

Chapter 1

Minilateralism and the Dynamics of Great Power Competition in Asia: AUKUS and the Quad

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After nearly four decades of geopolitical stability, great power competition has returned to Asia, the world's most populous region. During those stable years, Asia's states and societies were able to take advantage of that long peace to drive a remarkable period of economic expansion. From Sino-American rapprochement in the 1970s through to the accession of Xi Jinping to the leadership of the CCP and his implementation of a much more competitive approach to Chinese foreign and defence policy, the region not only enjoyed dramatic economic growth and the attendant integration that it created as PRC growth forged a genuinely pan-Asian regional economy, but also explored multilateralism in a range of domains, most notably in relation to international security.¹ By the early 2010s, scholars and commentators were remarking on the region's security architecture, which comprised a mix of both competitive and cooperative ways of managing the diverse array of traditional and non-traditional security challenges confronting the region.²

Today, great power competition casts a long shadow over the region. The United States and China each has a view of its preferred configuration of regional order which is incompatible with the other. Indeed, each country increasingly views the other as antagonistic toward its interests and is settling in for a sustained period of overt competition. The Russian invasion of Ukraine has further destabilised the region and shown that the risks of conflict are very real, particularly given that the respective stake that the United States and China have in the key regional flashpoints is much greater than those they have in Eastern Europe. This context makes the emergence of what some have called a new 'minilateralism' an interesting and telling aspect of Asia's international security environment.³ The revitalisation of the Quad and the creation of the AUKUS pact reflect both the ways in which exclusive and competitive tendencies have come to

¹ Nick Bisley, *Building Asia's Security*, Adelphi No. 408, Routledge and International Institute for Strategic Studies, 2009.

² William T. Tow and Brendan Taylor, 'What is Asian security architecture?' in *Review of International Studies*, 36.1, pp. 95-116.

³ Joel Wuthnow, 'U.S. 'Minilateralism' in Asia and China's Responses: A New Security Dilemma?' in *Journal of Contemporary China*, 28.116, 2019, pp. 133-50.

replace inclusive and cooperative instincts in the region as well as the impact of great power competition on the dynamics of Asia's international landscape.

This paper explores these trends in four parts. The first sets the context and defines what is meant by the return of great power competition and its causes. The second discusses security multilateralism in the region, why cooperative and inclusive approaches have been overtaken by exclusive and competitive approaches, and the broader appeal of minilateralism. The third details the revival of the Quad, the emergence of the AUKUS partnership, and how they have developed to date. The paper's final section examines how the dynamics of the Ukraine war are affecting these broader trends. It concludes by arguing that while minilaterals are appealing for states seeking to navigate a more competitive environment, there remain very real limits to what they can achieve in shaping the larger dynamics of strategic competition.

The Return of Great Power Competition

The most striking feature of Asia's international relations in recent decades was the almost complete absence of great power rivalry for nearly 40 years following the normalisation of Sino-American relations.⁴ On the foundations built by the grand bargain struck between the PRC and the United States, countries in the Asia-Pacific enjoyed an extensive period of geopolitical stability due to the acceptance of the regional order centred around American military and economic primacy.⁵ A strong consensus emerged among the region's powers around a restrained approach to foreign and defence policy, allowing states to put a high priority on domestic economic development and state building. This in turn created not just a huge increase in human welfare as the reform programs of many countries succeeded in lifting millions out of poverty, but also reconstituted the region's economic structure leading to a genuinely pan-Asian pattern of trade and investment that had previously not existed.⁶ Because of both the durability of the geopolitical settlement and the political interests that were staked to economic growth, as well as the interdependence of the region's key powers, most obviously between the United States and China but also between Japan and China, it seemed that, in the early years of the

⁴ Timo Kivimakki, *The Long Peace of East Asia*, Farnham: Ashgate, 2014.

⁵ Nick Bisley, 'Asia's regional security order: Rules, power and status' in *Australian Journal of Politics and History*, 65.3, 2019, pp. 361-376.

⁶ Shiro Armstrong and Tom Westland (eds), *Asian Economic Integration in an Era of Global Uncertainty*, Canberra: ANU Press, 2018.

21st century, geopolitical competition could be kept from returning to blight a region which was all too aware of the human price that will be paid when great powers fight for influence.

That sense of durability has come to an end as the economic success of the long period of geopolitical stability has brought about the end of the order on which it was built. China is no longer willing to live with the deal it struck with the United States and wants to create an international environment more conducive to its interests. For its part, Washington is not prepared to cede its standing in the region nor is it prepared to change the rules of the international road which underpinned an order centred around American power and influence.

The fraying of the old order began to become visible several years into the Obama administration. Following what proved to be a fruitless attempt to forge a more collaborative approach to the PRC,⁷ the Obama White House initiated its 'pivot' to Asia. This was an effort to reorganize US policy away from the distortions of the war on terror, but was also more importantly an attempt to reconfigure US policy to deal with a rising China that was becoming more confident and making clear that it was not content to live forever in Washington's shadow.⁸ While the United States held out hope that the mix of engagement and military deterrence in Asia that had been the setting which Obama inherited might yet yield preferred results, at its core the 'pivot' was intended to shift US strategic policy to reflect the changing balance of power as well as the changes in attitude and intent from PRC elites.

From Beijing's perspective, the pivot confirmed in the minds of its policy makers that the United States was not interested in accepting China's new standing. Indeed, for some this was evidence that the United States was intent not just on maintaining the old order, but also that Washington wanted to ensure that the PRC was prevented from fully achieving its potential.⁹ From 2011, the United States and China entered into a period of low-level competition which, from time to time, flared up, perhaps most notably with the PRC's reclamation program in the contested waters of the South China Sea and subsequent militarisation of those installations. But it was not until the Trump administration that the United States began to adopt overtly competitive policies toward the PRC, and it famously also shifted its public rhetoric to match the new orientation.

⁷ Richard C. Bush, 'The United States and China: A G2 in the making?' in *Gaiko*, Vol 8, 2011, 9, <https://www.brookings.edu/articles/the-united-states-and-china-a-g-2-in-the-making/>.

⁸ Kurt Campbell, *The Pivot: The Future of American Statecraft in Asia*, New York, NY: Twelve, 2016.

⁹ Lanxin Xiang, 'China and the "Pivot"' in *Survival: Global Politics and Strategy*, 54.5, 2012, pp. 113-28.

In the National Security Strategy released toward the end of 2017, the United States made clear that it was moving away from the focus on terrorism that had dominated its strategic policy since 2001 because of threats posed by great power competition, and the PRC was of course the principal focal point for these efforts.¹⁰ Given how much Biden campaigned as an ‘anti-Trump’ candidate, it is striking just how much his administration has maintained his predecessor’s approach to the PRC.¹¹ While some of the more flamboyant rhetoric has gone, the tariffs remain firmly in place, and the administration is sending decidedly mixed signals about Taiwan.¹² In its National Security Strategy issued in October 2022, the administration makes plain that Washington sees itself in a full spectrum competition with the PRC.¹³ Indeed, the recent move to hobble the PRC semi-conductor industry in the CHIPS and Science Act is an act of economic coercion on the PRC of a kind that the Trump administration could only dream.¹⁴

Great power competition is back on centre stage in global politics. Russia’s invasion of Ukraine at the Western end of the Eurasian landmass is a reminder to those in Europe that the longer run rhythms of geopolitical competition have not been tamed by markets and globalization. At the Eastern end of that continent, however, contestation has been visible for some time, fortunately without the tragedy of conflict yet.¹⁵ And while competition is undeniably evident in a number of domains, the overarching structure and purpose of that competition remains unclear. While the Biden administration has recently sought to frame its strategy in more ideological terms, seeking to defend democracy from the threat of autocracies,¹⁶ it remains a fairly abstract proposition. Ultimately, US strategy

¹⁰ White House, *National Security Strategy of the United States of America*, Washington, DC: Office of President of the United States, December 2017, <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

¹¹ Eric Feinberg, ‘China Policy from Trump to Biden: More Continuity than Change,’ *PacNet Pacific Forum*, No. 12, March 5, 2021, <https://pacforum.org/wp-content/uploads/2021/03/PacNet12-2021.03.05.pdf>.

¹² Stephen Wertheim, ‘The Troubling Implications of Biden’s Taiwan Gaffes,’ *Carnegie Endowment for International Peace*, May 24, 2022, <https://carnegieendowment.org/2022/05/24/troubling-repercussions-of-biden-s-taiwan-gaffes-pub-87196>.

¹³ White House, *National Security Strategy*, Washington, DC: Office of the President, October 12, 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.

¹⁴ Victoria Cooper, ‘Explainer: The CHIPS and Science Act, 2022,’ *United States Studies Centre*, Sydney: University of Sydney, August 11, 2022, <https://www.uscc.edu.au/analysis/explainer-the-chips-and-science-act-2022>.

¹⁵ Nick Bisley, ‘Rising Powers and the Return of Geopolitics’ in Mark Beeson and Nick Bisley (eds), *Issues in 21st Century World Politics*, Palgrave, 2017, pp. 9-22.

¹⁶ White House, *National Security Strategy*, p. 8.

in its competition with the PRC in Asia appears to be about defending the status quo as it has existed for the past few decades. The status quo is described in the same language used by the Trump administration: a 'free and open Indo-Pacific'.¹⁷ Given the opacity of its political system, it is not surprising that the PRC's long run aims are less than clear. Based on its actions to date and the many comments from Xi Jinping and other CCP elites, the PRC wants to change the international environment to one more conducive to its interests. In particular, it aims to reduce its vulnerability to US coercion and to the threat it perceives as being presented by liberal ideas.¹⁸ But it is not clear if the PRC has the kind of expansive international ambition of the USSR to remake the world, nor is it evident if there is a consensus within elite circles in Beijing about just what kind of regional or international order would best suit the PRC's interests. This creates a distinctive environment in which power-political competition within the region and amongst the world's largest economies is the pre-eminent factor in the region's international relations, but one in which the dynamics and purpose of competition remain unclear.

Multilateralism and Minilateralism

During the Cold War, Asia was notable for its reluctance to embrace the broader global trend toward multilateralism and was not at all interested in multi-state groupings to grapple with security challenges. Created in 1967, ASEAN was the sole example of such a grouping, and for its first three decades was focused on intra-elite solidarity to facilitate post-colonial state and nation building programs in the context of high intensity wars being fought on its doorstep driven by Cold War competition.¹⁹ To advance their security interests regional powers looked after themselves or sought to bolster their own efforts with support in the form of alliances. The series of bilateral security arrangements established in the early years of the Cold War, which came to be known as the San Francisco system, enabled the United States to organize the Asian theatre of its global contest with the USSR and provided for defence and security guarantees for junior

¹⁷ White House, *Indo-Pacific Strategy of the United States*, Washington, DC: Office of the President, February 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>.

¹⁸ Nadege Rolland, *China's Vision for a New World Order: Implications for the United States*, Washington, DC: National Bureau for Asian Research, October 2, 2020, <https://www.nbr.org/publication/chinas-vision-for-a-new-world-order-implications-for-the-united-states/>; Rush Doshi, *The Long Game: China's Grand Strategy to Displace American Order*, Oxford: Oxford University Press, 2021.

¹⁹ Sean Narine, *Explaining ASEAN: Southeast Asian Regionalism*, Boulder, CO: Lynne Rienner, 2002.

partners. These arrangements were avowedly not organized on the sorts of multilateral principles through which the United States managed its Western European strategy.

Following the Soviet collapse and the US decision to retain the basic logic and structure to its Asia policy as set out in the 1995 and 1998 Nye Reports, the Cold War security structure remained in place. But alongside this more conventional realist mode of advancing security interests, Asian states began to explore the possibilities of security multilateralism. Over about a decade and a half, Asia moved from having essentially no forms of security multilateralism to a situation in which some critics argued it had too many.²⁰ This began with the creation of the ASEAN Regional Forum in 1994 as the Southeast Asian grouping began to recognize that the primary security challenges facing the organization and its members were likely to come from outside Southeast Asia, and that the group needed to engage with those sources of insecurity.²¹ This trend included the establishment of other ASEAN centred bodies like the ASEAN Defence Ministers' Meeting Plus process,²² and the East Asia Summit (EAS).²³ It also included adding security matters to the work agenda of APEC which had, prior to the turn of the millennium, assiduously avoided the topic, as well as the creation of a number of minilateral groupings such as the Trilateral Security Dialogue (involving Japan, Australia, and the United States), the Six Party Talks, and the short lived first iteration of the Quad. During this period, Japan and Australia both tried to create yet more groupings (which ultimately failed) in Kevin Rudd's Asia Pacific Community²⁴ and Hatoyama Yukio's East Asia Community.²⁵ China was an active participant in this process as a member of many of these new mechanisms, but also established the Shanghai Cooperation Organization²⁶ and sought to reenergise the Conference on Interaction and Confidence Building

²⁰ Nick Bisley, *Building Asia's Security*, Adelphi No. 408, Routledge and International Institute for Strategic Studies, 2009.

²¹ Rudolfo Severino, *The ASEAN Regional Forum*, Singapore: ISEAS Press, 2009.

²² See-Seng Tan, 'The ASMM Plus: Regionalism that works?' in *Asia Policy*, No. 22, 2016, pp. 70-75.

²³ Jae Chol Kim, 'Politics of Regionalism in East Asia: The Case of the East Asia Summit' in *Asian Perspective*, 34.3, 2010, pp. 113-36.

²⁴ Frank Frost, 'Australia's proposal for an 'Asia Pacific Community': issues and prospects,' *Australian Parliamentary Library Research Paper*, December 1, 2009, <https://www.aph.gov.au/binaries/library/pubs/rp/2009-10/10rp13.pdf>.

²⁵ Ryo Sahashi, 'Japan's vision: Building an East Asian Community' in *East Asia Forum* August 5, 2010, <https://www.eastasiaforum.org/2010/08/05/japans-vision-building-an-east-asian-community/>.

²⁶ Jing-Dong Yuan, 'China's Role in Establishing and Building the Shanghai Cooperation Organization (SCO)' in *Journal of Contemporary China*, 19.67, pp. 855-69.

Measures (CICA).²⁷

The culmination of this period was the accession of Russia and the United States to the EAS in 2011. By this time, the idea of a regional 'security architecture' had begun to be used in scholarship and policy circles to describe the curious mix of security mechanisms states were using to advance their interests.²⁸ The US alliance system retained its importance for those within its orbit, with many states strengthening and expanding their bilateral ties with the United States even as they embraced multilateralism.²⁹ Realist instincts remained even though the liberal ideas of multilateralism were flowering across the region.

There were a number of reasons that states were turning to multilateral security initiatives.³⁰ The most immediate was due to the complex array of security threats and challenges states were facing created by the networks of globalization. The trade and investment ties that brought significant prosperity also opened up societies to vulnerabilities that required multi-state collaboration to tackle. But it was not just the need to deal with transnational terrorism or infectious diseases that led to the creation of such expansive and ambitious entities as the EAS. Many also saw that the existing regional balance of power was changing, and advocates for multilateralism saw in these large gatherings an opportunity to influence the major powers. Indeed, in their more ambitious moments, some felt the institutions had the potential to 'enmesh' the major powers in their modes of operation and even potentially act as a means through which a new regional order could be managed cooperatively.³¹ As the regional architecture began to take shape, notwithstanding its somewhat cluttered setting, Asia had achieved a great deal in forging a wide array of means through which the states of the world's most dynamic region could manage their security interests. This multilateralism had the two core attributes of being inclusive and cooperative.

More than 10 years have elapsed since the expansion of the EAS, and the promise

²⁷ Xi Jinping, 'New Asian Security Concept For New Progress in Security Cooperation,' Remarks at the Fourth Summit of the Conference on Interaction and Confidence Building Measures in Asia, Shanghai Expo Centre, May 21, 2014, https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/20140527_678163.html.

²⁸ Tow and Taylor, 'What is Asian security architecture?'

²⁹ For example, Nick Bisley, 'Securing the "Anchor of Regional Stability"? The Transformation of the US-Japan Alliance and East Asian Security' in *Contemporary Southeast Asia*, 30.1, 2008, pp. 73-98.

³⁰ See also Michael J. Green and Bates Gill (eds), *Asia's New Multilateralism: Cooperation, Competition, and the Search for Community*, New York: Columbia University Press, 2009.

³¹ Evelyn Goh, 'Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies' in *International Security* 32.3, 2007-08, pp. 113-57.

of this inclusive and cooperative architecture has not been fulfilled. The speed with which the United States and China have moved into a period of enmity and competition is remarkable, and the tragic inability of the many multilateral bodies to make any meaningful response to the COVID pandemic, a crisis of the kind that these bodies really ought to have been able to respond to, has shown just how hollow that vision of security multilateralism was. However, although geopolitical contestation, the return of nationalism, and a global pandemic have hobbled the more expansive entities, states have not stopped seeking to work with one another to advance their security interests. But where in the past they had turned to inclusive and cooperative bodies, now it is entities that are exclusive and competitive that have captured the imagination.³² As the region began to move away from self-help and bilateral modes, it experimented with expansive region-wide bodies yet also dabbled with more narrowly focused forms of collaboration. These ‘minilateral’ groupings, so called to distinguish entities that involved more than two members but which had relatively circumscribed membership from larger cooperative groupings, were present during the expansion of inter-state cooperation in the early part of the 21st century, albeit at the margins of state priorities and the attentions of analysts and scholars. But no more, as minilaterals have come to the fore as their scale allows them to move swiftly and narrow functional focus promises a tangible grip on policy outcomes of the kind the large multilateral bodies have found so difficult to achieve.

The Quad

The Quadrilateral Security Initiative, as it was then styled, was created in 2007 to bring together Australia, India, Japan, and the United States to discuss shared regional security concerns.³³ Japan’s then Prime Minister, Abe Shinzo, was its most visible and articulate advocate. Yet the group dissipated in a little over twelve months, reflecting the significant gaps that existed amongst the states about their broader security interests; the grouping was not suited to the geopolitical circumstances of that time.³⁴ The group was reconvened ten years later, prompted by the deteriorating security environment and the growing

³² Bhubindar Singh and Sarah Teo (eds), *Minilateralism in the Indo-Pacific: The Quadrilateral Security Dialogue, Lancang-Mekong Cooperation Mechanism, and ASEAN*, London: Routledge, 2020.

³³ Howard Loewen, ‘The “Quadrilateral Initiative”: A New Security Structure in Asia?’ in *Journal of Current Southeast Asian Affairs*, 27.1, 2008, pp. 101-110.

³⁴ Daniel Flitton, ‘Who really killed the Quad 1.0?’, *Lowy Interpreter*, June 2, 2020, <https://www.lowyinstitute.org/the-interpretor/who-really-killed-quad-10>.

convergence of interests amongst the four members.³⁵ The first meeting of the revived Quad was held on the margins of the 2017 EAS, followed by a number of meetings of security officials and military officers in 2019. In that year, the Quad Foreign Ministers met in New York, alongside the UNGA meeting in September, with a follow-up ministerial gathering in Tokyo in 2020 and a virtual meeting in early 2021. The Quad then instituted an inaugural leaders' level meeting hosted by President Joe Biden. The most recent leaders' meeting was to be held in Sydney in May 2023, but had to be cancelled due to President Biden's budget challenges. It was instead held on the sidelines of the G7 meeting in Hiroshima, although it was formally hosted by Prime Minister Albanese of Australia.

Although the revived Quad has moved away from the formal title of its first instantiation – it is simply 'the Quad' in all of the formal statements and communiqués – it remains primarily focused on security cooperation with, ostensibly, a particular emphasis on coordinating military operations and aligning the direction of security and strategic policy amongst its members. In the statement issued following the first of the leaders' meetings, a document that has the feel of an overarching statement of purpose, the group sets out its vision in plain but expansive terms: the Quad aims to promote 'the free, open, rules-based order, rooted in international law and undaunted by coercion, to bolster security and prosperity in the Indo-Pacific and beyond.'³⁶ From this, it is clear that although the Quad has as its immediate motivation the desire to coordinate security policy, it also has ambitions to buttress the foundations of prosperity and is conceived more broadly as a means to protect a particular configuration of regional order.

It has thus evolved, fairly swiftly, from a grouping intended to focus on security matters understood in relatively traditional military terms, to a body working on a much more expansive set of domains. The grouping has established programs related to climate change, public health, vaccination, and high technology and, in 2022, it added infrastructure, educational exchange, humanitarian and disaster relief, and space to its burgeoning agenda. This reflects the realisation that in the contemporary world, security is multifaceted and requires more than just coordination of defence policies and joint military programs and exercises. It is also a realisation that the larger challenge of geopolitical competition amongst the great powers is itself expansive, entailing not

³⁵ Sumitha Narayanan Kutty and Rajesh Basrur, 'The Quad: What It Is – And What It Is Not' in *The Diplomat*, March 24, 2021, <https://thediplomat.com/2021/03/the-quad-what-it-is-and-what-it-is-not/>.

³⁶ Prime Minister's Office, *Quad Leaders' Summit Communique*, September 24, 2021, <https://www.pm.gov.au/media/quad-leaders-summit-communicue>.

only traditional jostling for influence over the military balance and areas of strategic significance, but also infrastructure, standards, new frontiers of technology, and the substance of the region's international 'rules of the road'. For the Quad to make a meaningful contribution to advancing shared aims in relation to this competition requires engaging across the spectrum.

The Quad has rapidly moved through the gears in the five years since it reconvened. Yet this expansion of the agenda is notable for two distinct facets. First, it does not have work program related to matters of the economy beyond some talk around infrastructure. Nor is there any indication that this is likely in the future. Given the way that the PRC is able to use its economic weight to advance its foreign policy agenda,³⁷ this lack of an economic dimension is a distinct shortcoming, and one that is a product of the significant gaps in interest and policy inclination among the four members in the economic domain. Second, the expansion of the agenda risks undermining the organization itself. The traditional logic and appeal of minilateral groupings is their ability to focus on narrow and potentially complex or contentious issues which larger, more wide-ranging groupings find too difficult. One of the abiding lessons of Asia's rapid expansion of inclusive and cooperative multilateral mechanisms is that big and ambitious agendas present a major problem both in terms of the scale of work that must be undertaken as well as for the credibility of the processes. Among the reasons why bodies like the ARF and EAS are perceived to fall short is that they have failed to deliver meaningfully on a big and broad agenda.³⁸ Indeed, because of the speed and breadth of the issue expansion undertaken by the Quad, some have even taken to questioning whether or not it can be reasonably described as a security institution.³⁹ At best, the widening out of the policy scope dilutes the Quad's capacity to act on core security business, and at worst it risks suffering from the same fate as the larger mechanisms: becoming seen as little more than a talk shop.

These remain potential problems. There are, however, some already evident weaknesses with the grouping's activities. The most obvious weakness is that in its half-decade of reconstitution, the Quad has not undertaken any meaningful steps to turn its ambitious rhetoric into policy substance. It remains firmly in the realm of diplomatic and strategic signalling of intent and of policy solidarity. To be clear, these

³⁷ Mark Beeson, 'Goeconomics with Chinese characteristics: the BRI and China's evolving grand strategy' in *Economic and Political Studies*, 6.3, 2018, pp. 240-56.

³⁸ See Nick Bisley, 'The East Asia Summit and ASEAN: Potential and Problems' in *Contemporary Southeast Asia*, 39.2, 2017, pp. 265-72.

³⁹ See Tanvi Madan, 'The Quad as a security actor' in *Asia Policy*, 17.4, 2022, pp. 29-56.

things matter in international politics, but they should not be confused with action in relation to matters of international security. One scholar has argued that the Quad's members, particularly the three resident Asian powers, have considerable potential to have an important strategic effect by filling the time gap that exists between any activity to change the status quo and the United States' ability to respond to see that challenge off.⁴⁰ In short, by pooling resources of resident powers, the Quad could act as a deterrent in the short term. But that remains in the realm of potential and one that, given the current stasis, remains a long way from being realised. This relates to the second major problem: the very real limits to what the four states can meaningfully do together. With the exception of the United States, the members have significant operational constraints on their militaries and their capacity to take collaborative steps of the kind that would impose costs on China or some other putative challenge is highly limited. Given the budgetary and political constraints faced by Australia, India, and Japan, it is unlikely that they can rectify this issue in the short to medium term. Finally, while the security interests of the four powers have converged in some areas – most notably, all share a high level of unease about growing PRC power and its consequences for the region's strategic balance – there remain significant gaps between the four on a range of security and security-adjacent domains. None more clearly illustrate this than the not-at-all-unified response of the Quad members to Russia's invasion of Ukraine.

AUKUS

The Australia-United Kingdom-United States trilateral security partnership (AUKUS) was announced very suddenly on 16 September 2021. Partners of the three were given little, or in some cases no, advance warning, and indeed many branches of government within the three members were caught unawares.⁴¹ The grouping is, at present, intended to strengthen the shared security interests of the three participants in the Indo-Pacific region by increasing their individual and collective defence capabilities through technology sharing. This takes its most visible form in the commitment by the members to support Australia to acquire, deploy, and maintain at least eight nuclear powered submarines. The move was surprising for a number of reasons beyond the manner of its announcement and the shock of Australia taking the expensive and diplomatically damaging decision to

⁴⁰ Oriana Skylar Mastro, 'Deterrence in the Indo-Pacific' in *Asia Policy*, 17.4, 2022, pp.8-18.

⁴¹ See 'An AUKUS surprise – Best of The Interpreter 2021,' *Lowy Interpreter*, December 29, 2021, <https://www.lowyinstitute.org/the-interpreter/aukus-surprise-best-interpreter-2021>.

cancel its contract for submarines with the French Naval Group. Most obviously, it puts the sharing of complex and controversial technology at the forefront; nuclear options had previously been ruled out by Australia for both political and technical reasons, and the United States and United Kingdom had also previously been unwilling to share such technology even with allies. It also displays a willingness to bear risk and a level of disregard for partners and friends that sits uneasily with the longer run practice of Australian diplomacy. And this risk appetite reflects the acute sense of insecurity that the participants perceive in the region. To take such drastic steps, the members clearly perceive the region to be entering a period of sustained strategic risk. While AUKUS is, technically, a minilateral grouping, it is unlike most forms of multilateral security cooperation. Conventional groups, whether large or small, expansive in scope or narrow in focus, are primarily about intergovernmental policy coordination to advance shared security goals. However, AUKUS is a means to advance broader security goals through concrete developments in technical areas, rather than policy coordination. In this sense, it is less like a piece of security architecture and more like a high-end example of inter-state industrial policy. Also in this sense, its prospects of having an impact on the security dynamics of the region are greater than more conventional forms of inter-state collaboration.

For some months after the initial announcement, AUKUS remained little more than a press-release, at least viewed from outside government. In part, this reflected the complex domestic politics of each side as well as the challenges of navigating an entirely new area of inter-state collaboration. More than a year on, however, the partnership has begun to be fleshed out, at least in terms of the specific intent of the collaborative programs.⁴² It has also certainly captured the imagination of many commentators in public debate, and unsurprisingly has become a key component of the members' broader policy planning. AUKUS is repeatedly named in the Biden administration's recently published National Security Strategy, is central to Australian long term strategic planning, and is crucial to the United Kingdom's plans in the Indo-Pacific.

The AUKUS partnership has two distinct pillars of operation. The first is focused on the submarine program and is intended to provide a full spectrum suite of collaboration, engineering, training, and support to deliver nuclear powered, but not nuclear armed, submarines for Australia to be deployed as soon as possible. Australia is committed to

⁴² Peter K. Lee and Alice Nason, '365 Days of AUKUS: Progress, Challenges, and Prospects,' United States Studies Centre, University of Sydney, September 14, 2022, <https://www.ussc.edu.au/analysis/365-days-of-aukus-progress-challenges-and-prospects>.

making the submarines in country, and this is a hugely complex task for which Australia is presently poorly equipped. In March 2023, the three countries announced a three phase 'optimal pathway' to address the concerns that had originally been raised about the time it would take for the Australian-built AUKUS submarines to be operational. In the first phase, the United States and United Kingdom would operate nuclear-powered submarines out of Perth on a rotational basis. In the second phase, Australia will purchase between three and five Virginia Class submarines from the United States, pending US Congressional approval, in the early 2030s. The 'AUKUS' class vessels based on a next-generation UK design will be built in Australia and expected to be delivered in the early 2040s.⁴³

The second pillar is about sharing technologies to develop 'advanced capabilities' in a wide range of areas. At the time of writing, those capabilities to which the three countries are committed include: undersea drones, quantum technology, artificial intelligence, cyber, hypersonic and counter-hypersonic capabilities, electronic warfare and innovation, and information sharing. To advance the ambitious goals under both pillars, the three governments have carved out considerable bureaucratic resources. The US National Security Council has established an AUKUS director to manage the broader inter-agency process, while the Department of Defense has an AUKUS Senior Advisor, currently experienced Asia policy hand Abe Denmark, alongside a senior naval officer. In Australia, the country for whom AUKUS promises the most, formal roles have been established in all the key institutions: a nuclear-powered submarine task force was established in the Department of Defence, the Department of Foreign Affairs and Trade has set up an AUKUS taskforce within its Geostrategy Group, and the Department of Prime Minister and Cabinet has formed a Nuclear Powered Submarine and National Naval Shipbuilding Enterprise Group. The United Kingdom has reportedly allocated roles within its Ministry of Defence, although at the time of writing they are not yet publicly available. Importantly, the first regulatory hurdle has been cleared with the completion of negotiations and signing of the 'Exchange of Naval Nuclear Propulsion Information Agreement' in November 2021.⁴⁴

AUKUS is notable for many reasons. It represents a harder edge to security

⁴³ Department of Defence of Australia, *The Optimal Pathway*, March 2023, <https://www.defence.gov.au/about/taskforces/aukus/optimal-pathway>.

⁴⁴ Xavier Vavassuer, 'AUKUS: Australia Signs Naval Nuclear Propulsion Information Sharing Agreement' in *Naval News*, November 22, 2021, <https://www.navalnews.com/naval-news/2021/11/aukus-australia-signs-naval-nuclear-propulsion-information-sharing-agreement>.

cooperation from both the United States and Australia. In contrast to the Quad, which has sought very deliberately to adopt a public rhetoric that is focused on ASEAN and its modes of security cooperation,⁴⁵ AUKUS seems unconcerned with the diplomatic consequences of its actions which are contributing to a destabilised and uncertain strategic environment. Regional powers, such as Indonesia, are disconcerted by the establishment of AUKUS and the proliferation risks it represents, yet efforts to assuage these concerns have been scant and ineffective.⁴⁶ And of course, the speed of its emergence and the depth of resource commitment is illustrative of the shift in mood in the region. Australia, for example, was an enthusiastic multilateralist and approached regional efforts inspired by the liberal notion that cooperation among states would have knock-on effects, with the belief that meeting regularly and talking about technical matters of policy coordination would lead to cooperation in more sensitive areas, and over time build a sense of trust and common cause. While that flame has not entirely gone out, the motivations behind AUKUS and the actions undertaken to date make clear that this no longer holds sway in Washington, Canberra or London. Where inclusive and cooperative instincts once ruled the day, now hard-edged competitive dynamics are what matter most.

The Ukraine War

The central motivation behind the growth of exclusive and more hard-edged minilateral groupings in Asia is the rise of geopolitical competition and a highly unsettled regional security environment. Russia's invasion of Ukraine has only served to accentuate those perceptions in Asia. Many assumed that the self-evident risks and costs of a full-scale invasion would mean that Putin would be deterred from action. Yet his willingness to defy conventional cost-benefit calculations illustrates that the risk-reward calculus varies much more widely than was previously recognized. This means, for many, that the basic risk of Asia's many long running flash points escalating into war is higher than previously recognized. This is not to say that Xi is likely to follow Putin's lead and launch an attack on Taiwan, but rather to emphasise that when assessing the prospects of acute security crises in the region, Ukraine reminds us to be more conservative than we may

⁴⁵ See, for example the treatment of ASEAN in this foreign ministers' communique: Office of the Minister of Foreign Affairs of Australia, "Quad Cooperation in the Indo-Pacific", February 11, 2022, <https://www.foreignminister.gov.au/minister/marise-payne/media-release/quad-cooperation-indo-pacific>.

⁴⁶ Grant Wyeth, 'Indonesia challenges AUKUS' in *AFSA Monthly: Voices from Asia*, August 3, 2022, <https://www.australianforeignaffairs.com/afaweekly/indonesia-challenges-aukus>.

previously have been. This sentiment further erodes support for the old multilateralism and increases the prospects of exclusive and competitive mechanisms over the short to medium term. Expect more agreements among states to develop military technologies, pool resources, and balance power, and fewer baroque initiatives to advance a common sense of community across the region.

There is one other interesting way in which the Ukraine war experience may affect the minilateralism discussed in this paper. When Russia invaded Ukraine, the response of the United States and many others was to impose heavy sanctions on the Russian federation, including locking many of the country's banks out of parts of the international financial system. The extent and reach of these sanctions took many observers by surprise. Yet Russia has proven highly resilient in the face of this, primarily because of a step that the West has not yet been willing to take: to sanction the full range of Russian hydrocarbon exports.⁴⁷ For a variety of reasons, Western powers have not been prepared to bear these costs to punish Russia. And while China would have taken note of the financial power that the United States was able to wield, it will have also noted what steps the West was unable to take. So one potential step that minilateral groupings might take is to coordinate ways in which they manage economic coercion that is deployed to punish or deter PRC aggression. Of course, this would be enormously challenging, particularly among the Quad members who have shown a decided lack of solidarity in responding to Ukraine, but it remains a powerful tool if the participants in minilateral groupings could muster the political will to use it.

Conclusion: Limits of Minilateralism

Great power competition has returned to Asia and the threat of high intensity war increases seemingly by the day. Ten years ago, the risk of a conflict was non-zero in Asia, but the idea that the PRC and the United States would take steps leading to mutually assured economic destruction was almost unthinkable. Now, senior figures on both sides of the Pacific openly discuss the imminent prospects of war. Once optimistic political leaders, like Kevin Rudd, now concede that the strategic future is extremely gloomy.⁴⁸ It

⁴⁷ Jennifer A Dlouhy and Ari Natter, 'White House Vows to Avoid Future Sanctions on Russian Crude Oil,' *Bloomberg*, February 26, 2022, <https://www.bloomberg.com/news/articles/2022-02-25/white-house-vows-to-avoid-future-sanctions-on-russian-crude-oil>.

⁴⁸ Eli Green, "'Grave risk': Rudd issues grim warning on China," *news.com.au*, November 22, 2022, <https://www.news.com.au/finance/work/leaders/grave-risk-rudd-issues-grim-warning-on-china/news-story/d848f8a05c5647bdb3a35dca5f60ac3a>.

is not surprising, therefore, that inclusive and cooperative forms of security cooperation are withering, and in turn that mechanisms that advance a harder-edged vision of security and which advance the participants' relative position within a competitive strategic dynamic are the order of the day. Yet as this paper has sought to show, there remain very real limits as to what these minilateral groupings can achieve. Whether this is because of the scale of technological task – many seasoned analysts have argued that even if Australia eventually is able to sail its nuclear powered submarines it will be far too late – or because of the way the region's political economy has been reconstituted by the PRC has meant that aligning strategic interests to manage Chinese power is almost impossible, the likelihood is that minilateral groupings will only ever make a marginal contribution to Asia's strategic balance.

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