUS deal between the US, Britain and Australia has been the most critical of such efforts seeking to enhance allied military capabilities, interoperability and deterrence. The trilateral security partnership involves the provision of nuclear submarines to Australia, cooperation in emerging and disruptive technologies, and a trilateral submarine force posture initiative, known as Submarine Rotational Forces West, which will see US Virginia-class submarines and one British Astute-class submarine begin rotational deployments to Western Australia's HMAS Stirling naval base as early as 2027. The Italy, Japan, UK GCAP has been another cross-theatre defence industrial partnership tying the two regions together¹¹⁶.

In short, we are witnessing growing synergies between the two regions, crystalising through variable formats and nodes of cooperation – primarily bilateral and minilateral – involving the US and its European, and Indo-Pacific allies and partners. Growing cooperation between Russia, China and the DPRK on the back of the Ukraine war has surely raised awareness amongst NATO and America's Indo-Pacific allies about the two regions strategic interconnectedness, and spurred greater cross-regional cooperation. And so have the Biden administration's emphasis on countering the Sino-Russian's threat to global order. Nevertheless, the seeds for greater cross-theatre cooperation were already planted during the first Trump administration, who went to great lengths to get Europeans to take China's rise more seriously, thus paving the way for greater cooperation between NATO and IP4.

¹¹² Guccione, O.L. and Turillazzi, A. "Poland Flexes Its Muscles: Partnering with South Korea for Europe's Eastern Defense", *GMF Insights*, 23 October 2024.

¹¹³ "Hanwha Aerospace and WB Group Sign MoU to Produce Artillery Rockets in Poland", *Defence Industry Europe*, 9 September 2024.

¹¹⁴ Government of South Korea, "Joint Statement on Strengthening the Strategic Partnership between the Republic of Korea and Romania", 24 April 2024.

¹¹⁵ "South Korea Inks \$939 Million Weapons Supply Deal with Romania", *Armen Press*, 10 July 2024.

¹¹⁶ Patalano, A. and Watkins, P. "LEAP' Forward: Building a GCAP Generation", *Freeman Air and Space Institute*, Paper 21, March 2024.

CONCLUSION

Growing cross-regional cooperation between America's European and Indo-Pacific allies has coincided with a transformation of defence cooperation patterns within regions, with Europe seeing more initiatives below the NATO level and the Indo-Pacific witnessing greater spoke-to-spoke cooperation. Against the backdrop of these twin developments, the myths about US-led alliances being framed exclusively in regional terms and following a multilateral vs. bilateral logic (i.e. in Europe and Asia respectively) appear to be eroding. The convergence between traditionally separate alliance systems has been driven by a widespread awareness about the return of great power competition, the strengthening of political-military cooperation between revisionist powers China and Russia and shared concerns about maintaining credible deterrence as the US faces two great power adversaries. In this regard, the Russo-Ukrainian War has underscored both the necessity and the challenges associated within and across America's European and Indo-Pacific alliances.

Given the centrality of the US in the networking of alliances in Europe and the Indo-Pacific, questions remain as to the sustainability of these trends. Under the second Trump administration, a significant recalibration of US global priorities and policies may affect the way in which cooperation among allies takes shape. President Trump's instinct may well be to favour bilateral cooperation over minilateral and multilateral initiatives, as his first term in office attests to. The Trump administration may also be less inclined to foster cross-regional linkages. Moreover, a more decisive focus on China and specifically its threat to the Indo-Pacific (i.e. as opposed to past efforts to cast China as a global and normative challenge) will probably lead the Trump administration to de-prioritise Europe, and encourage Europeans to focus squarely on their own region.

That said, a China-centric focus on the part of the Trump administration could also incentivise further cross-regional cooperation among US allies. After all, the US put much emphasis on getting NATO and Europeans to take China seriously during Trump's first mandate. Moreover, many of the cross-regional processes that have been put in place (e.g. NATO-IP4 cooperation) over the last few years will have their own bureaucratic rhythm. Besides, a not insignificant share of cross-regional initiatives take place with limited or no US involvement, including GCAP or bilateral cooperation between South Korea and Poland or Romania or bilateral Indo-Pacific outreach by France, the UK and Germany. In fact, America's European and Indo-Pacific may seek greater spoke-to-spoke and cross-regional connections as a way to mitigate abandonment concerns and a transactional approach to alliances.

An "America First" policy could thus cut two ways insofar as alliance networking is concerned. On the one hand, it may undermine cooperation amongst US allies within and across regions, as a result of a focus on bilateralism and regional trade-offs. On the other, its emphasis on competition with China could incentivise the Trump administration to look for ways to leverage within- and cross-regional networking, even if emphasising bilateralism and US centrality. However, given the structural drivers underpinning the transformation of intra- and cross-theatre alliance cooperation, the alliance networking in Europe and Asia may well be here to stay regardless of the policies that the Trump administration could pursue.

CONCLUSIONS

This In-Depth Paper has probed the nature of shifting geopolitics in the Indo-Pacific and it has analysed the key dynamics at play including China's growing coercive military actions. We have charted NATO's historical relations with the Indo-Pacific and provided an account of evolving alliance dynamics across the Euro-Atlantic and Indo-Pacific regions. The paper has also discussed the importance of military-technology cooperation and the challenges of technology transfer. Indeed, this paper stated that the three core objectives of NATO's focus on – and partnership with – the Indo-Pacific should be to: 1) set the right priorities for cooperation; 2) take the China threat more seriously; and 3) embrace flexibility in the context of regional cooperative formats.

GETTING THE PRIORITIES RIGHT

In this In-Depth Paper, we have called for **NATO and IP4 to prioritise deterrence by denial in their respective regions**. This is the main way for Europeans to offset any US need to dedicate significant military forces and capabilities to the Indo-Pacific, and it is a way for Indo-Pacific partners to enhance deterrence by denial in their own region. Indeed, Russia's military actions in Ukraine have already led NATO to ramp-up its defence production and capability acquisition. Further steps in this direction are being planned and are well-warranted. We also see a growing military ramp-up in the Indo-Pacific, with Australia, Japan, the Philippines and others expanding defence investments and military cooperation. We should not see NATO-IP4 cooperation as some form of global alliance, therefore, but rather a **partnership that helps generate a cross-theater ecosystem of concepts, doctrines, capabilities, technologies and standards geared to strengthening deterrence by denial in their respective regions**. In this respect, we call for Euro-Atlantic and Indo-Pacific partners to learn from each other, particularly in the combination in key areas such as force enablement, resilience and integrated air and missile defence and long-range strike.

In the context of a growing China-Russia partnership, a core feature of the NATO-IP4 partnership should be to permanently exchange analysis and intelligence on the China-Russia and the DPRK-Russia relationships, and to coordinate their approaches towards China, Russia and DPRK. Beyond the pitfalls or merits associated with trying to "leverage Russia against China" in the long term or "leaning on China to restrain Russia" in the short term, it would be advisable for the US and its Euro-Atlantic and Indo-Pacific allies to coordinate their approach vis-à-vis the China-Russia relationship. Such coordination is essential to avoid the risks of drawing different conclusions about how their relationship may evolve, framing their policies on the basis of different premises and planting the seeds for internal divisions.

MAKE IT ABOUT CHINA

Beyond the need to prioritise, we also call here for NATO's China and Indo-Pacific agendas, all too often considered separately, to be brought together. Under the Trump administration, the US is unlikely to distinguish between China and the Indo-Pacific and so **NATO and IP4 partners should devise a more integrated strategic response to China's coercive activities** in the Indo-Pacific and beyond. This paper has shown that China's growing military power in the Indo-Pacific poses short- and long-term challenges including the expansion of its nuclear forces, conventional military forces and grey-zone operations in the maritime domain. China's partnership with Russia over Ukraine also means that NATO has no option but to continue to factor-in China in its strategic calculations. The reality is that **China's growing military reach means that there are significant risks to NATO** allied interests including the disruptions to global commerce and navigation that a potential conflict in the Indo-Pacific may cause. Any conflict in the Indo-Pacific could also drastically reduce the US' bandwidth to militarily reinforce Europe in case of further Russian aggression.

On the military-technology front, China has drastically increased its defence spending and it is investing in a range of A2/AD capabilities, its navy and its ballistic missile inventory. China is using such capabilities to expand its military presence in the Indo-Pacific and to engage in coercive military actions against its neighbours. Beijing has also operated beyond its shores in areas like the Baltic Seas and the Arctic, which poses a more direct threat to NATO in areas such as critical infrastructure (i.e. subsea cables). However, several NATO allies are currently engaged in measures to boost the military-technological standing of the Alliance and its partners in the face of China's growing power and the ongoing Russian military threat. AUKUS, GCAP and other initiatives are examples of **allies and partners seeking to invest in warfighting, disruptive technologies** including autonomous systems, quantum technologies, AI, cyber defence, electronic warfare and hypersonic technologies. Across the Euro-Atlantic and Indo-Pacific regions, far more attention is dedicated today to defence innovation and this paper has shown how NATO allies and the IP4 are investing in hypersonic missiles, directed energy, long-range fires and more. Such efforts are also geared towards closing the gap between public and private actors including militaries, defence establishments, researchers, scientists and venture capital investors.

While cooperation between Euro-Atlantic and Indo-Pacific partners holds even more potential, more can be done to enhance collaboration in specific policy areas. For example, this paper has shown the limits to military technology transfers with a whole series of extraterritorial regulations conspiring to dampen military development and cooperation between partners. AUKUS shows us that **it is possible to create technology transfer regimes**, but it is more generally extremely difficult to share information, data, software and more in the military domain. Despite this, there is evidence to show that such technology transfers can occur between certain NATO allies and partners in the Indo-Pacific. This has been shown in this paper through the logistical, space, naval, missile and armoured vehicle cooperation ongoing between Australia, Japan and South Korea and select European partners, respectively. In this respect, NATO-IP4 cooperation might be expanded in the area of military technology innovation and development.

EMBRACE FLEXIBILITY

While **the NATO-IP4 framework provides a unique venue to bring together US allies in the two regions**, many relevant initiatives to further defence cooperation at the cross-regional level are of a bottom-up nature, and take place in the context of bilateral or minilateral groupings such as AUKUS, GCAP or individual procurement initiatives. Relatedly, efforts to coordinate policies among various allies in key areas like technology or infrastructure resilience also take place in smaller clusters such as the G7, the Quad or the EU-US Trade and Technology Council. These fora are essential to the way that Euro-Atlantic and Indo-Pacific partners and allies address specific policy areas. For example, it may be far more expeditious to discuss questions of geoeconomic competition and the weaponisation of trade and supply chains in specific bilateral or minilateral formats (e.g. G7 or EU). Likewise, the geographical specificity of certain threats and the affected, frontline, states may make it more realistic to cooperate in more tailored settings (e.g. the Squad or Quad).

While **NATO and the IP4 should recognise the added-value of smaller and flexible groupings**, however, they should also think of ways to monitor, liaise with and complement them as appropriate. By creating common standards and principles, NATO and IP4 countries can enable and augment many of the existing initiatives, even if much of the implementation will probably take place in bilateral and minilateral settings. In practical terms, this can be achieved in a modest way by ensuring the presence of the NATO Secretary General at multilateral, minilateral and bilateral meetings. By extension, in specific fora the plenipotentiaries of NATO and the IP4 countries can also be invited to participate in discussions on defence and economic security. To be clear, we do not see scope for any formalisation of the IP4 and its informal nature may even be its strength, as partners can better navigate politically sensitive dossiers. What is more, a more flexible approach has the benefit of hampering China's approach to "divide and rule" individual Indo-Pacific partners, although the downside of flexibility is the risk of duplication across a growing number of bilateral and minilateral arrangements between allies and partners.

SPECIFIC RECOMMENDATIONS

With these three general sets of recommendations in mind, we present a range of specific recommendations for consideration by NATO and its partners in the Indo-Pacific.

- The Alliance needs to continue to push NATO allies to **expand defence investment** so that European allies can enhance their military capabilities, inventories and industry, thereby strengthening deterrence in the Euro-Atlantic. The strategic and political signals coming from Washington suggest that a key priority will be to encourage a more balanced division of labour within NATO, whereby European partners gradually take primary responsibility for conventional security on the continent. The NATO hierarchy is already embracing the call to move beyond the 2% of GDP benchmark, with certain NATO allies already investing upwards of 3-4% of GDP in defence. However, the focus should go beyond inputs (i.e. spending) to include outputs, i.e. the fielding of warfighting capabilities required to underpin deterrence by denial. The US administration is also likely to pressure its Indo-Pacific allies into spending more on defence too, so there is an opportunity for NATO and the IP4 countries to exchange best practices on making best use of additional investment for ramping up industrial production, growing domestic defence technological bases and prioritising capabilities required to implement deterrence by denial.
- There is a need to **strengthen the operational and doctrinal dimensions** of NATO-IP4 cooperation. In time, this can be achieved by bolstering the presence of IP4 nations into NATO's Supreme Headquarters Allied Powers Europe (SHAPE) and Allied Command Transformation (ACT), as well as encouraging more officer exchanges. Building upon the NATO Defence Planning Process (NDPP), NATO-IP4 coordination could help highlight the existing trade-offs in the availability of US forces. The idea would be to enhance mutual learning in operational planning and to allow the development of joint capabilities

(e.g. strategic enablers) and technologies to offset reliance on a single provider of critical capabilities. Wargaming and scenario development would also aid this operational and doctrinal cooperation, but so too could greater involvement of the IP4 nations in specific NATO bodies and initiatives (e.g. the Joint Analysis, Training and Education Centre (JATEC) or the Operational Capabilities Concept Evaluation and Feedback Programme (OCC E&F)).

- NATO and the IP4 need a more coherent approach to Russia-DPRK relations, which should be based primarily on intelligence exchanges. In order to **better understand the extent and specificities of the Russia and North Korea partnership**, the Individually Tailored Partnership Programmes (ITPP) or an expanded Non-NATO Nations (NNN) framework that includes Japan and the Republic of Korea could be used as a basis with individual IP4 nations to enhance the secure exchange of (military) intelligence emerging from Russia, North-East Asia and the battlefield in Ukraine.
- **Enhancing NATO's presence in the Indo-Pacific** should be considered with more urgency. While there is no need for Allied headquarters or permanent military assets in the Indo-Pacific, the Alliance should have eyes and ears in the Indo-Pacific and be prepared to react to an Indo-Pacific contingency by both assisting US military efforts therein and filling possible deterrence gaps in the Euro-Atlantic region so as to offset the risk of opportunistic (secondary) aggression by Russia. This requires stronger links with relevant regional-level strategic and tactical commands – notably INDO-PACOM but also EUCOM and USNORTHCOM –, with functional commands critical to strategic deterrence and space awareness – USSTRATCOM and USSPACECOM – and with Japan and Australia – given their centrality to Indo-Pacific deterrence. This would also include more military-to-military dialogues and exercises, educational exchanges and track 1.5 dialogues.
- This paper recognises that both NATO and the IP4 partners are adapting to a strategic era marked by deterrence by denial. “Denial defence” is anticipated to become the common denominator responsible for shaping force constructs as well as determining the cycles of defence industrial production in both regions. While this development presents challenges, it also offers the opportunity to expand defence industrial bases in the Euro-Atlantic and Indo-Pacific theatres. It is therefore crucial to identify ways to **enhance the collective defence industrial capacities and production capabilities within both Europe and the Indo-Pacific**. This can be accomplished through collaborative endeavours aimed at achieving enhanced efficiency and scalability. In this sense, allies can provide substantial value by contributing strategic industrial depth, offering manufacturing capacity and mass-producing the fungible capabilities required to support a credible deterrence by denial strategy across the Euro-Atlantic and Indo-Pacific theatres. This promises to yield important gains in terms of efficiency, scale and speed of delivery.
- At the same time, NATO can support the efforts of IP4 countries to scale-up on long-range precision strike assets, comprehensive air and missile defence, space, cyberspace and electronic warfare. It can do so by helping to **facilitate the sharing of technological information and technical specifications** between NATO allies and the IP4 countries. The promotion and uptake of NATO standards (STANAGs) is particularly promising to ensure greater military interoperability between NATO and IP4 partners. Russia's war on Ukraine has underlined the need for allies and partners to have reliable stocks of ammunition and military equipment in place, with common standards ensuring a minimum degree of military interoperability. Such measures are increasingly salient in the context of any conflict in the Indo-Pacific, although greater attention is required to understand the specific needs of the IP4 partners.
- It is encouraging to see the **NATO-IP4 “flagship” projects** for support to Ukraine, cyber defence, countering disinformation and disruptive technologies in place. In time, such a projects should move beyond dialogue to seek out specific opportunities for joint action and funding. Specifically, NATO-IP4 cooperation should increasingly be focused on cyber defence and China's growing technological progress and assertiveness in critical technology domains such as quantum computing and AI.

- Working with the EU and the US, NATO should continue to **stress the scientific, technological and industrial rise of China** and to raise awareness about Beijing's weaponisation of economic ties with Europe. Deliberations in NATO could lead to a exchanges of information on China's investment in and procurement of strategically salient infrastructure and economic operators in Europe. NATO and IP4 partners need specifically to device strategies to ensure secure stocks of raw materials and enabling technologies. A strong emphasis should be placed on intelligence and counter-intelligence cooperation.
- NATO should consider enhancing its internal organisational capacities in Brussels for China analysis. Currently, the Alliance embodies substantial expertise on Russia and related matters, but it has not built-up its **in-house China expertise**. To understand China's actions and impulses better, NATO should look at recruiting China expertise and providing the necessary infrastructure for China analysis. Such expertise could be accompanied with more frequent expert meetings on China at NATO headquarters.
- Although NATO will unlikely have a direct military "footprint" in the Indo-Pacific, this does not mean that the Alliance should not be involved in **discussing the lessons learned from the maritime exercises and freedom of navigation operations** conducted by individual allies. This can help boost interoperability, visibility and operational experience. As we have noted in this paper, emerging and disruptive technologies will need to be tested and demonstrated and military exercises involving NATO allies and IP4 countries is an ideal location for doing so. NATO can use its convening power to bring together relevant military partners and industrial and research partners from across the Indo-Pacific and Euro-Atlantic regions.
- More generally, NATO can help **develop defence innovation cooperation** between the Euro-Atlantic and Indo-Pacific regions by utilising existing NATO structures for information exchange on innovation efforts and military-technological developments. In particular, bodies such as the NATO Industrial Advisory Group (NIAG) can facilitate industry-to-industry and industry-to-government dialogue to seek out the potential for joint technology horizon roadmaps, the development of standards and best practices for IPR management in defence. NATO should further analyse how it can better open DIANA and the NATO Innovation Fund to partners in the Indo-Pacific.

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