

# The Rise of “Minilateralism” in the Indo-Pacific: the Quad & AUKUS

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## Introduction

In addition to the existence of the US-centered bilateral alliance systems in the Indo-Pacific region, known as “hub and spokes”, and the multilateral security frameworks centered on the Association of Southeast Asian Nations (ASEAN), security frameworks comprising a comparatively small number of states (three or more) have been developing in recent years.

This kind of cooperation – often referred to as “minilateral” – is developing into a more pronounced presence, as an alliance system that could change into something resembling the North Atlantic Treaty Organization (NATO), or as a framework for the purpose of functionally responding to increasingly diverse and complex security threats.

In this paper, I focus on two frameworks of minilateralism in the Indo-Pacific: the Quadrilateral Security Dialogue (the Quad) involving Japan, the United States, Australia, and India, and AUKUS, the trilateral security pact among Australia, the United Kingdom, and the US. Both frameworks have been a particular focus of attention in recent years as potential “game-changers” of the US-China strategic competition. The following parts will consider the background, functions and issues of these frameworks.

## The Quad

### Background

The origin of the Quad lies in the humanitarian assistance and disaster relief (HADR) efforts jointly carried out by Japan, the US, Australia, and India in response to the damage resulting from the earthquakes and tsunamis in Indonesia that occurred in December 2004.

Inspired by the effective coordination conducted by the four countries under the US-led “core group”, US policymakers transmitted this concept to Japanese policymakers, including Shinzo Abe. Then, in his book released in 2006, Abe proposed the idea. Abe, who had by then become prime minister, actually advanced the Quad concept. As a result, an unofficial high-level discussion was held in May 2007 and joint training conducted by the four nations, with the addition of Singapore, in September of the same year.

As is widely known, with Australia’s leaving the Quad, this concept was temporarily shelved. According to then-Australian Prime Minister Kevin Rudd, not only India, which was not really

enthusiastic about the Quad, but also the US held reservations about the promotion of the Quad. It is said that US President George W. Bush and Secretary of State Condoleezza Rice, who required the cooperation of China in relation to policies against North Korea and Iran, were not necessarily in tune with the faction supporting the Quad. Even in Japan, the Ministry of Foreign Affairs was not so keen on this concept, and furthermore Prime Minister Yasuo Fukuda, who succeeded Abe in the post, did not express any interest.

Ironically, from just after the Quad collapsed, China’s tough stance became more pronounced. Through the holding of the Beijing Olympic Games in 2008, China had gained more confidence and began to more obviously challenge the existing order in both the East China Sea and the South China Sea. In response to these moves, Japan, the US, and Australia resisted through measures such as systematizing their security cooperation and activating joint training. Further, each of the three nations, either bilaterally or through the trilateral Japan-US-India framework, strengthened its relationship with India. Moreover, in response to the provocative acts by the Chinese military near its border, India began to show signs of gradually compromising in relation to the three countries. China’s regional economy based on the Belt and Road Initiative, which began in 2013, as well as the growth of its military power of influence, increased the concerns of the four nations in regard to China and cemented their unity.

When Taro Kono, Japan’s foreign minister, announced the revival of the Quad in October 2017, there was basically no country that objected to the proposal. The US administration of President Donald Trump expressed its full-hearted support, while in Australia the shadow foreign minister of the Opposition Labor Party went as far as expressing support for the Quad in a newspaper opinion piece. India was at first hesitating to participate. After experiencing conflict with China near its borders in 2017 and 2020, however, India moved to a proactive stance. As a result, following the foreign minister meetings in 2019 and 2020, the first Quad leaders’ video conference was held online in March 2021. Thereafter, the Quad determined to hold annual leaders’ meetings, which were held in 2021 and 2022 respectively.

### Functions

At first, the Quad mainly focused on military cooperation, but in the so-called Quad 2.0 from 2017 on, non-military cooperation has become the major focus. For example, the new initiative at the recent

heads of state meeting decided the creation of the Japan-US-Australia-India Satellite Data Portal. This involves sharing each country's information and technology in the field of satellites, as well as satellite data managed by private companies. It also gains information related to climate change and natural disasters. The Quad also has working groups on humanitarian assistance and disaster relief. Although participants include defense authorities, the central roles are played via cooperation between the private sector and governments, and any kind of military role continues to be limited.

The Quad can foster information sharing, policy adjustment, joining strengths, and mutual complementarity in four countries. In order to maintain strategic primacy over China, it is essential for each of the four nations to supplement its weaknesses while building on its strengths. For example, in the field of semiconductors, the US has strength in manufacturing, Japan in materials, and Australia in resources. India is also advancing domestic enticement of companies in the semiconductor field, with cooperation received from Japan, the US and Australia. Regarding the supply of vaccines, Japan and the US are jointly investing in vaccines developed by the US, which are then manufactured in India and transported by Australia. This kind of division of labor systems is consciously being established.

The Quad can also offer an alternative to the technology and ability of China. A good example is the diversification and trend toward insourcing of supply chains. In rare earth manufacture, Australia holds the world's third-largest share, after China and the US. The US has already agreed to refine rare earth extracted in Australia. Also, in cooperation called Open RAN, mutual connections among base stations through differing 5G vendors are enabled, aiming at the construction of a more effective 5G network. The US took the initiative to create the Open RAN Policy Coalition that includes Western-side companies while excluding Chinese enterprises.

The Quad also helps to set standards and rules in emerging markets, and the cultivation of ethical norms. The Quad is deliberately stressing areas that are lacking in China's regional cooperation, such as safety and transparency, autonomy and soundness, and concern for human rights, citing its goal of fostering rules and codes as standards in these areas. For example, "the Quad Principles on Technology Design, Development, Governance, and Use", announced by the four countries, stresses the importance of matters such as improvement in trustworthiness and transparency, competition in a free and fair market, and the protection of universal values including freedom of expression and respect for privacy. Traditionally, many of these types of initiatives were led by the US and Europe; there is great significance in the fact that now, Asian countries, including India, have been added to the mix and are advancing such initiatives themselves.

## Issues

That said, the Quad has many issues. First, there is the issue of regulations of countries that have hindered cooperation, and domestic factors. For example, in Paragraph 2 of Article 21 of the Japanese Constitution, there is a section called "privacy of communication". This prohibits the government's incursions into the servers of attackers and potential attackers, actions that are carried out as a matter of course in the US and Australia. If this is strictly observed, even sharing data from the US and Australia related to cyber-security is not allowed.

Further, Japan's Act on the Protection of Specially Designated Secrets Law, which was passed in 2014, covers the fields of defense, diplomacy, spying and terrorism, and does not include areas such as emerging technologies. From the US or Australian viewpoint, they are forced to hesitate about sharing important data with Japan. This is the definitive difference between the Quad and AUKUS.

In regard to differences related to 5G and digital, so-called data localization is often mentioned. Although advanced nations including Japan, the US, and Australia cite the free distribution of data as a principle, there are not a few developing countries that express resistance to the transfer of data across national borders. While India has in recent years loosened its data localization regulations, it continues to forbid the transfer outside the country of important data. Data localization is regulated under frameworks such as the RCEP, CPTPP, and IPEF, but India is not a part of these frameworks. In such ways, there is a constant difference in degree of enthusiasm about data regulation among Japan, the US and Australia on the one hand, and India on the other.

The second point of note is the sense of distance between governments and corporations. No matter how much governments may lead in fields such as infrastructure and digital, cooperation will not advance without private sectors being involved. In particular, private companies that have close ties with China are likely to be hesitant about cooperation that excludes China. From the viewpoint of the market mechanism, it is desirable to include Chinese companies into Open RAN cooperation. In fact, numerous Chinese companies do participate in the O-RAN Alliance. Although Australian companies take part in the O-RAN Alliance, they cannot be seen so far in the Open RAN Policy Coalition, which excludes China.

The third point is the obstacles to military cooperation. Although the Quad has non-military elements at present, there are increasing voices that call for military cooperation as the military influence of China grows. In fact, Japan-US-Australia cooperation also began from non-military or non-traditional cooperation from the start. Yet along with the hardening of the stance of China toward some other countries, it is gradually following a shift towards military or traditional security cooperation. Even so, India, which is concerned about China's reactions (especially in the field of diplomacy), continues to hold a negative stance about military cooperation by the

Quad. Further, there is a need to consider the reactions of countries such as those of Southeast Asia and Pacific Island nations that have indicated some degree of cautiousness concerning the Quad and AUKUS.

To that end, in regard to emergencies that could possibly occur in the future in regions such as the Korean Peninsula and the Taiwan Straits, or the South China Sea, frameworks such as bilateral alliances or those among Japan, the US, and South Korea, or among Japan, the US, and Australia, continue to be more useful than the Quad.

## AUKUS

### Background

There are two reasons for the creation of AUKUS – Australia’s so-called “submarine gap” and the worsening of the strategic environment surrounding Australia. Australia’s next-generation French-made submarine construction plan determined in 2014 experienced many delays, and the cost increased dramatically, which caused great concern to Australia. Moreover, Chinese “interference” in Australian politics, as well as cyber-attacks on Australian government and companies, became clearer around 2017. With China’s advances into the South China Sea and the South Pacific, Australia’s alertness in regard to China increased considerably.

The coronavirus outbreak in early 2020 and Australia’s request for an independent enquiry into these origins, exacerbated the negative slide in Australia-China relations. The numerous measures taken by China against Australia at this time – such as banning imports of Australian-made goods or increasing the tariffs on them, and demanding that tourists refrain from travelling there – further worsened the views of Australian people towards China. As a result, the Australia-China relationship has deteriorated to what is arguably the worst-ever postwar level.

In addition to the worsening of the Australia-China relationship, there has been an increase in the probability of Australia’s intervention in remote emergencies instigated by the US in the region, as occurred during the Cold War era. As a result, discussions on whether to introduce nuclear submarines, which have already been held countless times in the past, have been revived.

According to information that was leaked later, Australia first consulted the United Kingdom about this proposal, and thereafter the UK and Australia jointly took the idea to the US, leading the announcement in

September 2021. It is said that President Joe Biden was at first not enthusiastic. But eventually he was persuaded by Kurt Campbell, deputy assistant to the president and coordinator for the Indo-Pacific, and others. It is also said that the US and the UK were concerned that Australia would succumb to economic pressure from China.

### Functions

The AUKUS cooperation has two main pillars: nuclear submarines and emerging technology. In November 2021, the three nations signed an agreement on data related to propulsion technology for nuclear submarines, which was ratified in February the following year. This made AUKUS a framework following legally binding structures. Moreover, regarding advanced technology, collaboration is proceeding in the eight fields: underwater ability, quantum, AI, cyber, hypersonic, electronic strategy, innovation, and data sharing. Given the dual pillars in each of these fields, in total as many as 17 working groups have been established. For Australia, AUKUS has become a national endeavor.

Speaking about the first pillar, the joint development and the production of nuclear submarines between Australia, the US and the UK could put these countries in a preferential position in relation to the People’s Liberation Army, especially in underwater conflicts. The US has plans to produce nuclear-powered general-purpose attack submarines (SSN) at the pace of around two per year. Comparing the number of nuclear submarines including SSN owned by the US and China, there is a strong probability that the relative number will be overturned by 2030 (*Table*).

If Australia becomes able to make its own accord Virginia-class battleships or their successors, it will become feasible to strengthen the ability of the US, the UK and Australia to unite against China. In

TABLE

### Numbers of Chinese & US Navy battle force ships, 2000-2023

Figures for Chinese ships taken from ONI Information paper of February 2020

	2000	2005	2010	2015	2020	2025	2030
Ballistic missile submarines	1	1	3	4	4	6	8
Nuclear-powered attack submarines	5	4	5	6	7	10	13
Diesel attack submarines	56	56	48	53	55	55	55
Aircraft carriers, cruises, destroyers	19	25	25	26	43	55	65
Frigate, corvettes	38	43	50	74	102	120	135
<b>Total China navy battle force ships, including types not shown above</b>	<b>210</b>	<b>220</b>	<b>220</b>	<b>255</b>	<b>360</b>	<b>400</b>	<b>425</b>
<b>Total US Navy battle force ships</b>	<b>318</b>	<b>282</b>	<b>288</b>	<b>271</b>	<b>297</b>	<b>287</b>	<b>290 or 291</b>
<b>US total above compared to China total above</b>	<b>+108</b>	<b>+62</b>	<b>+68</b>	<b>+16</b>	<b>-63</b>	<b>-113</b>	<b>-135 or *134</b>

Source: Congressional Research Service, “China Naval Modernization: Implications for US Navy Capabilities – Background and Issues for Congress”, updated Nov. 10, 2022.

particular, in the A2/AD (Anti-Access/Area Denial) environment, the importance of underwater battles and ground attacks is growing, and that is precisely the reason AUKUS is being called a “game-changer”.

Moreover, it is anticipated that AUKUS will have the role of advancing the unifying and integrating of the national defense foundations of Australia, the UK and the US, not limited to nuclear submarines. By advancing the unifying and integrating of each of their national defense bases, including data sharing and skills, supply chains, R&D, and technology, the development of weapons and innovation in new technology in the three countries will be enhanced.

Furthermore, if the US, the UK and Australia can steadily advance joint technological development in cutting-edge fields such as AI, electronic technology and drones, it could help to compete with China, which is rapidly making progress in R&D in these same fields. Former Australian Prime Minister Scott Morrison has already requested the government, universities, and the industrial world to preferentially strengthen nine fields, including electronics, drones, genetic engineering, cyber, and AI. From the viewpoint of Australia, AUKUS has the benefit of further enhancing Australia’s own national defense capability through the transfers of US cutting-edge technology, including nuclear advancement.

In fact, the US had been advancing the integration of the National Technology Industrial Base (NTIB) with Canada. In 2017, it was decided that the UK and Australia should also participate in the NTIB. Nevertheless, Australia has been dissatisfied by the degree of information transferred by the US due to the US’s domestic regulations related to import management. AUKUS could encourage the transfer of this kind of important technology and data. In recent years, Australia has embarked on domestic manufacture of guided weapons and explosives, and drones in close collaboration with the US.

## Issues

Although AUKUS holds great potential, numerous issues still exist. In regard to the acquisition of nuclear submarines, the cost is expected to dramatically exceed that of standard-type submarines (said to be more than A\$120 billion). The date of commissioning is expected to be 2040 at the earliest. How to obtain the workforce and crews needed to build, maintain, and operate the nuclear submarines is not clear yet. Moreover, China and Russia, as well as Indonesia, have pointed out the negative effect of nuclear non-proliferation, so it is vital to respond to these criticisms and to provide peace of mind to the region. It has also been pointed out that the US and the UK lack capacity to supply off-the-shelf nuclear submarines to Australia. Meanwhile, Australia does not have the ability to manufacture nuclear submarines from scratch domestically.

Regarding technical cooperation, there are many issues of concern as well. For example, the transfer of national defense technology from the US involves not only the Department of Defense and the

Armed Services Committee of the Upper House, but also multiple other parties such as the State Department and the Department of Commerce. It is not easy to overcome the barrier of the various regulations implemented by these multiple parties. Further, for the US to provide valuable technology, there must be something to be gained by Australia. On this point, it may be true that Australia is able to partially contribute to AUKUS with technology in AI, underwater technology, robotics, and so on. However, at the same time, on the points of the workforce and R&D budget as well as the scale of the defense industry, Australia’s capacity is far below those of the US and the UK.

To overcome these problems, some in Australia are calling for the formation of an “ecosystem” for the purpose of the development of national defense capacity, with industry, the government, and academia working as united. However, it is unknown how that concept could be translated into reality. Ironically, Chinese companies and research organs are also Australia’s main partners in advancing R&D of these kinds of cutting-edge technologies. Whether or not AUKUS will become a truly effective framework to gain the edge in the competition against China depends primarily on Australia’s ability to overcome these kinds of issues. This judgement will no doubt continue to require considerable time.

## Conclusion

As we have seen above, although the Quad and AUKUS potentially conceal elements that might become “game-changers” in the US-China competition, there remain many issues, and decisions on the strategic utility of these frameworks will continue to require more time. For Japan, it is essential to maintain and enhance its traditional bilateral alliance systems, centered on the US-Japan alliance, and to advance efforts towards strengthening its overall national power, including defense capability, while not holding unduly high expectations of the Quad and AUKUS. Doing so will also result in the enhancement of the Quad and AUKUS frameworks.

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