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Yogesh Joshi

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ABOUT THE AUTHOR

Yogesh Joshi is an Associate Fellow at ORF's Strategic Studies programme.
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ABSTRACT

This paper argues that even when the India-Japan-Australia minilateral is inspired by a need to ensure their interests against the current global power transition, it remains limited in its aim: to restrain China from achieving regional hegemony as it may threaten the liberal security order in the region. In the face of China's rise and the US' retrenchment, Asia's regional powers are hedging their bets on a regional security order that is based on a balance of power. Balance of power coalitions, however, suffer from problems inherent in all coordination games, and states sometimes free-ride, defect, hide, and seek to avoid entrapment. Security minilateralism, as evident in the India-Japan-Australia trilateral, provides a way forward as it resolves the problem of free-riding and entrapment. However, the long-term prospects of the India-Japan-Australia trilateral will likely suffer from prospects of defection and hiding.

INTRODUCTION

In June 2015, Foreign Secretaries and other top diplomatic officials from India, Australia and Japan met in New Delhi for their first ever trilateral dialogue.[1] The foundations of this trilateral venture can be located amidst increasing strategic interactions in India-Japan, India-Australia, and Japan-Australia dyads, both in their economic and security relationships.

While these bilateral strategic partnerships are barely a decade old, two factors have played an important role in bringing these three countries on a similar strategic plane. First is the rise of China as a power centre in the Indo-Pacific. Reportedly, during the Delhi trilateral dialogue, China was high on the agenda of all the three states.[2] More recently, they have been equally informed by a perception of declining American power.[3] This power transition in the region has led to a proliferation of such minilateral initiatives in the last one decade.[4] Some have argued that the India-Japan-Australia trilateral may be one of the most important initiatives that the region has seen as a response to this power transition,[5] given the nature of its participants. India, Japan and Australia are mostly recognised as Indo-Pacific's middle powers.[6] Yet, their economic prowess is substantial and their defence capabilities are steadily increasing, with potential for exerting a major influence on Asia's evolving regional order. The second reason for the immense relevance of this trilateral is these countries' geography. Collectively, they represent the maritime arc which is increasingly being called the 'Indo-Pacific'. If any collective grouping of states connects the Indian Ocean and the Pacific Ocean, it is the India-Japan-Australia trilateral; they are the resident powers of the Indo-Pacific. Lastly, this is the only trilateral forum in Asia-Pacific which does not involve either Asia's resident hegemon, the US, or its rising challenger China.[7] In some sense, therefore, the uniqueness of this trilateral initiative stems from the fact that its participants are the emerging local powers of the Indo-Pacific.

This paper argues that even when the India-Japan-Australia trilateral is inspired by the necessity to ensure their interests against the current power transition, it has a highly limited aim: to restrain China from achieving regional hegemony as it may threaten the liberal security order in the region. In the face of China's rise and the US' retrenchment, Asia's regional powers are hedging their bets on a regional security order that is based on a balance of power. Balance of power coalitions, however, suffer from problems inherent in all coordination games: states sometimes free-

ride, defect, hide, and want to avoid entrapment. Security minilateralism as evident in the India-Japan-Australia trilateral provides a way forward as it resolves the problem of free-riding and entrapment. However, the long-term prospects of the India-Japan-Australia trilateral will likely suffer from prospects of defection and hiding.

The first section of this paper explains how the current transition of power in the Indo-Pacific region endangers the liberal security order established under US hegemony and how a balance of power can help sustain such an order. The second section focuses on the minilateral security mechanism between India, Japan and Australia as a response to this power transition. It explains the advantages of minilateral security cooperation between India, Japan and Australia. The third section explores the problems confronting this trilateral in the form of defection and hiding behaviour. A conclusion summarises the major arguments of this paper.

FIXING THE ASIAN DISORDER: A COMPLEX 'COLLECTIVE ACTION' PROBLEM

The problem of Asian security cannot merely be reduced to the instability accompanying transitions of power. China's rise and America's perceptual decline is the cause of this instability, conspicuous in Asia's virulent territorial disputes, increasing inefficiency of its multilateral institutions, and decreasing influence of economic interdependence upon state behaviour.[8] The foundational question, therefore, is over the likely impact this power transition would have on Asia's regional security order: what arrangements will henceforth guide inter-state behaviour in the realm of security? These arrangements comprise rules, norms and institutions that converge state behaviour around certain common expectations.[9]

For long, a liberal security order guided state behaviour in Asia.[10] It was a hegemonic order undergirded by the preponderance of American power in the region,[11] and comprised three basic components. First, that states

would exploit peaceful mechanisms – whether bilateral or multilateral – to settle their disputes rather than resort to the threat or use of force.[12] Second, a territorial status quo would be maintained in the region.[13] Lastly, public goods such as sea lanes of communication and international maritime space will be available to all. The US could sponsor such a hegemonic order for a number of reasons.[14] Not only was the US the strongest military power in the region, its alliance commitments with many Asian states translated into a direct stake in the region's stability.[15] A liberal security order also supported a liberal economic order of which the US was both an ardent proponent and a beneficiary. Most importantly, in the post-Cold War period, the US faced no rival which could challenge its hegemonic leadership.

The current instability in the Asian region suggests that the liberal security order is now withering away.[16] Three factors are operating simultaneously. The US can no longer hold, or at least such is the perception. So-called 'imperial fatigue', domestic politics, and financial overstretch are some of the most obvious reasons for the US' gradual withdrawal from the region.[17] A declining hegemon notwithstanding, Asia's multilateral institutions which could have supported such an order have also proved to be either weak or divided.[18] Lastly, even when China has benefited tremendously under a liberal security order, uncertainty envelops its future behaviour. Given its own power aspirations in the region, adapting to the status quo where it can only play second fiddle to the US is "not an option" for the Chinese leadership.[19] As Amitav Acharya has argued, China is "far less likely to confirm to the politics and principles of the current liberal hegemonic order when organising its current domestic politics and international political relations."[20] The cumulative effect is thus one of increasing security disorder in Asia.

Three scenarios are possible for restoring order in the region.[21] First, China can replace the US as the hegemon. Not only will this mean the end of the liberal security order but most Asian states appear unwilling to live under a Chinese hegemony. More importantly, even when Beijing has made

unprecedented progress in both military and economic domains in the last decade, achieving regional hegemony is a "bridge too far."[22] Second, the US may throw a pre-emptive challenge to China's rise. Both the US and China, however, appear unwilling to engage in a hegemonic war. Moreover, a showdown between the two would require other powers in the region to choose sides, a scenario they would want to avoid.[23] Lastly, order can be restored by a local balance of power. Order created by balances of power rests on a "stalemate of power" rather than on its preponderance which is the case with hegemonic orders.[24] In other words, a liberal security order can be maintained through countervailing coalitions which could deter China's bid for regional hegemony. The current disorder in the region may eventually be settled by a balance of power by regional powers. A diplomatic coalition among Asia's regional powers may be able to achieve this objective because of two reasons.[25] It will signal a strong but shared intention among Asia's regional powers that the liberal security order is preferred over Chinese hegemony. Also, balances of power often act as a deterrent-in-making against revisionist states and provide a hedge in case it succeeds in accumulating enough power to endanger the status-quo.

Unlike hegemonic orders, however, balances-of-power coalitions suffer from the problem of collective action.[26] If regional security order is to be considered a public good that may benefit all players, the problem is who will provide for it. In hegemonic orders, this problem is resolved by the hegemon who provides its military, economic and diplomatic resources to create and sustain the security order. Balance of power, on the other hand, requires cooperation among multiple states. When multi-player coordination is required, four problems are likely to be met: free-riding, defection, entrapment, and hiding.

Free-riding or buck-passing occurs when some players under-participate and let others take the burden.[27] States also want to avoid any entrapment insofar as security cooperation with other states may force them to become party to a dispute they have no reason to be involved in.[28]

Defection, meanwhile, suggests that some states would prefer to bandwagon with the rising power rather than to effectively balance it.[29] A related but somewhat different issue is of hiding: some states may fear that such security cooperation may provoke the rising power and therefore choose to hide rather than join any attempt to balance.[30]

The next section explains how security minilateralism between India, Japan and Australia may provide an avenue for a regional balance of power against China. Minilateralism also helps in resolving the problem of free-riding and entrapment.

SECURITY MINILATERALISM AND THE INDIA-JAPAN-AUSTRALIA TRIANGLE

In their joint statement of 12 December 2015, Prime Minister Narendra Modi and his Japanese counterpart, Shinzo Abe argued that dialogue mechanisms such as the India-Japan-Australia trilateral could "contribute to regional efforts to evolve an open, inclusive, stable and transparent economic, political and security architecture in the Indo-Pacific region."[31] This statement clearly identified a preference for a liberal security order in the region based on a balance of power system.

Yet, a regional security order predicated upon balance of power is not going to be an easy proposition. In creating a balance of power-based security order in the Indo-Pacific, regional players will face certain difficulties. For one, even when a regional order based on a balance of power could indeed facilitate stability for the entire region, not all stakeholders can contribute equally. Multilateral institutions such as the ASEAN and the East Asia Summit may have helped the process but China has effectively sabotaged these institutions through influence over individual members like Laos and Cambodia, by applying economic coercion and sometimes through blatant disregard of the existing rules and norms.[32] An effective balance of power would require participation of the region's most important states which have not only the motivation to

preserve the order but also the capability to do so. In other words, a balancing coalition in Asia would entirely be a burden of the strong.

Minilateralism may provide the answer to this so-called "collective action problem".[33] Minilateralism can be explained as an approach to collective bargaining which involves the participation of the "smallest possible number of countries needed to have the largest possible impact on solving a particular problem."[34] Alternatively, minilateralism has been defined as "flexible networks whose membership varies based on situational interests, shared values (and) relevant capabilities."[35] In its essence, therefore, minilateralism depends on four factors: nature of the problem; interests of member states; their shared values; and lastly, their capabilities to contribute to the resolution of the problem. How does an India-Japan-Australia trilateral stack up against these parameters?

What kind of a problem does the current power transition pose for India, Japan and Australia? To begin with, all these states have enjoyed, to a large extent, the fruits of American hegemony. If Japan and Australia were formal allies of the US, India's rise in the global system was also predicated upon US leadership. The rise of China and the consequent disorder in the region therefore creates problems for all these states. India and Japan also have territorial disputes with China. The power transition creates a greater impact on them compared to Australia. In recent years, however, Australia has become wary of China's intrusion in the Indo-Pacific's maritime space and its blatant disregard for rules and norms of the maritime order.[36] The bottom-line for these powers is the prospect of Chinese hegemony in the region. China's rise is not the problem; the issue is the end-state of this power transition. None of these countries have clear-cut ideas about China's ultimate intentions. To use the words of Randall Schweller, these states are still undecided on the nature of China's revisionist claims: is it a limited-aims revisionist or a revolutionary power?[37] The difference between the two depends on whether the revisionist power wants to replace the existing order or merely tweak it to serve its limited aims – increase in prestige and effect some change in the

status quo. It is not a surprise therefore that one witnesses these powers hedging against China's rise: they are simultaneously pursuing cooperation with Beijing while balancing China's growing power.[38] Yet, these states do agree that China is the only threat to the liberal security order in the region. As Robert D. Kaplan argues, "There is only one so-called indigenous great power in these waters: China, which, with its maps, indicates a desire to exert a Caribbean-like control over the region."[39]

Precluding a Chinese regional hegemony is the lowest common denominator of the India-Japan-Australia trilateral. Their situational interests—or what they individually aim to achieve from a local balance of power—may both converge as well as diverge. Convergence is evident when it comes to safeguarding the Indo-Pacific's sea lanes of communication from China's disruptive tactics. Maintaining maritime public goods is a key situational interest. Yet situational interests can diverge too. For example, a key side effect of India's increasing security partnerships with Japan and Australia is the boon to its economic interests. In the last ten years, Japan has become India's biggest foreign aid provider. India also eyes Australia for its mineral and technological resources. Japan also values economic cooperation with India but with a different motivation: to reduce its economic interdependence with China. Insofar continuous strategic interaction between these states augments their individual and collective capability to resist China's growing power, differences in motivations cease to matter. Diplomatic coalitions do not require a precise formulation of individual interests; such coalitions often have what Hans Morgenthau called a "community of interests."[40] As long as India, Japan and Australia agree on the nature of the problem – i.e., the prospect of Chinese hegemony in Asia – diplomatic coalitions can be built around this "blanket character" of the threat which all these powers want to avoid.

One of the strongest attributes of the India-Japan-Australia minilateral is their shared values. They are all maritime democracies[41] and are all local powers of the Indo-Pacific with direct stakes in how the

regional order shapes with the current power transition.[42]Further, unlike other trilateral initiatives such as US-ROK-Japan, there are hardly any historical grievances between these three states which create domestic political resistance against increasing cooperation. Japan's militarist past, for instance, does not invite any major reactions in either New Delhi or Canberra. Meanwhile, India's nuclear status has always been a major determinant in its bilateral relations with Japan and Australia. Japan and Australia's acceptance of a nuclear India has not only allowed New Delhi to seek greater bilateral cooperation with these states but also eased India's transformation into a normal nuclear power. With the transformation in India-US relations since the end of the Cold War, India-Australia relations have also warmed up to the level where Australia is keen on having a strategic relationship with India. This minilateral therefore also has the potential to transform their respective national identities. For example, India and Australia have both contemplated purchasing military equipment from Japan.[43] Whereas India is in the middle of negotiating a billion-dollar deal with Japan on US-2 amphibious aircrafts, Australia has in the past shown considerable interest in Japanese submarine technology.[44] Such military relationships help the narrative of Japan's remilitarisation and its transformation into a normal military power.

This trilateral initiative scores the most when seen in terms of capabilities these three states bring to the balance of power table. India, Japan and Australia, along with China and South Korea, count among Asia's largest economies and are also among the five top defence spenders in the Indo-Pacific. In 2015, the collective military spending of India, Japan and Australia was close to $115 billion.[45] Most importantly, in the maritime space of Indo-Pacific, they can be considered as the most powerful naval powers. Their respective geographies provide additional heft to their naval strength. Indeed, India-Japan-Australia is the most important chain which could potentially restrict the Chinese maritime ambitions from expanding beyond the South China Sea into the Pacific and the Indian Ocean. A bean-count of capabilities, however, should not be the

matrix on which to judge the potential of security minilaterals like the one between Japan-India-Australia. After all, such minilateral groupings will neither be a substitute to internal balancing behaviour nor replace formal alliance mechanisms. India, Japan and Australia will both internally balance China but in the case of the latter two, will continue to depend on the US' security guarantees. Rather than fighting each other's wars, such trilateral security mechanisms can help in building individual national capabilities. A case in point is the sharing of defence technology, including technology transfers; intelligence is another.[46]

Table 1

Country	GDP *(in billion $)*	Military Expenditure *(in billion $)*	% of GDP
USA	18	596	3.3
China	11	215	1.9
India	2	51.3	2.3
Japan	4.3	40.9	1.0
Australia	1.3	23.6	1.9

Source: GDP (World Bank, 2015); Military Expenditure (SIPRI, 2015)

India-Japan-Australia minilateralism therefore stands on firm conceptual ground as far as their understanding of the security problem in the region is considered. The complementary nature of their situational interests, their shared values and their economic and military capabilities provide further boost to this minilateral initiative. As one commentator has argued, "Partnerships tend to circumvent collective action problems by limiting alignment only to those parties with commensurate interests on a given security issue, restricting the instincts of such like-minded parties to command adherence to formal rules or institutions than acting together in more informal or 'ad hoc" ways and only within a given time frame."[47]

As far as minilateral groupings are built on the notion of equality, flexibility and informality, it also resolves two specific problems which

states face when involved in collective action games. These are of free-riding and entrapment.

Security minilateralism can help in avoiding the problem of free-riding for four reasons.[48] First, since all three countries are more or less equally capable, there is no reason for them to under-participate. Second, even when free-riding may take place out of necessity as some may lack the required capability, preference intensities of players also matter. If some states prefer a collective good more than the others, they may be ready to contribute more. This also incentivises free-riding by those whose preference intensity for a public good is relatively less. As these three countries have similar preference intensities with regard to Chinese hegemony, they are most likely to contribute equally for the cause. More specifically, since India, Japan and Australia all prefer an open maritime space, they will be equally willing to participate. The problem of free-riding also gets attenuated by increasing strategic interaction and dispersal of information among the participants. The more the players interact and share information, the more their interests converge and the more they know about each other's contributions and capabilities. Minilateral security initiatives like India-Japan-Australia trilateral will only help in furthering this interaction and dissemination of information.

Minilateral mechanisms between equally capable states also help in dispelling the fears of entrapment. Entrapment, as Glenn Snyder argues, "means being dragged into a conflict over an ally's interests that one does not share, or shares only partially."[49] India, Japan and Australia are relatively capable states who can produce a fair amount of internal balancing against China. Stronger states can also escape entrapment because "they have better control of the overall situation" compared to weak states.[50] Over-dependence on others "heightens....the probability of entrapment."[51] Both the requirement to draw others into one's conflicts and the expectation that others will join in is therefore tapered down. Flexibility and the non-binding nature of minilateral groupings also help in eliminating the problem of entrapment. Over-commitment of one's

resources is always a major issue in collective action problems. Since minilateralism prefers voluntary commitments over binding commitments, it is not obligatory upon participants to contribute under all conditions. This is most evident in international negotiations over climate change and outer-space activities.[52] If an effective balance of power against a future Chinese hegemony is the real objective of an India-Japan-Australia trilateral, then such voluntary commitments send the right signals. For example, even if all these states agree to a voluntary code of conduct regarding maritime activities in their spheres of influence, it will have a significant impact on the Chinese behaviour in the maritime domain. Such flexibility over security commitments helps them to avoid what they may fear the most: fighting each other's wars. This is indeed a major difference between formal alliances and informal trilateral security arrangements.

Minilateralism provides an avenue for India, Japan and Australia to navigate the pitfalls of the current power transition in Asia. One may see these informal security groupings evolve into more formal security arrangements over a period of time. This will, however, depend on the shape and intensity of the power transition. If China's rise and the US' entrenchment continues unabated, these soft balancing coalitions will most probably see some transformation into hard balancing. However, such minilateral security groupings suffer from two major problems which will only get more complicated if the power transition unfolds in China's favour.

THE PROBLEM OF HIDING AND DEFECTION

Days before the officials of India, Japan, Australia and the US were about to meet in May 2007 at the sidelines of the ASEAN Regional Forum in Manila to initiate a quadrilateral security dialogue on Asia, China's foreign office issued demarches to these countries and sought explanations on the quad.[53] China had clearly identified itself as the most likely target of such security cooperation between Asia's maritime democracies. From the very

beginning, the impact on Chinese pressure on these states was evident as the meeting in Manila was not even publicised. Though in September that year, the four navies held a joint naval exercise in the Bay of the Bengal, the quadrilateral initiative slowly withered away largely due to the reluctance of Australia and India. Both these countries came to an understanding that the quadrilateral initiative was too much of a provocation for Beijing. Beijing, though the use of coercive diplomacy, was able to drive the point home.[54] For India, China increasing its military pressure on the border and issuing stapled visas did the trick; Australia, on the other hand, feared China's economic coercion. The behaviour of both these countries after 2007 revealed the problem of some countries choosing to hide rather than actively balancing China's rising power.

Even when Australia and India appear to have moved beyond their past reluctance and now appear more willing to form security coalitions with other major democracies, the problem of hiding will remain relevant in an India-Japan-Australia coalition.[55] Australia's increasing trade dependence with China provides Beijing certain economic coercion capabilities which may be too hard for Australia to resist. Moreover, unlike India and Japan who are involved in a territorial dispute with China, Australia faces no such fundamental clash of interest with Beijing. In the India-Japan-Australia trilateral, only Australia "has no history of 'discovery' by China, invasion by China, direct military threat from China, or Chinese support for rebel groups threatening the Australian state."[56] Further, there are domestic constituencies in both India and Australia which favour a more neutralist positioning of their national policies vis-a-vis Beijing.[57] If the government of Kevin Rudd was particularly unenthusiastic of the quad, the erstwhile UPA government in India also appeared wobbly in its approach to forming external coalitions. This was particularly evident in UPA's lukewarm response to the US Pivot to Asia.[58] During this period, non-alignment had once again become a buzzword for Indian foreign policy.[59] Even within Japan, there is some resistance to the more nationalist policies adopted by the Shinzo Abe government. Domestic change in democracies often leads

to differing national strategies as strategic elites respond differently to systemic pressures.[60]

If hiding under Chinese pressure is a real problem for the India-Japan-Australia trilateral, so is the possibility of defection.[61] When facing significant external threats, "states may either balance or bandwagon."[62] For now, it appears that these three countries are playing a balance-of-power game in the Indo-Pacific: they are cooperating against the increasing threat posed by China's rise. But depending on how the power transition plays out, they may also choose to bandwagon rather than balance China.[63] Bandwagoning can take place either for security or for benefits. The former will apply in a case where resisting Chinese power becomes too costly. If China continues to rise and accumulates hegemonic capabilities, it should not be surprising if some states seek alignment with China. Aligning with the rising power could also bring material gains in the form of increasing economic benefits. Australia, for example, is often seen as a potential candidate for bandwagoning for economic benefits.[64]

However, even when India, Japan and Australia, at least for now, are most likely to choose to balance China rather than to bandwagon, Beijing's success – whether military or economic – would be the most important factor in their decision-making apparatus. In international politics, after all, "nothing succeeds like success."[65] Chinese bandwagon could acquire a momentum either by forcing the US completely out of the Indo-Pacific by providing incentives to states who choose to bandwagon, or by pacifying some of its most potent challengers. This could either be India or Japan. Therefore, in Asia, India and Japan will always be the most important balancers of China's power and yet its most coveted targets at the same time.

CONCLUSION

Maintaining a liberal security order and precluding China's hegemony in the Indo-Pacific region requires an effective balance of power. This balance

of power, however, suffers from problems inherent in all coordination games. Minilateralism provides a mechanism through which Indo-Pacific's three major powers – India, Japan and Australia – could lay the foundations of this regional balance of power. A similar understanding of the power transition, their complementary interests, shared values and their substantial capabilities bode well for this minilateral security initiative. Minilateralism also helps resolve the problems of free-riding and entrapment. Yet the problems in creating an effective balance of power against China cannot be wished away. This trilateral will suffer from two potential problems: one of defection and the other of hiding.

Whether this trilateral initiative gets further emboldened with China's rise or buckles down under Chinese pressure will depend on a number of factors, foremost of which would be the tangible security benefits which it engenders for the three states. If this trilateral initiative helps in strengthening internal economic and military capabilities of its constituents, it incentivises greater group-cohesion. The inclination to hide and defect would therefore get attenuated. This would require greater economic and military interaction. A second factor would be the ebbs and flows of domestic politics. Domestic politics will be a major determinant in how India, Japan and Australia behave vis-a-vis China's rise. If domestic political calculations dictate accommodation with China, ditching minilateralism may appear as a cost-effective policy option since security minilateralism does not entail binding commitments. Lastly, the longevity of such trilateral security cooperation would also depend on the creation of key bureaucratic and military constituencies within individual states which could sustain and push for greater trilateral cooperation, irrespective of changes in domestic politics. ORF

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20, Rouse Avenue Institutional Area, New Delhi - 110 002, INDIA
Ph. : +91-11-43520020, 30220020. Fax : +91-11-43520003, 23210773
E-mail: contactus@orfonline.org
Website: www.orfonline.org