

## INDO-PACIFIC MIDDLE POWERS: RETHINKING ROLES AND PREFERENCES

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The Indo-Pacific is increasingly defined by <u>strategic competition</u> between the United States and China. But this dynamic is further complicated by the presence of a class of diverse but consequential second-tier states. Their middling economic and military capabilities are often combined with valuable geographic positioning around the "<u>flash points</u>" of potential conflict, or elevated social status in elite global clubs such as the G20 or OECD—making them important regional players whose roles and preferences cannot be ignored.

Many of these middle power states are rapidly departing from long-held security policies and priorities, as recently demonstrated in <u>Japan's National Security Strategy</u>, <u>Australia's Defense Strategic Review</u>, and <u>South Korea's Indo-Pacific Strategy</u>. The last-minute <u>cancellation</u> of President Joe Biden's visit to Sydney for the Quad summit should not be taken as a reflection of US disinterest in enhancing cooperation with leading middle powers such as Australia, India and Japan.

Accordingly, a re-evaluation of the roles and preferences of Indo-Pacific middle powers is required, as some of our previously held assumptions need

adjusting in light of the new context of great power competition.

#### Rethinking the "middle power moment"

Once-optimistic visions of an "Asia-Pacific Century" entailing widespread economic integration, institution building and multilateral cooperation, combined with the comparatively smooth recoveries of Asian states after the 2008 Global Financial Crisis, helped to foster a surge of interest in the region's middle powers in the early 2010s. Academics spoke of a "middle power moment," and celebrated the "rise of the middle powers"—while political leaders from countries as varied as South Korea, Australia, and Indonesia freely associated themselves with the middle power label.

At the same time, active "middle power" initiatives ranged from Australian Prime Minister Kevin Rudd's envisaged <u>Asia-Pacific Community</u>, to the formation of the middle power minilateral grouping known as <u>MIKTA</u> (Mexico, Indonesia, Korea, Turkey, and Australia). Such initiatives raised expectations that middle powers had the opportunity and appetite to restructure the international system, following the approach set by "emerging power" minilateral forums like <u>BRICS</u> and <u>IBSA</u> in the early 2000s.

A decade later and these debates have died down. Rudd's Asia-Pacific Community was stillborn, and MIKTA has struggled to make its mark on international politics. Moreover, some academics have become frustrated with the term "middle power" itself, in part due to confusion over which states belong in this category.

In the Indo-Pacific, there is broad agreement that Australia and South Korea are middle powers. But for other states such as Japan and India, it is an awkward fit—they have some great power capabilities, but not the ability to define the security order in the way that the US or China does. Nevertheless, the "middle power" label remains useful because influential second-tier states like Australia and Indonesia continue to identify themselves in this way, while they pursue adapted, modified and updated forms of "classic" middle power diplomacy through coalition-building, multilateralism, and norms entrepreneurship.

Crucially, on reflection, the middle power initiatives and diplomatic strategies of the early 2010s appear insufficiently focused on the role of power, with a nebulous agenda that often lacked clear and specific aims. However, as the regional environment continues its slide towards great power competition, this is now changing.

### Shifting roles and preferences

In the new era, middle power strategies have refocused on the role of power in three distinct ways.

First, middle powers are acutely sensitive to current and anticipated changes to the balance of power. Like great powers, they employ internal and external efforts to contribute to their "side" of the balance—and are joining the regional "arms race" by seeking to augment their military capabilities. In doing so, middle power US allies and partners are better equipped to compensate for any shortfalls in American military power, while US-aligned and non-aligned middle powers alike are increasing their capacity for national self-sufficiency to hedge against a scenario in which future US decline or withdrawal from the region were to leave them further exposed to Chinese coercion.

Second, middle powers are retaining their roles as "norm entrepreneurs," but in a way that is more focused on power and the protection of their national interests. Most notably, Indo-Pacific middle powers from <a href="India">India</a> to <a href="Indonesia">Indonesia</a> have supported the construction and affirmation of a rules-based order, which offers some protection from the "might makes right" alternative of undiluted power politics.

In a new case of "<u>norm entrepreneurship</u>," <u>Japan</u> led in developing and promulgating the Free and Open Indo-Pacific concept, prior to it being <u>adopted as official US policy</u>. Indonesia subsequently <u>played a key role</u> leading the promulgation of the ASEAN Outlook on the Free and Open Indo-Pacific. Such attempts to instil a regional rules based order benefit from the support of US power, (even as some middle powers occasionally <u>accuse Washington</u> of itself undermining the rules based order). But middle powers also recognize that they may have to take the

lead in maintaining this order without the United States—as was seen in Japan and Australia's leadership of the CPTPP.

Third, while middle powers have retained their interest in coalition-building, this increasingly—though not exclusively—takes place around a great power core member and focuses on a clearly defined strategic agenda. Middle powers still view multilateralism as serving a function (and recognize ASEAN centrality in the regional institutional architecture), but they are increasingly splitting off from these larger pan-regional forums to invest in great power-led minilateral configurations that demonstrate more deliberate and concrete strategic intent.

One illustrative example is Australia, which has invested considerably more political capital in the success of the US-led minilaterals of AUKUS, Ouadrilateral Security Dialogue ("Ouad"), and Trilateral Strategic Dialogue than it has on the "middle power only" MIKTA. These great powermiddle power minilaterals have an agenda focused on order-building, deterrence, and technological cooperation—as well as "non-traditional" security issues. Middle powers are particularly attracted to these forms of minilateralism to harness the power of their great power partner to address joint security challenges outside the fetters of non-binding consensus-building multilateral institutions.

#### Into an age of great power competition

For Andrew Carr, "to be a middle power requires a modest disbelief in power." But in the age of great power competition, Indo-Pacific middle powers have begun to adapt their roles and preferences to better reflect an awareness of the importance of power. It may thus be time for a fundamental rethink about what it means "to be a middle power" in the contemporary era.

The revival of power politics between the United States and China does not mean that middle powers are irrelevant—far from it—only that their roles and preferences have changed. As a starting point, we should acknowledge that our existing assumptions

about the behaviour of middle powers were predominantly formed in the early post-Cold War era, and these understandings are no longer fully valid. In short, Indo-Pacific middle powers now understand that great power competition is likely here to stay—and they are adjusting their strategies accordingly.

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