



A Region of Flashpoints? Security in the Indo-Pacific

By Céline Pajon & Eva Pejsova | 16 September 2021

The Indo-Pacific mega-region is home to the world's most fluid, complex, and dangerous security environment. Lingering traditional security flashpoints (Taiwan Strait, North Korea, territorial disputes) are exacerbated by the rise of China and the US–China great power competition. At the same time, non-traditional security threats such as piracy and transnational crime, as well as climate change–related challenges, resource depletion, and pandemics are becoming key risks, already claiming many lives in the region. Finally, hybrid warfare practises, including disinformation, lawfare, cyberattacks and grey-zone situations are becoming commonplace, adding another layer of complexity.

Conditions for co-operation have also become more challenging: The regional security architecture has become fragmented with an emergence of a flurry of less-formal and ad hoc, functional co-operative frameworks. Against a mounting pressure on states to take sides in the context of a hardening Sino–US rivalry, the regional security order is likely to become multilayered, combining a bilateral alliance system with minilateral and multilateral arrangements.

While Europeans may not be expected to act on hard security matters, they will have an important role to play as the champions of a multilateral, rules-based order, to uphold liberal principles and set up international norms and standards in particular to support the governance of common goods. Navigating this complex security environment, the European Union (EU) will have to think outside the box and creatively engage in flexible, formal, and less-formal co-operative arrangements in order to demonstrate its value-added as a stabilising force for the region.

This brief aims to shed light on the main security trends that are likely to shape security developments in the Indo-Pacific out to 2030, with a view to better informing policy makers in implementing the EU strategy in the region.

Traditional security concerns will continue to frame interstate relations

The strategic competition between the US and China is a paradigm that will continue to shape the coming world order. It affects all aspects of state power: from hard to soft power, geoeconomics

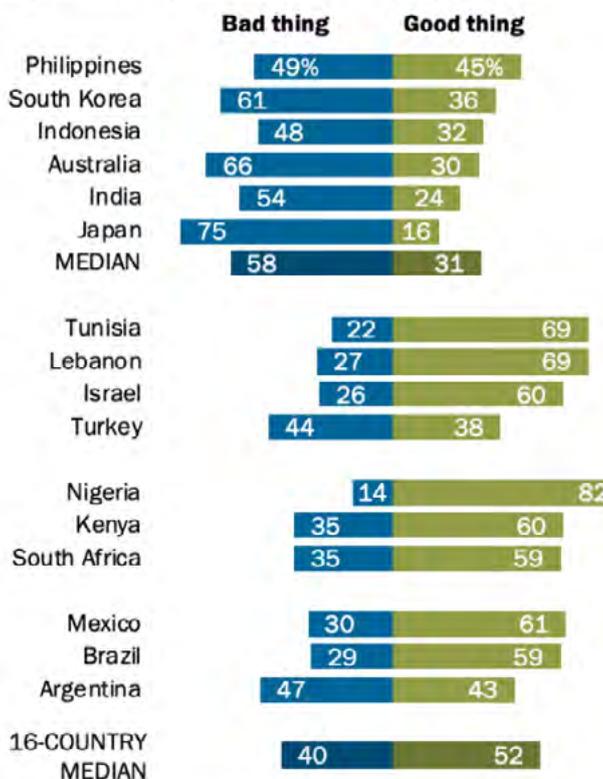
competition and coercion, space, cyber, technology, and innovation. Recently, the Sino-US competition has also taken a more acute ideological turn, further contributing to a growing polarization.

The growing trend in the military expenditure of Indo-Pacific nations is pulled by the Chinese's massive investment in its defence. According to SIPRI, between 2011 and 2020, the Chinese defence

Figure 1 – Perceptions of China's military growth

Asia-Pacific nations view Chinese investment with suspicion

Investment from China is a good thing because it creates jobs in our country OR investment from China is a bad thing because it gives China too much influence



Note: Don't know responses not shown.
Source: Spring 2019 Global Attitudes Survey. Q28.

Source: Pew Research Center, [Global Attitudes Survey 2019](#)

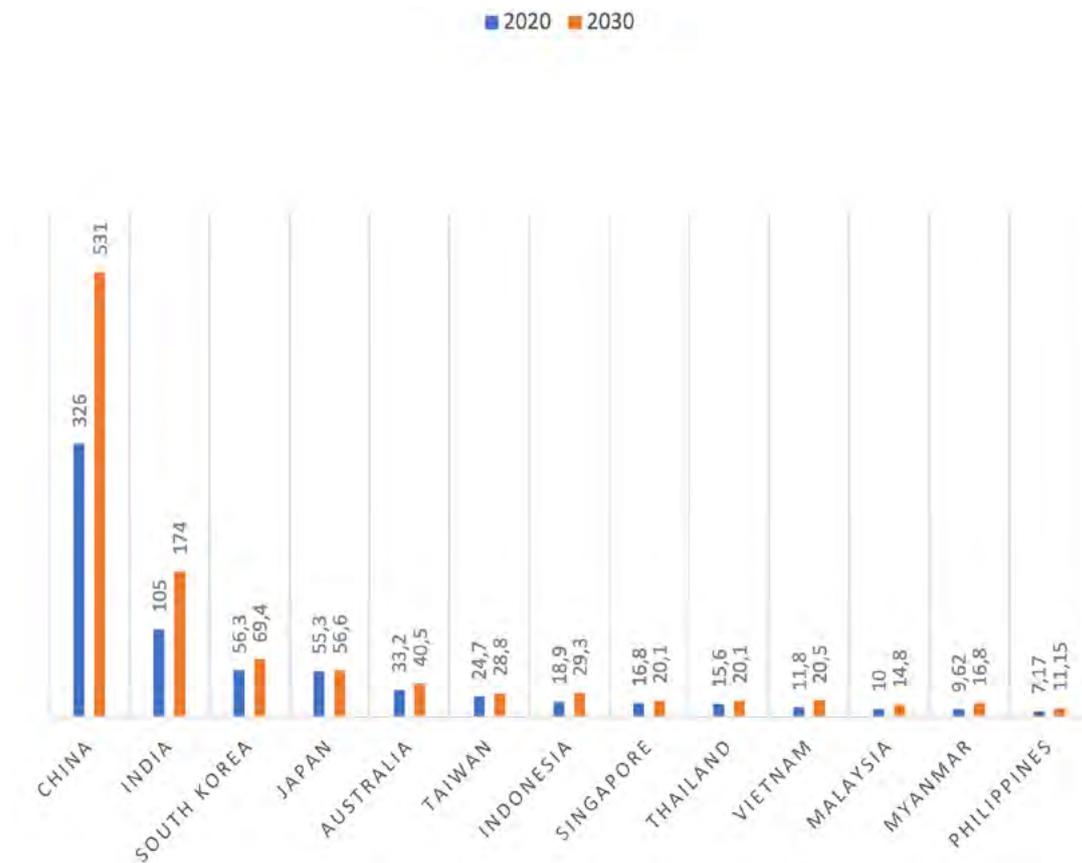
budget [increased by 76%, to reach an estimated USD 252 billion](#). This exponential rise in defence capabilities and opaque strategic objectives is fueling distrust across the region.

The lack of trust causes a security dilemma, encouraging countries in the region to modernise their own capabilities. Accordingly, India raised its defence expenditure by 34% during the 2011–2020 period, South Korea by 41%, Australia by 33%, and Indonesia by 83%. In the last decade, Asia and Oceania's defence expenditures increased by

47%, compared to 8.5% for Western Europe, and in 2020, Asia represented a 27% share of the world's defence expenditures. This trend is going to endure (Figure 2), while China will remain the dominant military power of the region. Asymmetry in military capabilities will remain a key feature of the regional security environment.

North Korea is now a de facto nuclear state. With American eyes on China, Pyongyang could resort to more provocative actions to regain US attention. Under Xi Jinping's leadership, China accelerated its

Figure 2 – Estimated military expenditure at defence sector purchasing power parity, current prices (2020), and forecast constant 2019 prices (2030) (in billion USD)



Source: Lowy Institute, [Asia Power Index 2020](#)

strategy of fait accompli to advance its territorial claims in the East and South China Sea, as well as along the Sino-Indian border. Xi’s resolve to reunite with Taiwan and tighten control over all parts of the territory at the expense of human rights are additional destabilising factors.

The renewal of interstate tensions has exacerbated nationalism and rivalries, resulting in a highly tense, but also fluid security dynamic with constant and often rapid adjustments of states’ postures. Technological breakthroughs in terms of cyber, AI, space, hypersonic missiles, and quantum tech accentuate this dynamic, leading to new kind of coercion and highlighting new vulnerabilities. Uncertainty is thus a key factor to take into consideration in any attempt for strategic forecasting.

With little or unlikely varieties, these trends are likely to continue shaping regional affairs for the next decade. The US–China rivalry and subsequent dynamic revolving around it will remain a major

geostrategic feature of the Indo-Pacific space out to 2030.

The frontier between traditional and non-traditional security challenges will become increasingly blurred

So-called “non-traditional” security challenges have always been part of the regional (and global) security landscape. Their importance is becoming increasingly recognised for their potential to undermine regional stability and impact interstate relations in the not-so-distant future. The COVID-19 pandemic has been one prominent example of the impact of health security on international relations and geoeconomics. Similar situations may emerge in the future, accentuating the need for enhanced international co-operation.

The growing number of environmental challenges, stemming from the negative effects of climate change and the gradual depletion of natural

resources, has been putting severe pressure on the everyday livelihoods of the local population. Large-scale migration, driven by natural disasters, water scarcity, and food insecurity has already been identified as a major source of instability in South Asia.

Maritime security is a case in point. Among the increasing build-up and modernisation of regional navies and growing clashes over overlapping sovereignty claims, matters of good ocean governance remain sidelined. Yet, the problem of overfishing, depletion of marine natural resources, and marine pollution have been at the root of many of the ongoing maritime security challenges – be it piracy, illegal trafficking of people and goods, or the fight over remaining resources. In a region where a vast majority of the population depends on the sea as a source of protein and economic activity, the management of non-traditional maritime security challenges is essential for future stability.

Overfishing, whether from unsustainable commercial fishing, illegal fishing, or aquaculture, has led to an unprecedented level of depletion of living marine

natural resources. The waters of the contested and militarised South China Sea have lost over 90% of their fish stock since the 1950s. The Bay of Bengal, home to 200 million coastal population entirely dependent on fisheries or the fisheries industry, is now severely depleted.

Climate scientists point out the unprecedented rise in sea surface temperatures (SST) and extreme swings in the Indian Ocean dipole variability, [causing extreme weather events](#), including draughts in Australia and floods in Eastern Africa. SST warming also has caused decreasing oxygen content (hypoxia) in water, further reducing fish stock and altering biodiversity balance. Three of the world's largest oxygen minimum zones are all located in the Indo-Pacific (see Figure 3).

The social, economic, and security consequences for the coastal countries are imminent. In India alone, 61% of the fishing population lives below the poverty level. The depletion of fishstock in their home waters has pushed fishermen further to sea, increasing the risk of violent and often deadly clashes between fishermen and arrestations by authorities

Figure 3 – Ocean dead zones, where oxygen is lower than 2 milligrams per litre



Source: Lowy Institute, Asia Power Index 2020

of neighbouring countries. Growing demand for seafood at low prices also has increased the numbers of people forced into slavery and forced labour on fishing boats, often coming from fragile displaced populations.

Finally, the rising sea level is a major challenge for the many low-lying island nations of the Indian Ocean and the Southern Pacific. Aggravated by tectonic movements, flooding, cyclones, and man-made shore modification, the sea level has risen by 3–5 mm per year for the past 40 years. Besides the loss of the size of the national territory, the rising sea level has exacerbated wave-driven flooding, causing the progressive loss of freshwater reserves, which likely will make many of the low-lying atolls uninhabitable by 2050.

Hybrid tactics and gray zones will become commonplace

Irregular warfare tactics gradually have come to complement conventional security tools. Non-military actors are increasingly used to gain political influence and strategic leverage. Disinformation, war of influence, use of legal mechanisms and institutions (aka “lawfare”), and economic pressure are gradually complementing conventional tactics, blurring the frontiers between peace and war.

Gray zone situations have become commonplace in the South and East China Seas. While China develops the submarine component of its nuclear capacity, its use of civilian agencies – whether coast guards or maritime fishing militias – to enforce its sovereignty in the South and East China Seas has been an effective way to ensure control over the claimed territories.

The use of low-intensity coercion tools, including disinformation, cyber warfare and economic pressure, allow Beijing to effectively “win without fighting”. This trend has been noticed especially in the context of China’s Belt and Road Initiative since 2013. The promise of lucrative investments into often vital infrastructure has seduced a number of low- and middle-income countries in the Indo-Pacific and beyond, creating lasting dependencies on Beijing and allowing it to gain substantial strategic leverage globally.

In a post-truth era, disinformation campaigns by authoritarian regimes undermining liberal democratic values and the basis of the rules-based international order have become part of the global security environment and will likely gain prominence in the decades to come.

Finally, cyber and critical technologies are enabling tools for malicious activities and their misuses can pose important security risks. Regulating the use of critical technology and cyberspace is thus becoming a security priority.

Fragmentation and diversification of regional security architecture

The core of the security architecture of the Indo-Pacific has been traditionally organized around the hub-and-spokes US-led system of alliances on the one hand, and the multilateral arrangements driven by ASEAN on the other. The growing Sino-American strategic competition accentuates the climate of uncertainty, causing regional actors to adjust their stance in order to both minimise risks and strengthen their position. The multiplication of security co-operation agreements is one aspect of this practise.

The Quadrilateral Strategic Dialogue (or Quad), gathering the US, Japan, Australia, and India is symbolic of the efforts deployed by US partners and allies to network. Founded in 2007 and revived in November 2017, the Quad is fueled by a shared acknowledgement that maritime democracies of the Indo-Pacific should co-ordinate to uphold the rules-based order threatened by the disruptive attitude of an authoritarian China. The Quad has been growing in importance since 2020, with the expansion to new domains of co-operation (health governance and crisis management, resilience of supply chains, climate change, critical technologies) as well as new partners (a so-called “Quad-Plus” dialogue was set up in March 2020 with South Korea, New Zealand, and Vietnam). Following the first-ever Summit of the Quad Heads of States in March 2021, the Quad is now in a process of institutionalisation and could become a new core around which future security arrangements could be articulated.

In addition to the Quad, a number of strategic dialogues have been set up recently (eg, the Trilateral

Summit meeting between France, India, and Australia), and joint exercises at sea are opportunities to demonstrate the co-operation among three, four, or more partners. A flurry of functional minilateral co-operative arrangements have also been established, dealing with supply chain resilience (the Supply Chain Resilience Initiative by Japan, India, and Australia), connectivity initiatives and norms (the Blue Dot Network led by the US), or renewable energy (the Solar Alliance hosted by India).

This trend is likely to continue, raising several issues. First, it questions the relevance of 'ASEAN centrality'. If ASEAN-centred multilateral institutions fail to demonstrate their merits, their existence could become symbolic. Second, the flurry of arrangements and settings creates overlaps. Rationalisation will be therefore essential to ensure greater efficiency. Third, engaging China remains a key question. Beijing's expanding network, including its quasi-alliance with Moscow and security relationships with several Southeast Asian countries, exacerbates ongoing polarisation.

In sum, the future Indo-Pacific co-operative landscape will be shaped by several interconnected features. The Sino-American rivalry will provide a broad structure under which third countries will navigate to garner the benefits and hedge against risks. At the same time, more co-operation is likely to develop on a case-by-case basis to tackle specific issues. These flexible frameworks create some breathing room for countries that do not want to be pressured to pick sides and empower middle powers that will have greater responsibility to build up synergies to allow for legitimate and concrete actions.

What role for the EU?

The European Union is a relatively new player in the Indo-Pacific, at least in the security sphere. Given its non-traditional security profile and limited toolbox, it needs to opt for creative ways to contribute to regional stability. To operationalise its Indo-Pacific strategy, Brussels should adopt a multilayered approach, combining a strong normative positioning, a consistent diplomatic engagement, and practical contribution to regional security.

Often referred to as a "normative superpower", the EU-27 have a unique negotiating position and leverage within the world's multilateral settings. At times when the future of the rules-based liberal international order is at stake, it can take the lead in promoting some of the values it stands for, especially on human rights, free and fair trade, or sustainable development of resources. Its regulatory capacity can be most useful in promoting good ocean governance practises and sustainable environmental policies, as well as in setting the standards for the development of the new frontiers. Be it in cybersecurity, space security, new technologies, or deep-sea exploration, these common goods will attract increasing attention for their immense economic potential and are likely to become the next battleground for great power competition.

A consistent diplomatic engagement with like-minded capitals in the region is essential. While the EU's Indo-Pacific strategy indeed mentions the need to work with partners, such engagement should be strategically targeted to support the principles that Europe wants to champion. Enhancing political and security co-operation with democratic powerhouses such as Japan, South Korea, and also Taiwan is not only in line with the EU's foreign policy, it also has the potential to strengthen the liberal front in the region. At the same time, maintaining pragmatic relations with less like-minded partners, including China, is essential to protect European interests and maintain a balanced, inclusive approach.

Finally, practical co-operation is the cornerstone of the EU's constructive engagement in the region, demonstrating its legitimacy and added value for regional security. Existing initiatives, including the Enhancing Security Co-operation in and with Asia project or the bilateral co-operative arrangements on sustainable connectivity with Japan and India, already serve as useful building blocks. Building capacity in some of the EU's core areas of expertise, including non-proliferation, maritime security and safety standards, international law, or countering hybrid threats, is an effective way to strengthen the resilience of the region's smaller actors in the long run and enhance Europe's profile as a security actor.



ABOUT THE AUTHORS

Céline Pajon

Céline Pajon is Senior Researcher in the Japan program at the CSDS of the Brussels School of Governance. She is also Head of Japan Research at the Center for Asian Studies of the French Institute of International Relations (IFRI), where she has been a Research Fellow since 2008. celine.pajon@vub.be



Eva Pejsova

Dr. Eva Pejsova is Senior Japan Fellow, leading the Japan program at the CSDS of the Brussels School of Governance.. She is also an Associate Fellow at the French "Fondation pour la Recherche Stratégique" (FRS). eva.pejsova@vub.be



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Visitor's address:

Pleinlaan 5, 1050 Brussels, Belgium

Mailing address:

Pleinlaan 2, 1050 Brussels, Belgium

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info_bsog@vub.be

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