

Réseau d'analyse stratégique Strategic Analysis

# Towards a Canadian Strategy in the Indo-Pacific: What to Learn From the American and European Examples?

Maxandre Fortier, Marco Munier and Justin Massie

All indicates that the Trudeau government will soon publish its <u>strategy</u> for the Indo-Pacific. Very little has been <u>leaked</u> from the document that Global Affairs Canada has been working on for the past few years, other than a desire to ensure a naval presence in the region, a yet-to-be-defined role in cybersecurity, and the diversification of investment and trade in Asia. As Sino-American rivalry increasingly exacerbates and <u>militarizes</u> tensions in the Indo-Pacific, to the point where some envision an armed conflict within six years, it is imperative for Canada to develop its own strategy for the region. In the meantime, looking at what the United States and some of its European allies – the United Kingdom, France, Germany, the Netherlands and the European Union (EU) – have themselves developed as a strategy provides valuable insight into what Canada should focus on.

In light of the various approaches taken with regards to the Indo-Pacific, it is clear that Ottawa will need to clearly define how it intends to mobilize the concept, both in geographic and sectoral terms. It is also important to articulate an inclusive and multidimensional strategy that builds on existing regional initiatives and brings together its various partners. Above all, Canada must make efforts to avoid an escalation of tensions between the United States and China, while taking into consideration that the Indo-Pacific region is one, but not the first, region to be prioritized.

## The United States and the Containment of China

The Biden administration's approach to China and the Indo-Pacific region is largely consistent with the previous administration's <u>approach</u>. However, while Trump's <u>priority</u> was economic competition, Biden's emphasis seems to be on regional security and more broadly on individual rights, without neglecting the economic and commercial sphere. The new U.S. Indo-Pacific <u>strategy</u> emphasizes "<u>integrated deterrence</u>," i.e., relying on a multitude of domains (technology, economy, space, cyberspace, etc.) that the United States must master.

By early 2021, the Department of Defense already <u>considered</u> China its primary challenge, against which it wants to develop the appropriate concepts, capabilities, and operational plans to strengthen deterrence and maintain the U.S. competitive advantage. U.S. intelligence mentioned, in its 2021 threat assessment, that China <u>poses</u> a significant threat, emphasizing its global ambitions. Indeed, U.S. intelligence has begun a shift toward China, with the <u>formation</u> of a China mission office within the CIA.

However, in the last few months, the United States has begun to define the contours of its strategy for the Indo-Pacific. While the new U.S.-U.K.-Australian partnership, <u>AUKUS</u>, showcased the U.S.

willingness to invest militarily in the region, Secretary of State Anthony Blinken's tour of Asian countries and his meetings with Japan and South Korea have anchored the desire to contain China and preserve the status quo in the Indo-Pacific region. The United States, thus, defends a "<u>free and open</u>" Indo-Pacific region, with freedom of navigation on the one hand, but also freedom from coercive policies of China. "Our objective is not to change [China] but to shape the strategic environment in which it operates, building a balance of influence in the world that is maximally favorable to the United States, our allies and partners, and the interests and values we share."

The action plan for this new <u>strategy</u> is based on a dozen key objectives. Deploying new resources to the region is the first objective and will be achieved through greater security assistance to enhance allies' maritime capabilities and domain awareness. Second, the United States plans to launch a new partnership in early 2022 that will aim to, among other things, promote and facilitate high-level trade, regulate the digital economy, strengthen supply chain resiliency and security, focus investment in transparent and high-level infrastructure, and enhance digital connectivity. Enhanced deterrence, the third objective, is intended to deter military aggression against the United States and its allies and partners, including in the Taiwan Strait. Next, the United States wants to expand cooperation with Japan and South Korea beyond security to include infrastructure development, the strengthening of critical supply chains, and trilateral coordination of regional strategies. The last objectives of the U.S. Indo-Pacific Strategy action plan target investments, both economic and political, in enhancing selected regional institutions, including ASEAN and the Quad, supporting India's rise, building resilience in the Pacific Islands, promoting good governance, and strengthening and promoting open, secure, resilient, and trustworthy technologies. Finally, the United States wants to <u>rely</u> on the broadest and most effective coalition possible in order to "to tackle any challenge, to seize any opportunity, to work toward any goal."

At the military level, in December 2021, the United States and Japan carried out two major joint exercises, which <u>enhanced</u> the coordination and interoperability of U.S. and Japanese ground forces. In January 2022, the United States also <u>conducted</u> a freedom of navigation operation in the South China Sea, aimed in part at deterring aggressive Chinese assertions near Taiwan or Vietnam. Finally, in early 2022, at the U.S.-Japan Security Consultative Committee, the two countries <u>reiterated</u> the importance of deterring, as well as responding to, any destabilization of the region by China. While the primary U.S. objective in the area is the prevention of conflict, this does not mean that the United States "will not be prepared for conflict," as <u>stated</u> by Brigadier General Ellison, commander of the 3rd Marine Expeditionary Brigade.

The issue of Taiwan's status crystallizes, in many ways, the competition between the United States and China regarding <u>security</u>, <u>ideology</u> and <u>technology</u>. Tensions surrounding Taiwan were already heightened during Trump's presidency, when he exchanged a phone call with the island's president, which went against the protocol followed by the United States since 1979. He also granted record arms <u>sales</u> to Taiwan while increasing both the number of transits through the Taiwan Strait and of military exercises conducted in the South China Sea. These measures have all continued under Biden. It was also reported that <u>U.S. soldiers</u> were on the island as part of a training program and that the United States was helping Taiwan, along with other Western states, to develop its new <u>submarines</u>. Biden also invited Taiwan to the Democracies Summit last December. For months now, China has signaled its displeasure with the rapprochement between Washington and Taipei by <u>intruding</u> into the air defense identification zone.

The issue has sparked a <u>debate</u> about the risks of China taking action against Taiwan in order to "reunify" the island, which it considers to be an integral part of its territory. Questions are being raised about the nature of a potential attack and which <u>solution</u> the United States should use to protect the island. Since

1979, the U.S. has maintained a policy of strategic ambiguity toward Taiwan, which means that it has been vague about how exactly it would respond to an attack on the island, all the while promising China that it would not support a Taiwanese declaration of independence. Biden's 2021 <u>remarks</u> on live television seemed to make it clear that the United States would defend Taiwan, provoking China's ire. Although a statement was issued to correct the White House's position, many wonder whether the strategic ambiguity has been unofficially <u>abandoned</u>. The merits of such a change are still strongly <u>contested</u>.

After one year in the White House, it should be noted that Joe Biden has not deviated much from his predecessor's policy regarding the Indo-Pacific region. On the relationship with China and the Taiwan question, the administration is being pressed by a Congress where these issues are perhaps the <u>last</u> to achieve consensus in an America that is more polarized than ever. In terms of strategy, the United States is seeking to put forward an integrated deterrent against China. However, the question remains as to whether the United States has the <u>capacity</u> to focus on the Indo-Pacific, in a context where there is much at stake in Europe.

## **The British Pivot**

The return of the United Kingdom to the "East of Suez" has been taking shape since the publication of the <u>Integrated Re view</u> in March 2021. London's objective is to become "the European partner with the broadest, most integrated presence" in the Indo-Pacific. This project has been cherished for some time by Boris Johnson, who <u>declared</u> in 2016 that the British policy of disengagement from the region in the 1960s and 70s had been a mistake. The British strategy is expressed in several strands: diplomatic, economic and security. As a whole, it is part of the concept of <u>Global Britain</u>, whose ambition is to allow the United Kingdom to maintain its influence and continue to play a leading role in international affairs.

On the diplomatic front, the U.K. signalled the beginning of its pivot to the Indo-Pacific by gaining dialogue <u>partner</u> status with ASEAN. The country also took advantage of its presidency of the <u>G7</u> to invite Australia, India, and South Korea to participate in the summit last June, a sign that London wishes to strengthen its ties with the states of the region. The diplomatic shift is reflected on the ground, with an <u>increase</u> in the number of military attachés and diplomats posted in the region. On the economic front, London's activism is explained by its need to counterbalance the effects of Brexit. Indeed, the United Kingdom opt-out of 40 trade agreements covering 70 states when it left the EU. Since then, treaties have been <u>re-signed</u> with 63 of them, including Japan, South Korea, Singapore and Vietnam. In addition, new agreements have been concluded with Australia and New Zealand. Negotiations are also underway with India and members of the <u>Trans-Pacific Partnership</u> to join.

In addition to signing defence agreements with <u>India</u> and <u>Japan</u> - the relationship between London and Tokyo is even described as a "<u>quasi-alliance</u>," - Britain has reinvest to expand its network of <u>military bases</u> throughout the region. It will also increase its cooperation with the members of <u>Five Power Defence</u> <u>Arrangements</u>. The deployment of the aircraft carrier HMS Queen Elizabeth and its carrier battle group, accompanied by U.S. and Dutch vessels, is an important signal of Britain's ability to project power in the region. Beyond this one-time deployment, offshore patrol ships will be permanently stationed in the region for five years. Beginning in 2023, there are plans to add two <u>Littoral Response Groups</u>, including a frigate, an amphibious assault ship and a support ship.

Another important element is the signing of a new trilateral defence <u>partnership</u> between the United States, Australia and the United Kingdom (AUKUS). At first glance, this partnership seems to fulfill the



ambitions behind the *Global Britain* concept and confirms that this strategy will have an even more important maritime dimension than expected. <u>Described</u> by Prime Minister Johnson as "vital for defending [British] interests around the world," AUKUS is <u>seen</u> by China as "seriously undermin[ing] regional peace and stability." While it aims to <u>counterbalance</u> China, its primary objective is to provide Australia with a fleet of nuclear submarines. London is likely to provide the nuclear technology, and future vessels could be based on the Royal Navy's <u>Astute</u> design. AUKUS is thus one out of several initiatives aimed at positioning the United Kingdom as a major player in the Indo-Pacific.

The exclusion of Taiwan from Britain's latest strategy paper was noted by <u>many</u> observers who were <u>surprised</u> that Britain was silent on the region's most salient security <u>issue</u>. London maintains informal ties with Taipei, with several visits by British ministers in recent years. Most recently, the Minister for International Trade <u>visited</u> to advance work on a trade agreement with the island. The economy appears to be a promising area for cooperation, as both countries are <u>potential</u> members of the Trans-Pacific Partnership and could work together. Furthermore, the British foreign secretary <u>promised</u> to support Lithuania in its trade dispute with China over the Baltic state's growing relationship with Taiwan.

When asked in parliament about the implications of the AUKUS pact for London's response to a possible invasion of Taiwan, Boris Johnson <u>mentioned</u> that AUKUS was not envisioned in that sense. The Prime Minister went on to <u>say</u> that in the case of China-Taiwan tensions, "backing the U.S. is the only way forward." Nevertheless, Washington is becoming increasingly <u>clear</u> about its intention to defend the island in the event of a Chinese attack, and everything <u>suggests</u> that Australia has decided to do the same. The question arises, then: What would London do if its two closest allies asked it to join them? If the <u>Global Britain</u> concept and AUKUS are indeed about maintaining an "open" and "free" Indo-Pacific region, it is not incongruous to think that this <u>includes</u> the security of Taiwan.

Thus, the new British strategy for the Indo-Pacific comes with numerous commitments. Although Johnson wants to establish the Royal Navy as Europe's <u>premier</u> navy and to revive its ability to project power globally, the <u>feasibility</u> of this pivot to the Indo-Pacific is questionable. Indeed, it will be difficult for London to play a significant role in the Indo-Pacific and Euro-Atlantic regions at the same time.

## France's Indo-Pacific Power

"France is a nation of the Indo-Pacific," <u>asserts</u> the French Ministry of the Armed Forces. During a <u>speech</u> in Sydney in 2018, French President Emmanuel Macron said that France was now fully engaged in the Indo-Pacific region. About 1.6 million French people live in the region, and 7,000 French soldiers are constantly present there. Macron's starting point is that China is now a global player that wants to redefine its strategic environment. According to him, France does not wish to oppose China, but rather to work with its partners to define the rules of the game in the region and position itself as a stabilizing force. China, conducting a power policy in Asia, and especially in the South China Sea, <u>increases</u> tensions and weakens regional balances. In the <u>2019-2025 military programming law</u>, France argues that new forms of conflicts and operating modes, based on ambiguous intentions and the combination of military and non-military means of action, promote high risks of escalation by contributing to maintaining a state of endemic tension that affects relations between the powers.

Its in this context that France published its <u>2019 Indo-Pacific defense strategy</u>. As mentionned, France's main security and defense objectives in the region are to ensure the protection of French territories, which represents more than two-thirds of its exclusive economic zone, to contribute to the regional security, particularly through defense cooperation (ASEAN, Australia, Japan, India, United States), to



preserve access to common spaces in a context of strategic competition between the United States and China, and above all, to ensure the maintenance of strategic stability and military balance. It is with these objectives in mind that France is pursuing the deepening of interoperability with the armed forces of its main partners, the United States, Australia, Japan and India, strengthening its presence in ASEAN security forums and regularly participating in military exercises with the Quad countries, the United States and Japan.

France's defence posture in the Indo-Pacific is supported by five higher <u>commands</u> covering the entire zone: The command of the South Indian Ocean Armed Forces (FAZSOI) enables the projection of French military forces in a region where allies and partners have little capacity for action; the command of armed forces in New Caledonia (FANC) and the command of armed forces in French Polynesia (FAPF) enable France to secure its territories and exclusive economic zone, in addition to extending its arrangements for carrying out regional missions beyond sovereign zones in cooperation with Australia, the United States and New Zealand. These three sovereignty commands are reinforced by two presence commands: The command of French forces in the United Arab Emirates (FFEAU) and the command of French forces in Djibouti (FFDj). In total, France has 12 bases with naval units, 12 transport and surveillance aircraft, 17 helicopters and 10 combat aircraft to cover the entire Indo-Pacific area. Nonetheless, France lacks a permanent presence in the North Pacific Ocean.

While France does not further specify its intentions for deploying its forces in the region, other than its willingness to <u>transit</u> the South China Sea twice a year since 2014, it has been conducting numerous military exercises with partners in the region for the past few years, as well as occasionally deploying additional assets from the mainland. In particular, the country dispatched fighter and refuelling aircrafts with transit stops to Malaysia, Vietnam, Singapore and India in 2018. Subsequently, in 2019, it deployed its Clémenceau aircraft carrier to the Indian Ocean, and in 2021, it stationed a nuclear attack submarine and a support ship to the South China Sea, as well as fighter jets and bombers to the Indian Ocean for a <u>simulation</u> of ground strikes. In October 2021, France <u>unveiled</u> a military ship specializing in signals intelligence in the Taiwan Strait. These ad hoc deployments are part of France's strategy to reinforce its presence in the Indo-Pacific region. In addition to this, there have been multinational exercises, such as <u>Pitch Black</u> in 2018 with Australia, or <u>ARC21</u> in 2021 with the United States, Japan and Australia. These exercises, according to the French military staff, <u>help</u> strengthen the capabilities of allied countries to work together for a free and open Indo-Pacific.

Like its British ally, the Taiwan issue is absent from French strategy. The issue of Taiwan is raised only once, in connection with university cooperation, and is therefore absent from discussions on security. It is mainly through France's actions that its position on this issue emerges. Apart from occasional deployments to <u>ensure</u>, according to the Minister for the Armed Forces, the defence of freedom of navigation and respect for international law in the region; it is rather the parliamentarians who express, perhaps silently, their positions on the issue. For instance, French parliamentarians, including a former Minister of Defense, visited Taiwan in October 2021, and the vice-president of the Senate Committee on Foreign Affairs, Defense, and Armed Forces, who favored the status quo in the Taiwan Strait, <u>stated</u> that Taiwanese parliamentarians wanted official French support for the island's security. Thus, if Taiwan is absent from French strategic documents on the Indo-Pacific, it is highly likely that France will not remain neutral in the face of a potential military conflict between Taiwan and China, although the degree of France's commitment to the island's protection has yet to be determined.

Finally, France's primary objective in the Indo-Pacific region is to support the emergence of a <u>regional</u> <u>maritime security architecture</u> by focusing on bilateral and multilateral cooperation and the development of regional knowledge and information sharing capabilities. It is in this context that France is now a

member of the South Pacific Defense Ministers' Meeting and has applied for observer status in the ASEAN Defense Ministers' Meeting Plus working groups.

#### **German Ambivalence**

In 2020, Germany published its "guidelines for the Indo-Pacific." The use of the term "guideline" *in lieu* of "strategy" can be understood as a <u>choice</u> meant to pander to Beijing. The use of the Indo-Pacific concept had itself been at the center of a debate within the German government, which was reluctant to use it because it was considered too hostile towards China. While the document ultimately weighs the pros and cons of China's rise, the publication of this document nevertheless signals a change in Germany's approach to the Indo-Pacific region.

Motivated by important developments in the region like the rapidly changing distribution of power and growing disputes that threaten stability, Germany wants to work to protect the rules-based international order through multilateralism. The source of this destabilization is, among others, China "that, to some extent, calls the rules of the international order into question." The German position, however, focuses on the <u>diversification</u> of partners and the inclusiveness of initiatives. Berlin rejects the use of containment and economic decoupling strategies.

The German guidelines cover many areas, with a notable <u>emphasis</u> on trade and economy. As one of the world's leading exporters, Germany understands that its future prosperity is closely linked to the stability and development of the Indo-Pacific region. The objective of strengthening and diversifying economic partnerships is a response to this need and will ultimately lead to less dependence on China. The fight against climate change is also an important part of the German policy. For Germany, diversification, both political and economic, means strengthening its relationship with <u>ASEAN</u>, which is mentioned 66 times in the document. Notwithstanding Berlin's sincerity, the strategy is a shrewd one, for ASEAN has always seen itself as the central forum for the region while firmly rejecting undue interference by the great powers. By moving closer to it, Germany can hope to influence the future of the region.

The relationship with China and security issues are still the main subjects of the guidelines. Regarding the former, it is worth noting the evolution of German discourse. Up until now, Germany's China policy has been almost exclusively economic. Indeed, the country was the main actor to push for the EU-China investment agreement, signed in December 2020, which was poorly received by Washington. On security, while it does not blame Beijing for the tensions in the China Sea, the German initiative has articulated a clear imperative to invest in the maintenance of freedom of navigation and cooperation with like-minded democracies and partners on security issues. Among other things, it emphasizes the role that <u>NATO</u> and the <u>EU</u> must play in this regard. Most tellingly, the document never mentions Taiwan, even though the United States places it at the heart of its regional agenda. Moreover, there is no reflection on previous shortcomings in the Sino-German relationship, at a time when former Chancellor Merkel admitted that the country had been "naive" about China.

Germany's recent actions in the region nevertheless indicate that the country is ready to take concrete action. The signing of a collaborative intelligence partnership with <u>Japan</u> represents the first example of their willingness to do so. In addition, Germany has deployed the frigate *Bayern* during 2021, the first time in 20 years that a German ship has done so. By calling on several states and participating in missions and exercises in the region, this <u>deployment</u> signals to Germany's partners, especially the United States, that it is serious about engaging in the region. The choice to deploy the ship alone, and thus not to include it in a multinational group alongside France or Great Britain, for instance, indicates that Berlin wished



to minimize the coercive signal it sent to China. The latter nevertheless refused the German vessel entry to the port of Shanghai to protest against its passage through the South China Sea. While in Japan with the frigate, the head of the German navy <u>announced</u> that the country planned to have a permanent presence in the region, with aircraft deployed next year and a fleet in the next two years.

Nevertheless, reading the document makes us question Berlin's willingness to really change the basis of its relationship with Beijing, even if its recent deployment plans may indicate otherwise. What kind of signals does this send to the two great powers? The outcome is ambivalent, to say the least. One thing is certain: It will be difficult for the country to reconcile its intention to reassure Washington of its support without antagonizing Beijing.

## Liberal Internationalism in the Netherlands

Defined, like its German neighbor, as "guidelines" rather than a "strategy," the <u>document</u> articulates an ideal of inclusiveness while clearly putting forward <u>the values</u> by which the country intends to act and cooperate in the Indo-Pacific region. More specifically, the promotion and defence of democracy and human rights, as well as the liberal international order, lie at the forefront of their agenda. The Netherlands recognizes the pressure these values face from authoritarian states. The country says it wants to cooperate more with like-minded states in the region in this regard. This group includes Australia, Japan, New Zealand, South Korea, India and ASEAN. While the importance of strengthening bilateral ties is mentioned, it is repeatedly stated that the multilateral framework will be favored by the Netherlands.

The publication of the Dutch guidelines should be understood as Amsterdam's willingness to contribute to the development of an official EU strategy. The Netherlands clearly sees its actions in the region under the umbrella of an overarching European strategy. The latter is intended to be a separate vision from that of the United States. Still, the document elaborates on the ways in which the country will attempt to act on its own. The sectors where its actions will be focused include maritime security and connectivity. This last one will be implemented by cooperating in the development of digital technologies with its regional partners. Overall, the aim is to better integrate the Dutch economy with those of the region and to address cyber security threats.

With respect to maritime security, the <u>militarization</u> of the South China Sea figures prominently in the guidelines, as does the importance of enforcing the United Nations Convention on the Law of the Sea. The firmness with which the Dutch directive speaks of China's role in rising regional tensions stands in contrast to the more conciliatory German document. Yet, this does not imply unwavering alignment with the United States. In this sense, the Netherlands <u>seeks</u> to "prevent the Indo-Pacific region from becoming a pawn of one of the great powers or spoils in the conflict between them." The participation of a Dutch frigate in the battle group of the British aircraft carrier HMS Queen Elizabeth, deployed this year to the Indo-Pacific, demonstrates that the Dutch position goes beyond mere rhetoric on the subject of maritime security.

Taiwan does not appear in the Dutch directive either. Nevertheless, the two countries maintain informal relations. The name change of the Dutch Office in Taipei, <u>described</u> by the official representative as meaning "a lot more," was strongly <u>criticized</u> by Beijing. In addition, the Dutch parliament recently <u>declared</u> its support for Taiwan and Lithuania in their dispute with China. The question remains, however, as to how The Hague would <u>react</u> to Chinese action against Taiwan. A 2021 <u>report</u> outlines the problem the Netherlands faces: Rejecting a U.S. call to support its defense of Taiwan could lead to



a challenge to NATO's Article 5, whereas accepting a U.S. request could be seen by Beijing as a declaration of war. Caught in a dilemma, it is difficult to predict what the Netherlands will do.

#### **European Union: Could a Third Way be Possible?**

Given the national diversities and national interests within the European Union, developing a comprehensive European strategy for the Indo-Pacific is no small task. The recent EU <u>strategy</u> for the Indo-Pacific reflects this difficulty in getting 27 countries to adopt a common understanding of the challenges in this region. The strategy encompasses a wide range of areas of interest, such as sustainable and inclusive prosperity, a green transition, ocean governance, digital governance and partnerships, connectivity, defense and human security. The publication of this document signals the EU's recognition of the importance of the Indo-Pacific region and its desire to participate in the shift already underway by several of its members and allies.

However, the EU's security and defence strategy remains vague. While it insists on preserving the strategic status quo in the region, i.e. maintaining the freedom of navigation and respect for international law provided by the U.S. Navy, it remains elusive on how to achieve its objectives. Thus, the EU seeks to increase its naval presence in the region, notably by participating in joint exercises with regional partners on counter-piracy and the protection of freedom of navigation and by developing its "naval diplomacy." Additionally, the EU wants to strengthen its relations with regional partners through the ASEAN security architecture, or through its enhanced security cooperation in Asia, particularly to cover the areas of counter-terrorism, cyber security, crisis management, maritime security, and information handling and foreign interference. While the security of the Taiwan Strait has a direct impact on the security and prosperity of the EU, according to the EU's Indo-Pacific strategy, Taiwan is primarily considered as an economic partner.

The EU also has a very cautious view of China, reflecting the diversity of interests among member countries. 41% of member countries <u>support</u> the inclusion of China in any regional free trade economic arrangement or global agreement, compared to 48% who are skeptical of a free trade agreement with China and support the expansion of economic ties beyond China. In addition, it should be <u>remembered</u> that 18 EU countries are members of China's New Silk Road Initiative (Belt and Road Initiative) and that in 2016, Greece, Hungary and Croatia opposed an EU statement strongly condemning China's maritime claims. In the European strategy, China is seen both as an indispensable partner with whom to cooperate on issues of common interest by encouraging it to play a peaceful role in the region's development, while at the same time affirming disagreements with it, particularly on the issue of human rights. This is a posture described as "multifaceted engagement."

Yet, the EU's strategy for the Indo-Pacific is not guaranteed to hold in the long term, especially in terms of security and defense. This is primarily because this European strategy is largely based on France, Germany and the Netherlands. While all three countries want to strengthen security in the region, this is not a position shared by most EU countries. Indeed, of all the EU countries, <u>only</u> 12 are in favour of contributing to operations ensuring freedom of navigation in the Indo-Pacific region. In short, if the EU expresses the ambition to offer a third way between Beijing and Washington, its difficulty to speak and act as one poses the real risk that it will become strategically irrelevant. This does not mean, however, that European unity must come at the cost of emptying its Indo-Pacific strategy of all substance.

## **Considerations and Recommendations for Canada**

The strategies outlined by the Europeans and Americans can serve as a reference for the development of a Canadian strategy. Given the importance of the region to its key allies, it seems inconceivable that Canada would not make a minimal contribution to regional security efforts. First, Canada's action in the Indo-Pacific region must focus on the objective outlined by the Netherlands, namely to prevent a muchfeared conflict between Washington and Beijing, the possibility of which should not be underestimated. As a middle power, Canada benefits greatly from global stability and respect for international law. However, the main driver of this conflict is Xi Jinping's diplomacy intended to assert dominance over Taiwan, the South China Sea and other disputed areas, including the Senkaku-Diaovu Islands in the East China Sea. Accordingly, Taiwan represents the most contentious issue between the two superpowers. Beijing has been conducting grev zone attacks against Taiwan, including the deployment of a record number of military aircraft over the island, and China has expressed its readiness to invade Taiwan by force on <u>several occasions</u>. Moreover, China is challenging U.S. domination of strategic sea lanes in the region, putting it in direct competition with Washington. Given this situation, Canada has a vested interest in ensuring that these tensions do not erupt into armed conflict, which would destabilize the entire international system. More importantly, unlike its European allies, Canada does not have the same room for manoeuvre to distance itself from its southern neighbor in the event of armed conflict with China. As such, two concrete actions should be considered. Namely, working with Taipei and regional allies to deter a Chinese attack on Taiwan, including the Pratas Islands, and adopting an inclusive and multidimensional strategy for the region to preserve a rules-based order.

One of the obstacles Canada faces in defining a strategy is that its key allies are divided in their approach. Both established organizations, such as NATO and the EU, and new partnerships, such as <u>QUAD</u> and <u>AUKUS</u>, have their own objectives. The creation of the latter illustrates the divide between Canada's closest allies, the U.S., the UK and France. In this regard, Canada must avoid the temptation to choose sides, since both deterrence and strategic dialogue require speaking with one voice. Thus, Canada must favour an inclusive strategy that brings together its traditional allies and regional partners. This is how Canada has historically played a constructive role on the international stage: by working with like-minded countries to solve problems through multilateralism. But times have changed. To do so today, Canada will have to prove that it can walk the talk. Only when it has <u>regained its credibility</u> on the world stage will it be able to influence them.

To do so, Canada must invest in certain critical areas. To respond effectively to China's rise, it must recognize that military means are not a panacea. It is essential to decouple strategic sectors of the economy from China's (rare earths, high technology, etc.) and redirect supply chains to safer countries such as Vietnam, new trading partners such as <u>Taiwan</u>, but also the United States, so as to overcome their protectionist backlash.

This also means investments in cybersecurity and artificial intelligence, areas where Canada already has significant potential. Obviously, Canada cannot counter China's grey zone activities alone. That is why it is also crucial to increase intelligence sharing and capacity building with like-minded countries. For example, proposing an expanded QUAD that would include France and Canada would strengthen allied deterrence against China and help mitigate disagreements among its allies.

At the same time, Canada will need to clearly define what constitutes the "<u>Indo-Pacific</u>." While the concept is now a frame of reference for many of Canada's partners, each differs in terms of the geographic boundaries they assign to it, the emphasis they place on various sectors of intervention and multilateral



approaches, and especially the place of China within it. For many states, the Indo-Pacific concept is indeed about managing China's rise, but for Canada it cannot be only about that. In order to develop a relevant strategy and to intervene constructively, Canada would need to clearly delineate, in geographic and sectoral terms, what it means by the Indo-Pacific and what it intent to do there. It could go even further and compartmentalize the Indo-Pacific space into geographic sub-areas, for which Canada would develop distinct interests and objectives. This would add substance and credibility to Canada's strategy, as well as help guide its actions in this immense region.

Canada will also need to be clear about the areas in which it wishes to intervene. The country already has expertise in a range of sectors (fisheries management, infrastructure building, institutional development and resilience, capacity building, cybersecurity) that would be welcomed by states in the region. To remain effective, the Canadian strategy should target areas where Canada can add value to its allies, notably through existing regional partnerships, or seek to add to them when they align with its interests. The Japan, Australia and India Production Chain Resilience <u>Initiative</u> and the <u>Blue Dot</u> <u>Network</u> for infrastructure development are interesting avenues in this regard.

Finally, Canada must remember that strategy is the process of linking means to ends. In this sense, it must be careful not to overestimate its means. Clearly, there will be choices to be made. Canada must put its commitments in the Indo-Pacific region into perspective with its limited resources and the two regions that remain priorities: North America, which includes the Arctic, and the Euro-Atlantic region. A division of responsibilities should therefore be developed with our allies to optimize burden sharing and clarify expectations for allies' commitments outside their primary regions of interest. The development of the European Union's Strategic Compass and NATO's new Strategic Concept represent opportunities for Canada in this respect. Any resources invested in the Indo-Pacific must be spent only if the needs to protect Canada's national interests in the Arctic and Europe have been met.

The stakes for Canada could not be higher, and time is running out. Indeed, the country is facing increasing costs by <u>sailing blindly</u>. If it can adapt to the new strategic environment and meet the challenges it faces, Canada can protect its national interests and carry its share of the burden to preserve peace and the liberal international order. Otherwise, it will prove to be a source of vulnerability on one of the most critical issues of our time.