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Security Nexus Perspective

ADAPTIVE POWER HELPS THE U.S. DEFENSE INDUSTRIAL BASE BECOME A TOOL OF DETERRENCE

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Abstract

As strategic competition with China sharpens, the U.S. Defense Industrial Base (DIB) must shift from a reactive supplier to a proactive tool of deterrence and influence. This paper uses the Adaptive Power framework to reconceptualize DIB as a sovereignty-aligned mechanism that advances U.S. strategic objectives through five operational pillars: Timing, Context, Legitimacy, Modularity, and Learning. Supporting the key Department of Defense goals of deterrence, industrial resilience, and sustained readiness, the framework aligns with the administration's emphasis on economic security and credible influence. By leveraging co-production, legal architecture, and forward industrial presence, DIB can shape alliances, blunt adversary leverage, and extend U.S. credibility across the Indo-Pacific. Grounded in strategic wargaming and real-world cases, this paper outlines actionable steps to position DIB as a decisive element of national power in today's contested security landscape.

Introduction

For decades, the U.S. Defense Industrial Base (DIB) has been central to sustaining American military readiness and projecting power abroad. Traditionally viewed as the logistical foundation of hard power, the focus has been on supplying weapons, technology, and materiel to enable combat operations. DIB is now being called upon to serve a more dynamic and strategic function. In the context of growing great power competition, particularly in the Indo-Pacific, the Department of Defense (DoD) has elevated DIB as a national security priority, emphasizing not only production and innovation but also its role in shaping alliances, deterrence, and influence.

At the same time, strategic thinkers have begun questioning whether legacy frameworks, such as Soft Power and even Smart Power, adequately describe how influence is generated in today's competitive

environment. An analysis of DIB and Soft Power argued that DIB, through security cooperation and arms transfers, could serve as a vector of influence if wielded with care, credibility, and cultural awareness. Yet as revisionist states increasingly exploit gray zone tactics, weaponize interdependence, and challenge traditional deterrence logic through coercive influence operations, a more agile conceptual framework is needed.

Adaptive Power answers that need. Developed to account for fragmented sovereignty, contested legitimacy, and fluid operational conditions, Adaptive Power reframes influence not as a static mix of tools but as a responsive, iterative process. It emphasizes Timing, Context, Legitimacy, Modularity, and Learning as pillars for action. Where Soft Power assumes attraction and Smart Power optimizes combination, Adaptive Power prioritizes alignment with shifting terrain, real-time feedback, and systemic flexibility.

This paper extends the Adaptive Power framework to reimagine the role of the Defense Industrial Base. It argues that if DIB is to function not merely as a support structure, but as a frontline asset in strategic competition, it must evolve in form and function. This means aligning industrial engagement with political tempo, co-developing platforms that resonate with partner legitimacy, scaling efforts modularly, and embedding feedback from partner militaries into design and deployment. In short, DIB must not only produce tools of deterrence, it must become a tool of deterrence itself.

Reframing the Defense Industrial Base Through Adaptive Power

1. Timing: Industrial Rhythm as Strategic Deterrence

Traditional Limitation: Historically, DIB was assessed according to its capacity to scale during crises. For instance, surging production during wartime or replenishing munitions stocks after conflict begins. This reactive posture overlooks the strategic utility of anticipatory production and preemptive delivery in shaping adversary behavior.

Adaptive Power Insight: In an era of great power competition, deterrence is not triggered by kinetic thresholds but by perceived readiness and strategic tempo. DIB must become a participant in campaigning, not merely a supplier. This means synchronizing delivery cycles with moments of geopolitical flux, such as regional elections, missile launches, nuclear testing, alliance summits, or adversary gray zone escalations. Timely co-production, forward-staged sustainment nodes, or rapid prototyping tied to emergent threats can serve as early warning signals and can be powerful deterrent triggers.

Case Example: Australia's commitment to the AUKUS partnership exemplifies this proactive approach. By agreeing to purchase three Virginia-class submarines from the U.S. starting in 2032 and investing $2 billion by the end of 2025 to support American submarine shipyards, Australia signals its strategic intent and readiness. This investment not only bolsters the U.S. submarine industrial base but also serves as a deterrent by demonstrating a unified and timely response to regional security challenges.

Another compelling example of DIB and strategic deterrence is the U.S.-Australia co-production of the Guided Multiple Launch Rocket System (GMLRS). This initiative aligns with the AUKUS partnership and reflects a strategic shift from DIB serving merely as a supplier to becoming an integral component of military campaigning. The co-production of GMLRS in Australia is designed to bolster deterrence in the Indo-Pacific region by ensuring timely and localized production of critical munitions. The collaboration establishes forward-staged sustainment nodes and enables rapid prototyping in response to emergent threats to serve as an early warning mechanism and a tangible deterrent to potential adversaries. It is critical to integrate industrial capabilities with strategic objectives to maintain a credible and agile deterrent posture.

2. Context: Fit-for-Partner Industrial Strategy

Traditional Limitation: Defense exports have often followed a "push" model: standardized systems designed for U.S. needs are marketed globally, with limited tailoring to political, operational, or legal partner terrain. This one-size-fits-all approach can erode trust, trigger domestic backlash, or create dependencies. Further, each partner nation operates in its own political, legal, and economic context. Assuming U.S. internal capacity is universally applicable ignores local dynamics and risks producing systems or agreements that lack local fit or legitimacy.

Adaptive Power Insight: Context-sensitive DIB engagement begins not with what we can build, but with what our partners need to maintain sovereignty, credibility, and agency. That means working within partner legal frameworks, adapting platforms to terrain (e.g., archipelagic, cyber-vulnerable, or insurgent-prone), and engaging with domestic civil-military dynamics. DIB becomes a co-designer of legitimacy rather than a U.S.-centric exporter of hardware.

Case Example: The Enhanced Defense Cooperation Agreement (EDCA) between the U.S. and the Philippines illustrates this principle. Under EDCA, the U.S. has invested in infrastructure projects, such as the rehabilitation of Basa Air Base's runway, completed in November 2023. This project, costing PHP 1.3 billion, was tailored to the Philippines' specific needs and legal frameworks, enhancing operational readiness while respecting Philippine sovereignty.

3. Legitimacy: The DIB as Trust Infrastructure

Traditional Limitation: Many DIB engagements have failed not because of inferior technology or cost, but due to perceived self-interest or asymmetry. Partners often interpret U.S. defense sales as transactional or hegemonic, serving U.S. contractors more than local interests.

Adaptive Power Insight: In contested environments where China, Russia, and others use defense partnerships to gain strategic footholds, the perception of fairness, transparency, and mutual benefit is decisive. The DIB must help project American values by demonstrating open contracting, anti-corruption safeguards, local workforce development, and meaningful tech transfer. This builds strategic trust, not just capacity.

Case Example: The U.S. firm's proposal to establish a Defense Innovation Hub in the Philippines, as part of a $5.6 billion F-16 deal, exemplifies this approach. The facility aims to support collaborative research, technical training programs, and scholarship opportunities in aerospace engineering and

defense logistics. By investing in local capacity-building and education, the U.S. demonstrates a commitment to mutual growth and respect for Philippine sovereignty.

4. Modularity: Configurable, Cross-Domain Engagement

Traditional Limitations: U.S. defense industry engagements have often required large capital investments, long timelines, and whole-of-system procurement. This favors major allies but excludes smaller partners or rapid response needs. Further, over-reliance on internal capacity undermines flexibility.

Adaptive Power Insight: Modularity allows DIB to function as a strategic influence layer across many contexts, not just in major power alliances. Exportable ISR kits, mobile cyber response teams, micro-facility UAV assembly, or maritime domain awareness tools can be deployed flexibly. Modular engagements also allow for partner agency in that they can select what they need without creating full-spectrum dependency.

Modularity emphasizes scalable, recombinable, and interoperable systems within the U.S. and across allies and partners. The implication of this is that DIB must be designed not just for national self-sufficiency but for modular cooperation. It must leverage allied co-production, joint R&D, and distributed logistics to adapt in real time to evolving threat environments. Relying solely on domestic production can create strategic brittleness, limit agility in crisis, and weaken coalition interoperability.

Case Example: The Quad's Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA) illustrates a modular, cross-domain approach to strategic engagement. Each member contributes a distinct capability—U.S. satellite tracking, Australian training and patrol assets, Japanese legal and regulatory support, and Indian data fusion through its Information Fusion Centre–Indian Ocean Region. These discrete modules can be configured based on local need, enabling Pacific Island nations to assemble tailored packages of technical, legal, and operational support. This adaptability strengthens national sovereignty, reinforces regional deterrence, and offers a scalable model for multidomain cooperation below the threshold of conflict.

5. Learning: Co-Evolution of Defense Strategy and Industry

Traditional Limitation: DIB has historically been iterated based on internal assessments or DoD guidance, often lagging behind operational realities on the ground. Unfortunately, the DoD's current industrial base mitigation strategy lacks key information to support implementation, such as milestones, performance measures, and responsible organizations. This produces platform features, export strategies, and partnership models misaligned with evolving strategic needs. Further, a closed, internal-only industrial posture limits feedback from partners, markets, and adversary adaptations. Learning demands openness to external input, shared innovation, and iterative refinement based on field realities.

Adaptive Power Insight: Relying only on internal capacity may lock the U.S. into outdated assumptions and reduce agility in contested environments. The DIB must become a learning ecosystem that ingests feedback from partner militaries, strategic wargames, and adversary adaptations. This includes adjusting platform specs to terrain, shifting procurement timelines to

strategic cycles, and iterating partnership models based on what builds resilience, not just dependence.

Case Example: The U.S. and the Philippines have committed to strengthening defense industrial resilience through a Joint Vision Statement. This includes collaborative efforts to enhance defense capabilities, promote innovation, and support economic growth. By engaging in continuous dialogue and adapting to the Philippines' evolving defense needs, the U.S. demonstrates a commitment to co-evolution and mutual learning.

Analysis of Frameworks for the Defense Industrial Base

By integrating Adaptive Power principles, DIB transforms from a logistics engine to a strategic instrument (Table 1). It moves from providing tools of deterrence to being a tool of deterrence that shapes behavior, signals resolve, enables partners, and demonstrates American credibility in the world's most contested regions (Table 2).

Table 1: Comparative Framework for DIB

Power Concept	DIB Role	Strategic Premise	Limitations in Practice	What the DoD Should Be Doing
Adaptive Power	DIB as a responsive influence architecture	DIB decisions (what, when, how, with whom) are dynamic acts of strategic signaling and co-production	Requires deeper political and operational integration; challenges legacy acquisition and export norms	Treat DIB not as backend logistics, but as a frontline influence tool: co-develop systems, tailor to partner terrain, embed legal and political fit, and maintain feedback loops
Smart Power	DIB as a calibrated mix of influence and capacity	Strategic exports balance coercion with cooperation, hard platforms with soft partnerships	Optimized for stable alliances and peacetime posturing; lacks responsiveness to fragmentation or adversary manipulation	Use DIB tools to reinforce alliances, but integrate them into whole-of-government strategies supporting development, legal, and informational lines of effort
Soft Power	DIB as a signal of values and attraction	Defense cooperation promotes goodwill, trust, and positive perception of the U.S.	Often too indirect; risks being overshadowed by transactional arms sales or perceived as coercive soft sell	Ensure DIB engagement includes education, civil infrastructure co-benefits, and institutional transparency to generate positive long-term alignment

Table 2: Key implications for the Defense Industrial Base of using Adaptive Power as a lens to shift from legacy posture to adaptive influence.

From Legacy Posture to Adaptive Influence	Strategic Implications for the Defense Industrial Base
From Supply to Strategy	Under Adaptive Power, DIB is not simply about throughput. It becomes part of how the U.S. shapes the environment, preempts coercion, and demonstrates commitment. DIB must shift from a linear model of supplying weapons to a dynamic role in shaping strategic ecosystems in a manner that co-develops capability with allies to build sovereignty and deny adversary access.
Beyond Exports	Influence requires modularity, not monoliths. Modular co-production, enablement of intelligence, surveillance, and reconnaissance (ISR), and forward-repair or tech-sharing hubs matter more than just transferring complex platforms. Instead of arms transfers alone, U.S. firms should engage in co-production, training, and legal/institutional support that embed American standards and deepen partner alignment.
Embedding Legitimacy	DoD must prioritize how defense industry actions are perceived. Transparency, legal co-design, and visible local benefits are central to countering Sharp Power narratives. Industrial activities should enhance host-nation credibility, not bypass it. Agreements must align with domestic laws, benefit distribution, and public perception to sustain long-term access
Learning as Posture	The DoD should treat DIB partnerships as adaptive campaigns, not fixed contracts. Regularly update tools and processes based on strategic wargaming, partner feedback, and regional political cycles. Feedback from partners and adversaries must be built into industrial deployments. DIB evolves into a tool of real-time campaign learning and adjustment, not a fixed asset.

Adaptive Power Policy Recommendations for the Department of Defense

1. Redefine DIB engagement as strategic influence. Treat DIB activities (sales, co-production, tech-sharing) not just as logistics, but as instruments of influence. Every defense export should be evaluated for its timing, legitimacy, and strategic fit, not just capacity.

2. Institutionalize co-design with partners. Create policy and contracting pathways that allow for joint design, legal review, and local manufacturing where possible. Elevate DIB to a platform for sovereignty-respecting partnerships that demonstrate shared purpose. This may assist in alleviating manufacturer attrition as thousands of companies leave the defense market annually.
3. Enable modular, forward-scalable industrial tools. Expand mobile repair, depot, ISR, and Command, Control, Communications, Computers, and Intelligence (C4I) packages that can plug into partner needs in real time. Think beyond full platform transfers to tailored, domain-specific influence nodes.
4. Build influence feedback loops into DIB programs. Mandate iterative campaign assessments and partner feedback mechanisms as part of every major defense cooperation effort. Create red teams that evaluate legitimacy risks and local reception of DIB engagements.
5. Align DIB export and acquisition strategy with Adaptive Power doctrine. Train DIB planners and security cooperation officers in the five pillars of Adaptive Power. Require that all DIB engagements in priority theaters demonstrate consideration of Timing, Context, Legitimacy, Modularity, and Learning.
6. Counter Sharp Power through transparent industrial practices. Compete with China's influence not by mimicking speed but by offering transparency, accountability, and co-benefit. Design DIB engagements to reinforce local legitimacy and highlight the contrast with opaque alternatives.

Conclusion

The U.S. Defense Industrial Base is no longer just a warehouse of deterrent tools. It is a terrain on which strategic competition is being waged. In the Indo-Pacific and beyond, adversaries exploit fragmented norms and legitimacy gaps to undermine U.S. influence, even without firing a shot. In this environment, the true value of DIB lies not only in its technological superiority but in its adaptability as a platform for influence.

Adaptive Power reframes DIB as a live instrument of deterrence: shaped by timing, grounded in local context, aligned with legitimacy, deployed modularly, and refined through continuous learning. If the DoD internalizes these principles, it can transform DIB from a symbol of past strength into a source of future advantage. To prevail in the competitive gray zones of this century, America must ensure that the way it equips others is not just powerful, but also purposeful, principled, and perceptive.

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