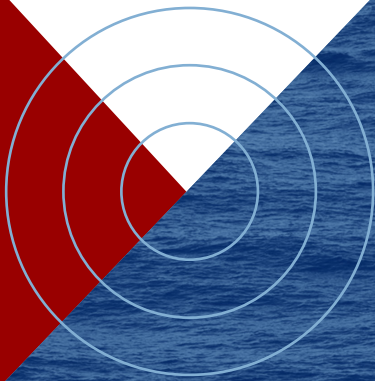


# The Future of Security in the Indo-Pacific

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## ABOUT THE AUTHORS

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*This workshop is made possible in part by  
Carnegie Corporation of New York.*

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## ABOUT PERRY WORLD HOUSE

Perry World House is a center for scholarly inquiry, teaching, research, international exchange, policy engagement, and public outreach on pressing global issues. Perry World House's mission is to bring the academic knowledge of the University of Pennsylvania to bear on the world's most pressing global policy challenges and to foster international policy engagement within and beyond the Penn community.

Located in the heart of campus at 38th Street and Locust Walk, Perry World House draws on the expertise of Penn's 12 schools and numerous globally oriented research centers to educate the Penn community and prepare students to be well-informed, contributing global citizens. At the same time, Perry World House connects Penn with leading policy experts from around the world to develop and advance innovative policy proposals.

Through its rich programming, Perry World House facilitates critical conversations about global policy challenges and fosters interdisciplinary research on these topics. It presents workshops and colloquia, welcomes distinguished visitors, and produces content for global audiences and policy leaders, so that the knowledge developed at Penn can make an immediate impact around the world.

# Introduction

<< In a period of intensifying geopolitical competition, the Indo-Pacific region has become a central arena where strategic, economic, technological, and legal challenges shape the future of international security. >>

In a period of intensifying geopolitical competition, the Indo-Pacific region has become a central arena where strategic, economic, technological, and legal challenges shape the future of international security. Many of the commitments and norms underpinning the regional order face reassessment. Perry World House convened experts, scholars, and practitioners for a workshop focused on security issues in the Indo-Pacific region on April 9-10, 2025. This workshop discussed key areas likely to evolve under a second Trump administration, including minilateral groupings, regional deterrence, and the role of international law, especially in the South China Sea. It also identified potential disruptive risks to peace and stability in the Indo-Pacific. The workshop was structured around four panels:

## **Minilateralism in the Age of Trump 2.0**

discussed the existing architecture and likely trajectory of smaller international groupings in the Indo-Pacific. During the first Trump and Biden administrations, the United States focused on the creation and development of smaller “minilateral” forums. The strengthening of the Quad (made up of Australia, India, Japan, and the United States) and the creation of the Australia-UK-United States (AUKUS) pact have marked key security collaborations with traditional U.S. allies and partners. Other countries, such as the Philippines and Japan, sought to further enmesh themselves into the Biden administration’s “lattice-work” of minilateral groupings. Participants discussed the evolution of these groups and debated whether they will be

strengthened as the Trump administration increases its focus on the Indo-Pacific or undermined as disputes about tariffs or other economic security issues impede cooperation.

## **The Future of Deterrence in the Indo-Pacific**

focused on how the United States might adjust its military posture, force structure, and defense investments given evolving foreign policy priorities. Panelists discussed Washington’s likely approach to negotiating with Beijing, including levers that the Trump administration might use to curtail People’s Republic of China (PRC) military and technological developments. Additionally, panelists reexamined how different military contingencies will inform U.S. force planning and how U.S. allies and partners might change military investments, postures, and capabilities to support deterrence and warfighting if deterrence fails.

## **International Law and Conflict Disputes:**

**The Case of the South China Sea** discussed the role that international law can play in the future settlement of the South China Sea issue among disputant parties. While the Philippines received a major victory at the Permanent Court of Arbitration in 2016, the lack of teeth and enforcement, coupled with the priorities of then-President Rodrigo Duterte, have demonstrated key weaknesses in the utilization of international law to reduce PRC gains. Participants debated the region’s response to a possible second case from Manila against Beijing and/or increased aggressive

measures from Beijing to pursue its claims, along with the relationship between Beijing's interests in the South China Sea to Taiwan.

**Black Swans and Gray Rhinos in the Indo-Pacific** analyzed events that could upend the regional order. While the United States and its alliance network have worked to deter conflict in the South China Sea and Taiwan Strait, there are a number of other issues that could greatly change regional dynamics. Natural disasters, such as the 2004 Indian Ocean earthquake or the 2011 Fukushima nuclear accident, changed international politics in the past. The panelists also addressed the potential for a cataclysmic event like a nuclear disaster in the Democratic People's Republic of Korea. Given the Trump administration's reevaluation of U.S. priorities, there was discussion about the possibility that President Donald Trump could withdraw from at least one security treaty with an Asian ally. Participants also debated the prospects of new bilateral or trilateral relationships developing and their effects on the regional order.

The *Future of Security in the Indo-Pacific* workshop expanded Perry World House's focus on transnational security issues confronting the Indo-Pacific. The workshop continued the institute's focus on some of the most important issues facing the world, such as changing power relations, the impact of new and emerging technologies, and the global economy in an interdependent world. It followed related conversations on the Indo-Pacific at Perry World House. Previously, the institute convened workshops and conferences related to the future of Taiwan's geopolitics, new nuclear dynamics in Northeast Asia, economic security, and maritime security.<sup>1</sup> This workshop also served to fulfill Perry World House's mission to leverage the University of Pennsylvania's academic research to address global policy issues in part by "bridging the gap" between academia and the policy community for stronger policy solutions.

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1 Zoe Jordan and Thomas J. Shattuck, *Maritime Security in an Age of Uncertainty*, Perry World House, October 2024, <https://perryworldhouse.upenn.edu/programs-and-reports/reports/maritime-security-in-an-age-of-uncertainty/>; Zoe Jordan and Thomas J. Shattuck, *Taiwan's Geopolitics After 2024: Election Implications for the Indo-Pacific and Beyond*, Perry World House, March 2024, <https://perryworldhouse.upenn.edu/programs-and-reports/reports/taiwans-geopolitics-after-2024-election-implications-for-the-indo-pacific-and-beyond/>; and Catalina Udani, *Economic Security and the Future of the Global Order in the Indo-Pacific*, Perry World House, February 2023, <https://perryworldhouse.upenn.edu/programs-and-reports/reports/economic-security-and-the-future-of-the-global-order-in-the-indo-pacific/>.

# Key Takeaways

<< International relations are decisively more transactional, with many in Washington believing that geopolitics in one region can be closed off from others. >>

## Alliances and Partnerships in the Indo-Pacific

Workshop participants described the contemporary era as being in the throes of a paradigm shift, without a clear picture of what the new paradigm will ultimately become. International relations are decisively more transactional, with many in Washington believing that geopolitics in one region can be closed off from others. For example, some officials have suggested that reducing security guarantees in Europe will not echo across the Indo-Pacific,<sup>2</sup> and leader-level personalities increasingly drive partnerships on a bilateral basis, most evidently in the relationship between Trump and Indian Prime Minister Narendra Modi. Participants discussed a number of possible policy approaches, focusing on the United States in particular, though there is relevance for many countries in the Indo-Pacific.

Recommendations discussed during the workshop included:

- **Deliver Results via Minilaterals.** The “say-do” gap within minilaterals, particularly the Quad, creates the need for these groupings to reinvigorate themselves with concrete deliverables. In an era of global change and focus

on the Indo-Pacific, minilaterals must work to remain at the forefront of regional issues by demonstrating clear purpose backed by successful results.

- **Incorporate New States and Functional Areas into Existing Minilateral Frameworks.** New areas of focus such as energy security could be included in existing minilateral structures. U.S. regional allies, such as South Korea, New Zealand, or Japan, could be incorporated into specific minilateral projects related to energy security, emerging technology, or maritime domain awareness expansion in the Indian Ocean. The addition of these areas into the existing frameworks of the Quad, AUKUS, and other minilaterals would elevate their prowess and create new pathways for cooperation.
- **Promote Regional Ownership and Indo-Pacific Agency.** Rather than framing minilateralism in terms of U.S.-China competition, member countries could emphasize regional agency. Encouraging the Association of Southeast Asian Nations (ASEAN) and other local forums to lead on issue-specific efforts—such as energy security, infrastructure development, and supply chain diversification—will help to localize cooperation and

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2 Conner O'Brien and Joe Gould, “Pentagon policy chief hearing highlights GOP foreign policy divide” *POLITICO*, March 4, 2025, <https://www.politico.com/news/2025/03/04/elldridge-colby-hearing-senate-ukraine-00210865>.



to increase the burden-sharing of regional partners. U.S. support can enhance these platforms' effectiveness without crowding out regional priorities.

- **Support Legal Initiatives that Contest and Document PRC Expansionist Activities.** The United States, Philippines, and other likeminded nations in the region could clearly articulate the success of deterring PRC behavior in the South China Sea to encourage other disputants to continue pursuing their claims. For example, the Philippines could table a non-binding United Nations General Assembly (UNGA) resolution calling for the PRC to comply with the 2016 arbitral ruling. The United States and its allies can continue freedom of navigation operations (FONOP) as an enforcement of the 2016 arbitration ruling. The expansion of U.S. FONOPs in the South China Sea to contest PRC activity was a clear success from the first Trump administration that can be continued.

### Informal Groupings: Minilaterals in the Indo-Pacific

How will “minilateralism” evolve in this new environment? While the definition, size, and formalism of “minilateral” groupings have changed, minilateral groupings have grown in terms of political participation and importance. In the Indo-Pacific, key minilaterals include the Quad, AUKUS, I2U2 (India, Israel, the United Arab Emirates, and the United States), and India-Middle East-Europe Economic Corridor (IMEC).<sup>3</sup> Under the second Trump administration, participants expected minilaterals to be defined more by self-help behavior and more frequently managed through bilateral efforts.

Because of their lack of formalization and their opt-in nature, minilaterals are only as effective as their perceived utility. While concerns about maintaining deterrence, preventing proliferation, sharing technology, or relying on the dollar in international finance might push like-minded countries to cooperate on discrete issues, these diplomatic fora will only be as effective as Washington perceives them to be. Domestically, U.S. staffing shortages, decreased bureaucratic capacity, and an uncertain policy environment will have consequences for partners and allies. Convening dialogues and high-level meetings requires significant staff work. For example, the recently announced U.S. Department of State restructure will eliminate offices important to regional engagement on values-based issues, such as the restructured Bureau of Democracy, Human Rights, and Labor, while personnel capacity will be significantly reduced with an estimated fifteen percent planned reduction of staff outside the United States.<sup>4</sup>

In prior administrations, however, interest alone was insufficient to provide deliverables. For example, the Quad was designed to compete with China, but there have been few concrete initiatives that can effectively counter Chinese public goods provision or influence in the Indo-Pacific. Aside from the Quad Fellowship providing academic scholarships for citizens within the four Quad member states, participants struggled to identify headline success stories from Quad efforts.

Pursuing “minilaterals for minilateral’s sake” is not a long-term strategy. There was consensus among workshop participants that the new administration is interested in oil and gas, energy, maritime security, and the space domain, which could suggest

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3 See Sheila Smith, “The Quad in the Indo-Pacific: What to Know” CFR, May 27, 2021, <https://www.cfr.org/in-brief/quad-indo-pacific-what-know>, “AUKUS: The Trilateral Security Partnership Between Australia, U.K. and U.S. Department of Defense. <https://www.defense.gov/Spotlights/AUKUS/>, “I2U2.” U.S. Department of State. <https://www.state.gov/i2u2>, Kristina Kausch “IMEC’s Comeback” German Marshall Fund, April 11, 2025 <https://www.gmfus.org/news/imecs-comeback>.

4 See Marco Rubio, “Building an America First State Department” U.S. Department of State. Press Release. April 22, 2025. <https://www.state.gov/building-an-america-first-state-department/> and Eric Bazail-Emil, “State Department releases reorganization plan” *POLITICO*, April 22, 2025, <https://www.politico.com/news/2025/04/22/state-department-reorganization-plan-00302606>.

continued investment in existing structures such as the Quad Investors Network (QUIN).<sup>5</sup> Yet, the Trump administration has yet to determine the strategic goal of minilateral groupings (to what ends will they work?) or operational goals of existing minilaterals (what will they actually do?).

Under the Biden administration, Washington was more comfortable emphasizing the utility of public goods delivery. The United States was also more comfortable both at the operational and strategic levels of Quad activities and messaging, compared to other partners such as India who only began leaning into the Quad's strategic messaging after the 2020 Sino-Indian border skirmishes.<sup>6</sup> The trajectory of the Quad (and other minilateral groupings) under the Trump administration is more indeterminate. For example, the Quad did not issue a joint statement until a week after an earthquake in Myanmar that killed over 1,600 people.<sup>7</sup> At the same time, U.S. Secretary of State Marco Rubio met with Quad foreign ministers on his first day in office, while senior Department of Defense officials have reaffirmed other minilaterals such as AUKUS.<sup>8</sup> To understand how the new administration assesses the value of minilateral groupings, participants suggested tracking indicators such as a "say-do" gap. For example, the Quad Leadership Summit is expected to occur this year in India: will Trump attend, and if not, what would that indicate about the future of the partnership?

In addition to discussing the future of minilateral groupings led by the executive branch, participants

**<< What are the effects of decreased cooperation with traditional partners across the Indo-Pacific? At its most extreme, Indo-Pacific states could decide to balance against the United States. . . >>**

discussed the future of military-led engagements with allies and partners in the Indo-Pacific. Despite cautious optimism about the will to continue military-led diplomacy, military-to-military cooperation will ultimately hit a ceiling given the military ultimately reports to civilians and thus has limited agency in independently developing relations. In short, participants emphasized that without political will by the executive, military-led diplomacy can only achieve limited aims.

What are the effects of decreased cooperation with traditional partners across the Indo-Pacific? At its most extreme, Indo-Pacific states could decide to balance against the United States—at least in the economic realm, if not in the security sphere. South Korea, Japan, and China held their first dialogue on economic cooperation in five years, suggesting a willingness to consider previously unlikely arrangements as U.S. partners brace for the impact of tariffs.<sup>9</sup> Indo-Pacific security and defense policy across the Biden and Trump administrations was, and is, fairly consistent, but there are already existing arrangements in the economic sphere that could become venues for increased cooperation exclusive of the United States. For example, there could be greater interest from countries, especially

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5 See <https://quadinvestorsnetwork.org/>.

6 "What was the India-China military clash in 2020 about?" *Reuters*, October 25, 2024, <https://www.reuters.com/world/asia-pacific/what-was-india-china-military-clash-2020-about-2024-10-25/>

7 See "Joint Statement by the Quad Partners on Myanmar Earthquake Response" U.S. Department of State. April 3, 2025 <https://www.state.gov/joint-statement-by-the-quad-partners-on-myanmar-earthquake-response/>. Ross Adkin et al, "Desperate search for survivors in Myanmar as death toll surges past 1,600" *CNN*, March 29, 2025 <https://www.cnn.com/world/live-news/myanmar-thailand-earthquake-03-29-25-intl-hnk/index.html>.

8 "Joint Statement by the Quad Foreign Ministers." U.S. Mission China. January 23, 2025. <https://china.usembassy-china.org.cn/joint-statement-by-the-quad-foreign-ministers/>

9 "South Korea, China, Japan agree to promote regional trade as Trump tariffs loom" *Reuters*, March 30, 2025. <https://www.reuters.com/world/asia-pacific/south-korea-china-japan-agree-promote-regional-trade-trump-tariffs-loom-2025-03-30/>

developing economies, in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) or other frameworks that may mitigate some impacts of U.S.-levied tariffs.

There was some disagreement among workshop participants regarding which countries are most likely to balance against the United States. For example, some debated the extent to which Indonesia may lean towards China due to economic considerations. Economic concerns, coupled with Indonesia's self-identification as a regional leader in ASEAN and historically isolationist foreign policy, suggest that Jakarta may be willing to pursue a foreign policy orientation more independent of the United States. While some pointed to Indonesia's interest in joining BRICS as evidence of this shift, others noted Jakarta has similarly expressed interest in the Organization for Economic Co-operation and Development (OECD), reflecting more of a desire to maximize its economic interests and less of a strategic orientation.

Aside from Indonesia, participants identified the Philippines as the country most committed to the U.S.-led alliance system in the Indo-Pacific and Cambodia as the country most committed to a regional order dominated by Beijing. Participants emphasized that U.S. policymakers should pay attention to how Indo-Pacific states maximize their agency through regional forums and foreign policy decisions. Recently, many Indo-Pacific states have viewed the PRC as a stabilizing force and the United States as a fading hegemon, but one with whom they agreed more often than not. As Washington loses appetite in upholding norms and multilateral institutions, participants questioned how this will affect Southeast Asian states' views on the PRC as a stabilizing regional force. Most agreed that Beijing would not fully replace Washington as a viable alternative partner, but that the United States

should not be too complacent in assuming its partners will continue their same orientation.

Finally, participants cautioned against framing the PRC as the sole motivator for regional groupings. Intra-regional conflicts and conflicting goals, both in South and Southeast Asia, may limit what the United States can expect in terms of multilateral cooperation. For example, several participants pointed to Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) as an example of existing forums that lost momentum due to intra-party disagreements. Given the complexity and diversity of the region, participants encouraged policymakers to view the prospect of cooperation beyond just AUKUS and the Quad.

### **International Law: The Philippines and the South China Sea**

How have China's claims in the South China Sea and strategies for pursuing those claims developed? Participants assessed the evolution and success of Beijing's ambitions in the South China Sea. The PRC states that anything within the nine-dash line is its sovereign territory and that any territories ceded by treaty are obsolete if Beijing considers that territory historically Chinese.<sup>10</sup> An arbitration panel, brought by the Philippines against the PRC in 2013, soundly rejected PRC claims in 2016, but Beijing continues to harden its position with strong rhetoric arguing that coastal states must respect China's sovereignty claims and portraying itself as the standard bearer of the rule of law. Additionally, Beijing's coercive behavior in the South China Sea has attempted to deter the Philippines and other disputants from pursuing their claims through legal channels. Panelists, focusing on the ability of international law to shape state behavior, assessed that the PRC's coercive strategies have largely been unsuccessful in achieving Beijing's goals.

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10 See "Maritime Claims in the South China Sea." Office of Ocean and Polar Affairs, Bureau of Oceans and International Environmental and Scientific Affairs, U.S. Department of State. December 5, 2014. <https://www.state.gov/wp-content/uploads/2019/10/LIS-143.pdf>



The arbitration panel offered the Philippines mandatory dispute resolution for settlement of issues other than sovereignty. However, because Beijing did not participate in arbitration and rejected its outcome, there is little the international community can do in terms of enforcement.<sup>11</sup> Nonetheless, participants discussed the symbolic and moral value of “being on the right side” of international law and the tangible downstream effects of building a strong narrative case against PRC coercion. For example, the 2016 ruling bolstered the United States’ strong statements about defending the South China Sea. The case offered important evidence and a narrative framework for naming-and-shaming strategies that labeled Beijing’s claims as both expansionist and illegal. The ruling put Beijing’s illegal behavior on the record and made it difficult for other states to argue Beijing’s South China Sea claims are legitimate.

At the same time, many workshop participants were more optimistic today about the state of the South China Sea than they were ten years ago. Since late 2021, there is little evidence that the PRC has gained more control over the South China Sea. To the contrary, the Philippines has made progress in asserting its own sovereignty despite recent standoffs at the BRP *Sierra Madre*.<sup>12</sup> In addition to the Philippines, other states have pursued economic production and research in territories Beijing claims. For example, Indonesia recently approved a plan to develop the USD 4 billion Tuna

offshore gas field along with other initiatives to increase oil and gas exploration blocks.<sup>13</sup>

In addition to pursuing energy production despite PRC pushback, participants noted that since 2021, the U.S.-Philippines alliance has continued to modernize, such as by reestablishing patrols in the Scarborough Shoal. By December 2023, the China Coast Guard (CCG) had become decidedly more aggressive, but Beijing nonetheless failed to stop a single resupply mission to the *Sierra Madre*. In addition, the PRC failed to deter many offshore oil and gas projects in the last three years by other claimants. While some states, such as Vietnam, are hesitant to initiate formal arbitration, Beijing’s gray zone behavior has failed to achieve its aims in recent years.<sup>14</sup>

What lessons should be drawn from the Philippines’ recent experience, and has the PRC shifted its strategy given its lack of success? While China usually maintains both quantitative and qualitative advantages over disputant states in the South China Sea, strategically identifying areas to push back on can yield payoffs. Additionally, Washington and its partners could feel emboldened to match Beijing’s risk tolerance. While there is a significant risk of escalation and indefinite low-level clashes increase the likelihood of violence, China’s aggressive behavior has yielded few results when states stand up. Participants compared the Philippines’ Sabina Shoal playbook with its *Sierra Madre*

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11 “Failing or Incomplete? Grading the South China Sea Arbitration” *Asia Maritime Threat Initiative*, July 11, 2019, <https://amti.csis.org/failing-or-incomplete-grading-the-south-china-sea-arbitration/>

12 Aaron-Matthew Lariosa, “Philippines Performs First Sierra Madre Resupply Since Inking Deal with China” *USNI News*, July 29, 2024, <https://news.usni.org/2024/07/29/philippines-performs-first-sierra-madre-resupply-since-inking-deal-with-china>

13 “Indonesia approves \$4.12 billion development plan for South China Sea gas block” *The Straits Times*, November 25, 2024, <https://www.straitstimes.com/asia/se-asia/indonesia-approves-412-billion-development-plan-for-south-china-sea-gas-block>, “Indonesia awards five oil and gas blocks to boost reserves” *Offshore Technology*, April 17, 2025, <https://www.offshore-technology.com/news/indonesia-awards-five-oil-and-gas-blocks/?cf-view>

14 Issac Kardon, “Combating the Gray Zone: Examining Chinese Threats to the Maritime Domain,” *Carnegie Endowment for International Peace*, June 4, 2024, <https://carnegieendowment.org/posts/2024/06/combating-the-gray-zone-examining-chinese-threats-to-the-maritime-domain?lang=en>

playbook, suggesting the latter has been more successful in deterring the PRC for this reason.<sup>15</sup>

Beijing's behavior could be interpreted as deterrence success. The main question is how far Beijing will take its gray zone activities. Given the rules and norms of engagement seem to limit Beijing's actions to the gray zone, the PRC has iterated its toolkit to exercise more creative forms of coercion in the South China Sea.

Finally, participants discussed the extent to which Beijing's lawfare, economic, and military coercion in the South China Sea should be tied to its strategy regarding Taiwan. While the PRC invokes similar language and claims—relying on narratives of historical rights—Taiwan is a much more fundamental national interest. The fact that Taiwan is a populated island, coupled with its history in the Chinese civil war, distinguishes it from the more abstract maritime features in the South China Sea. Participants also contrasted the cases given the incremental approach to territorial acquisition in the South China Sea—there is little parallel in a Taiwan scenario.

## Preparing for Unpredictability

Two different types of risks could imperil peace and stability in the Indo-Pacific. Some, such as maintaining deterrence against a PRC attack against Taiwan, are central to U.S. policy but may appear less urgent given the slow-changing nature of the status quo. Other types of events are inherently difficult to predict but would still have a high impact on regional stability, such as regime collapse or a natural disaster. Participants discussed the challenges of deterring inter-state war vs. coercion, the type of force posture the United States needs to continue to deter the PRC, the challenges of maintaining a coherent deterrent posture, and the inherent tradeoffs of technology sharing. Also,

participants distinguished between structural and fast-moving challenges to stability and emphasized how responses to black swan events are just as, if not more, important than identifying the scenarios themselves. Participants discussed a number of possible policy approaches relevant to key stakeholders in the Indo-Pacific region.

Recommendations discussed during the workshop included:

- **Reaffirm Extended Deterrence Commitments and Nonproliferation Policy Goals.** Washington could reaffirm its extended deterrence commitments to South Korea and Japan and recommit to the integrity of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) regime. These commitments are important to disincentivize states such as South Korea from pursuing nuclear weapons.
- **Match Hard Power with Committed Partnership.** In partnership with its allies, the United States could maintain its edge in hard power to continue to deter a large-scale conflict in the Indo-Pacific. Even though the second Trump administration is focused on an increase in allied burden-sharing, allied support is still required to achieve U.S. goals in the region.
- **Broaden the Narrative beyond Taiwan.** Washington could articulate a U.S. regional strategy that transcends a Taiwan-centric lens. Regional allies and partners should feel valued rather than as instruments for a single contingency. At the same time, allies could take greater ownership of their national security and have more frank conversations with Washington regarding roles and expectations in a possible Taiwan contingency.

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15 Tessa Wong and Joel Guinto "Sabina Shoal: The new flashpoint between China and the Philippines" BBC, August 30, 2024, <https://www.bbc.com/news/articles/cp3d4rz922do>

- **Support Alternative Pathways to Mineral Resiliency.** Indo-Pacific countries could deepen cooperation with trusted partners, such as the European Union, for mineral security. These initiatives could originate independently from the United States and framed as a method of protecting energy and mineral security.

## Deterrence and Proliferation Risks in the Indo-Pacific

Workshop participants defined the specific goal of deterrence in the Indo-Pacific: to deter the PRC from using its military and economic power to dominate the region. The U.S. goal is to protect any Indo-Pacific nation from coercion against the PRC such that they avoid working with the United States. But how do we know when there is “enough” deterrence? Calibrating deterrence is inherently difficult given we cannot directly observe the counterfactual of deterrence success.

In general, participants assessed the current state of inter-state deterrence to be robust, but under stress and evolving. At the end of the Obama administration, consensus emerged over the notion that engagement with the PRC had failed. The military balance in the Indo-Pacific was moving in the wrong direction. While the first Trump and Biden administrations emphasized relying on regional allies and partners to balance the PRC’s growing influence, there are significant actions, such as tariff policy, that now diminish the ability for cooperation. Conflicting information about the Trump administration’s goals stymie prospects for cooperation as regional partners cannot decipher Washington’s signals.<sup>16</sup>

## Force Planning

Participants discussed U.S. force planning requirements given its changing strategic priorities. Because planning shapes the probability of conflict, the wars a country plans to fight are inherently those it is least likely to fight. Participants discussed the three elements of force planning—strategy, scenario, and assessment—and identified what political priorities might demand different force structures. Bureaucratic and time restrictions mandate these scenarios align with political strategy and judgment.

The overriding scenario U.S. forces have planned for is a PRC invasion of Taiwan. Other scenarios that would demand different force structures included the possibility that a conflict over Taiwan could attrit much longer than the United States would like. A U.S. denial strategy centers on building a combat credible force that defeats the PRC before its forces land on Taiwan to blunt and stop the invasion force quickly. But a conflict between two great powers—both of which have technological sophistication and large population bases—could lend itself to a protracted conflict. This type of scenario would suggest the United States should “fight mass with mass” and minimize the periods of quiet after preferred munitions are exhausted, which has motivated recent discussions of moving away from exquisite, large, and expensive platforms. A second scenario participants discussed is aligned with the Trump administration’s focus on protecting the homeland. Discussants walked through the possibility of a de-emphasis on expeditionary scenarios. Investment into the Trump administration’s Golden Dome missile defense system would pose significant cost challenges and tradeoffs with an expeditionary force structure.<sup>17</sup>

16 Andrew Silver, Trixie Sher Li Yap, and David Lawder, “Conflicting US-China talks statements add to global trade confusion” *Reuters*, April 25, 2025, <https://www.reuters.com/business/autos-transportation/china-waives-tariffs-some-us-goods-denies-trumps-claim-that-talks-are-underway-2025-04-25/>, Anna Swanson, “‘Totally Silly.’ Trump’s Focus on Trade Deficit Bewilders Economists.” *The New York Times*, April 9, 2025, [siness/economy/trump-trade-deficit-tariffs-economist-doubts.html](https://www.nytimes.com/2025/04/09/economy/trump-trade-deficit-tariffs-economist-doubts.html).

17 Geoff Brumfiel, “Trump wants a Golden Dome over America. Here’s what it would take” *NPR*, April 21, 2025, <https://www.npr.org/2025/04/21/nx-s1-5342449/trump-wants-a-golden-dome-over-america-heres-what-it-would-take>

Participants also debated the role allies and partners would play in these contingencies, especially in terms of a Taiwan conflict. The role of the Philippines in a conflict, such as providing the U.S. military greater access to Enhanced Defense Cooperation Agreement (ECDA) sites or allowing U.S. combat aircraft operating from Philippine territory, is unclear. While any increase in U.S. military access across the region complicates adversary planning by adding uncertainty, it would ultimately render the Philippines as a target out of proportion to its value. The Philippines would be less helpful in stopping an amphibious landing force than, for example, as a site for non-combatant evacuation operations or a base for logistics. Moreover, given that approximately 200,000 Filipino citizens live in Taiwan, the Philippines has a significant stake in Taipei's political and physical safety. If Beijing is uncertain about whether the United States would intervene on behalf of Taiwan and feels compelled at the conflict's outset to attack the Philippines, then such a contingency could grow beyond a U.S.-Taiwan-PRC scenario. From a pure capacity perspective, the United States cannot deter the PRC without allies and partners providing support with both access and overflight. But, if the U.S. approach to the region is framed only in terms about concerns over Taiwan, then this could decrease appetite for broader cooperation. Many regional actors agree that the PRC's underlying goal is to control Taiwan but disagree on whether this is the first step to greater regional coercion.

On the relationship between cooperation in the Indo-Pacific and commitment to allies in Europe, participants uniformly cautioned against segmenting the regions and encouraged an analytic distinction between deterring gray zone cooperation versus inter-state war. The PRC already can and does deter its neighbors with behavior below the threshold of military operations, and it

primarily has more economic than military options in its toolkit. A takeaway from the ongoing war in Ukraine is that states willing to stand up to aggressors despite hardship—and with U.S. support—can persevere. Thus, will and morale from the Taiwanese people themselves will be critical to bolstering U.S. and regional support, and Taiwan's expectations of U.S. support are in part informed by Washington's behavior towards Ukraine.

### Technology Sharing

A throughline from the first Trump, Biden, and second Trump administrations is that technological superiority is a requirement for successful deterrence. For the United States, the primary challenge of maintaining technological superiority is its reliance on the private sector. For example, of the fourteen technologies identified by the Department of Defense as “critical,” eleven are largely reliant on advances in the private sector.<sup>18</sup> Quantum technologies, biosynthetics, and other critical emerging technology that underpin existing military deterrence often are innovated in the private sector. This creates a dual need for policymakers to shape incentives in the domestic economy that can spin-on technologies from the commercial sector to defense procurement and weave the commercial and defense innovation ecosystems together. In addition, once that technology exists in the U.S. defense ecosystem, it needs to become interoperable with allied militaries.

In terms of technology sharing, participants discussed the inherent tradeoff between maintaining technological superiority and sharing technologies with allies and partners in such a way conducive to deterrence and warfighting. For example, while Washington relaxed U.S. controls on defense exports for Australia during the last year of the Biden administration, Trump administration officials recently affirmed that these exemptions do not apply

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18 See “DoD Critical Technology Areas.” <https://www.cto.mil/osc/critical-technologies/>

to nuclear submarines under AUKUS.<sup>19</sup> Participants discussed the tradeoff between the need to protect U.S. capabilities, and thus be judicious with technology sharing, and the ability to actually use those technologies alongside partners to deter or fight. In general, participants suggested the mantra “if we would rather prevent it, then we should share the requisite technology” helps mitigate the inherent tension between publicizing to deter versus holding secret for warfighting advantage. Structural barriers impede the U.S. ability to both develop leading technologies and share those technologies with partners for practical use. Within the domestic economy, misplaced incentives, the short-term incentives of venture capital, and the “valley of death” threaten the jump between basic research and the market.<sup>20</sup> Across economies, overclassification, mismatches between export controls and policy goals, and unaligned cyber security standards all impede transnational technology diffusion. How might these structural problems be abated or exacerbated by the new administration’s policies? U.S. allies could hedge and seek to avoid working with the United States in certain technology areas. Many U.S. allies have competitive advantages in specific emerging technology areas, such as Australia with quantum technology, meaning there may be more room for cooperation exclusive of the United States. Added to the risk of PRC technological diffusion threatening Washington’s long-term interests, a mixed outcome is most likely.

## Nonproliferation and Nuclear Risks

Participants discussed the evolving role of nuclear weapons in the Indo-Pacific, with some suggesting that nuclear weapons should be viewed as contributors to stability, albeit in complex ways and not

in a world of unchecked proliferation. Particular concern was raised over PRC nuclear modernization, which reflects a shift toward a more warfighting-capable posture. While current assessments, such as those from the Federation of American Scientists (FAS), do not indicate an immediate threat, it is important to focus on the trajectory of China’s developments rather than its current stockpile.<sup>21</sup> The changes appear aimed at creating a regional environment more permissive of both gray zone coercion and, potentially, conventional war. Workshop participants also discussed the implications of U.S. extended deterrence commitments to South Korea. A lack of credible U.S. commitment would likely lead to Seoul’s decision to pursue its own nuclear deterrent. The likelihood of proliferation on the peninsula is unclear, but regional partners are losing confidence in U.S. assurances. Any perceived weakening of U.S. commitments would increase the incentives for allies and partners to pursue independent nuclear capabilities, with a nuclear South Korea or Japan serving as the most likely candidates.

## Assessing the Unknown

In addition to a Taiwan contingency and coercion in the South China Sea, black swan events have the potential to disrupt peace and stability in the Indo-Pacific. Participants discussed scenarios in six categories: economic, geopolitical (international), political (domestic), environmental, technological, and demographic. Some issues are inherently structural and slow moving, such as demographic shifts, but culminate in concerning trajectories for regional actors. Other scenarios are shocks that, interacting with structural changes, would disrupt the regional system.

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19 Kristy Needham, “AUKUS exemption to US defence trade controls doesn’t cover nuclear subs, officials say” *Reuters*, April 15, 2025, <https://www.reuters.com/business/aerospace-defense/aukus-exemption-us-defence-trade-controls-doesnt-cover-nuclear-subs-officials-2025-04-15/>

20 “Bridging New Technology’s “Valley Of Death” *NSF*, September 15, 2011, <https://www.nsf.gov/news/bridging-new-technologies-valley-death>

21 Hans Kristensen et al, “Chinese Nuclear Forces, 2024: A “Significant Expansion” *Federation of American Scientists*, January 16, 2024, <https://fas.org/publication/chinese-nuclear-forces-2024-a-significant-expansion/>



Shifts and actions taken by countries in response to policy actions by the Trump administration could culminate in several black swan events. First, regional actors could form a partnership or alliance against both U.S. and PRC coercion. Given regional emphasis of maintaining the rules-based order, greater coordination between Indo-Pacific middle powers and European states to counter U.S. policies is a distinct possibility. In addition to potential rebalancing away from the United States, the rise of economic and resource nationalism may contribute to a region-wide inward turn. The PRC's expanding critical mineral and rare earth export controls have worried Washington about U.S. reliance on PRC supply chains and threaten to stifle the global supply of components essential to industries such as car-making, semiconductors, and the military.<sup>22</sup> Elsewhere, Indonesia has progressively banned nickel exports,<sup>23</sup> which is driven by its goal of economic independence and has been fairly successful in leveraging Indonesian power in the commodities market. A model of mineral supply management could emerge without U.S. participation.

Discussions surrounding black swan scenarios in the security sphere centered on a hypothetical U.S. withdrawal of its commitments, at the most extreme level withdrawing the nuclear umbrella. If the United States triggers an unraveling of the international order, how would small states manage? For middle-to-smaller regional powers, the rules-based order is fundamentally existential. Washington does not seek a fully nuclearized Korean peninsula, but regional actors such as Japan have been shifting towards a less pacifist orientation in recent years.

Other international black swan incidents discussed included escalations from more predictable or historically frequent events, such as a China-India border crisis or India-Pakistan crisis. For example, the recent militant attack in Kashmir that killed 26 tourists has raised fears of another military crisis between India and Pakistan.<sup>24</sup> In the South China Sea and Taiwan Strait, the more the PRC's gray zone coercion and dangerous maneuvering increases, the greater the risk of fatalities that could draw in Washington. An accident between the Philippines and PRC due to dangerous gray zone maneuvering, for example, could trigger U.S. security commitments and quickly escalate into a broader conflict.

For coastal Southeast Asian states, climate-induced disasters are viewed much less as black swan events and more as inevitable crises that demand concrete policy steps to mitigate. In addition to geography, the energy demand of high technologies, such as artificial intelligence, increases the risk of natural disasters leading to regional instability. Finally, domestic political considerations could lead to crises. A succession or leadership crisis within PRC elite politics could threaten domestic instability with massive spillover potential. Xi Jinping's centralization of decision-making power within the Chinese Communist Party (CCP) means that removing the core feature from that system—himself—threatens the viability of the entire governance apparatus. Any serious contraction of the economy or collapse of vital sectors could lead to widespread discontent with a social contract perceived as shattered, especially if it delegitimizes the CCP.

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22 Keith Bradsher, "China Halts Critical Exports as Trade War Intensifies" *The New York Times*, April 13, 2025, <https://www.nytimes.com/2025/04/13/business/china-rare-earths-exports.html>

23 "Prohibition of the export of nickel ore" IEA, March 19, 2024, <https://www.iea.org/policies/16084-prohibition-of-the-export-of-nickel-ore>

24 Rhea Mogul, Aishwarya S. Iyer and Sophia Saifi. "A tourist massacre in Kashmir is escalating tensions between India and Pakistan. Here's what we know." CNN, April 25, 2025. <https://www.cnn.com/2025/04/24/india/pahalgam-india-pakistan-attack-explainer-intl-hnk/index.html>, Mujib Mashal and Suhasini Raj, "As Tensions Rise With Pakistan, a Moment of Truth for India's Military," *The New York Times*, April 26, 2025, <https://www.nytimes.com/2025/04/26/world/asia/india-pakistan-military-kashmir-attack.html>

# Conclusion

<< At the heart of these discussions was a shared concern about deterring coercive behavior that could limit access to regional markets, undermine sovereign decision-making, or pressure allies into distancing themselves from the United States. >>

The *Future of Security in the Indo-Pacific* workshop convened leading experts to assess a paradigm shift in the regional landscape defined by intensifying geopolitical competition, retrenchment from traditional commitments, and evolving security arrangements. Traditional post-WWII alliances are giving way to more flexible, often informal, partnerships characterized by self-help, bilateralism, and transactional interests. This emerging order reflects both the strategic uncertainty introduced by a more inward-looking U.S. foreign policy agenda and growing concerns over China's expanding military and economic influence in the region.

At the heart of these discussions was a shared concern about deterring coercive behavior that could limit access to regional markets, undermine sovereign decision-making, or pressure allies into distancing themselves from the United States. While views differed on how best to maintain deterrence and reassurance to regional allies and partners, there was broad agreement on the need for credible U.S. engagement and adaptable policy tools to preserve a free, open, and stable Indo-Pacific.

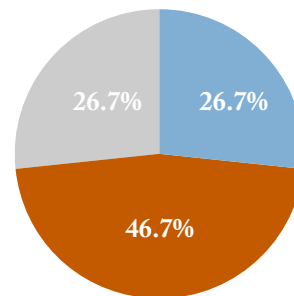
# Survey Questions

Perry World House asked participants to fill out a short survey on key issues related to the theme of the workshop. The following figures are based on participants' responses. Not all participants answered all questions, and these charts should not be interpreted to represent any individual panelist's view.

**Q:**

*How likely is it that the People's Republic of China (PRC) will initiate a military invasion of Taiwan prior to January 21, 2029?*

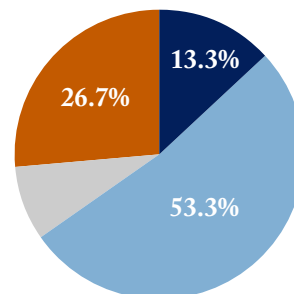
- Very likely
- Somewhat likely
- Neutral
- Somewhat unlikely
- Very unlikely



**Q:**

*How likely is a military fatality due to deliberate action involving a resupply mission of the BRP Sierra Madre in the Second Thomas Shoal prior to January 21, 2029?*

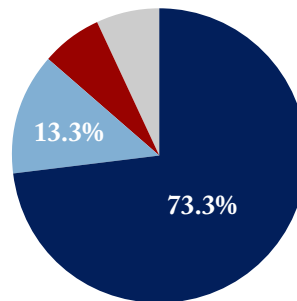
- Very likely
- Somewhat likely
- Neutral
- Somewhat unlikely
- Very unlikely



**Q:**

*How many new overseas bases do you think the PRC will open and operate prior to January 1, 2029?  
(Currently, the PRC formally operates one overseas naval base in Djibouti.)*

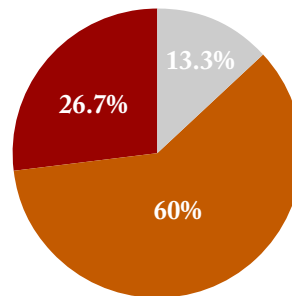
- No change
- 2-3
- 4-5
- 6-7
- 7+



**Q:**

*How likely is it that the US withdraws from part or all of the AUKUS partnership, including the sale of Virginia-class submarines to Australia, prior to January 21, 2029?*

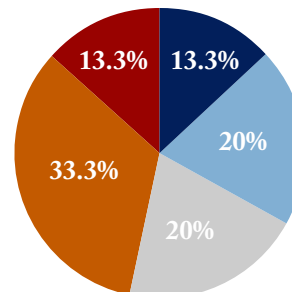
- Very likely
- Somewhat likely
- Neutral
- Somewhat unlikely
- Very unlikely



**Q:**

*How likely are countries in the Indo-Pacific to form a new minilateral security-focused grouping prior to January 21, 2029 that does not include the United States?*

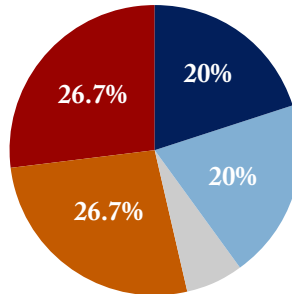
- Very likely
- Somewhat likely
- Neutral
- Somewhat unlikely
- Very unlikely



**Q:**

*How likely are countries in the Indo-Pacific to form a new minilateral security-focused grouping prior to January 21, 2029 that does not include the United States?*

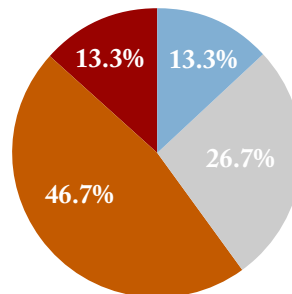
- Strong effect
- Some effect
- Neutral
- Minimal effect
- No effect



**Q:**

*How likely is it that the People's Republic of China to be admitted as a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership prior to January 21, 2029?*

- Very likely
- Somewhat likely
- Neutral
- Somewhat unlikely
- Very unlikely







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