

ASIA-PACIFIC INITIATIVE

Elements of the U.S. Indo- Pacific Strategy

A Qualitative Primer on the Quad,
AUKUS, and Partners in the Blue Pacific

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Sophie Faaborg-Andersen
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With Foreword by Joseph S. Nye, Jr.



HARVARD Kennedy School
BELFER CENTER
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The Asia-Pacific Initiative's Faculty Chair is Eric Rosenbach and Research Director is Chris Li.

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Foreword by Joseph S. Nye, Jr

The United States is a Pacific power with one state and three territories in the region, as well as having long standing alliances with Australia, Japan, Korea and the Philippines. In this century, with the growing power of China and India, the vision has expanded to what Japanese Prime Minister Shinzo Abe in 2006 baptized a “free and open Indo-Pacific.” This useful primer explores the structure of that vision, and how it affects the great power competition between the U.S. and China.

Over the seven decades since the Communist Party took control in 1949, relations between China and the U.S. have cycled through phases that each lasted roughly two decades. In the Cold War 1950s, the two countries battled each other on the Korean Peninsula. Then after Nixon’s visit to Beijing in the 1970s, the two countries cooperated to balance Soviet power. The 1990s through 2016 was a period of economic engagement. Since then, the relationship has been one of “strategic competition,” and no one knows how long this phase will last.

Some attribute the onset of the current era to Donald Trump, but he is more like a man who poured gasoline on an existing fire. Chinese leaders built the fire when they concluded after the 2008/9 financial crisis that the U.S. was declining and changed from Deng Xiaoping’s caution to an assertive foreign policy. Actions such as mercantilist manipulation of the trading system, theft and coercive transfer of intellectual property, and militarization of artificially constructed islands in the South China Sea changed attitudes in the U.S. A majority of Americans had a positive opinion of China a decade ago, but today the situation is reversed. The U.S. reaction has been bipartisan, and Biden has continued much of Trump’s approach.

Pushing back is useful but not a strategy. Political speeches that try to squeeze China and the region into a Cold War ideological framework can be misleading. We and our allies are more deeply intertwined with this Chinese economy than we ever were with the Soviet Union. It makes sense to decouple security risks like Huawei, but it would be too costly to curtail all trade. Moreover, even if we could break apart economic globalization, we and other countries of the region remain interdependent with China in ecological globalization such as pandemics and climate change which obey the laws of biology and physics, not politics.

A successful strategy towards China should aim to avoid either a hot or cold war, with the objective of shaping China's external behavior by strengthening our alliances and international institutions, and by bolstering our economy and technological advantages in areas like biotech and artificial intelligence. While China derives power from a vast market, so do we but we also offer openness and values that greatly increase our soft power. In addition, our military power of deterrence is welcomed by many countries that want to maintain friendly relations with China but do not want to be dominated by it. Central to success is a good working relationship with the diverse nations of the region which range from a giant like India to small islands of Oceania. The new structures described here—the Quad, AUKUS and the Partners in the Blue Pacific—are crucial but poorly understood pieces of the puzzle. If we work with others, and avoid demonization and misleading Cold War analogies, the U.S. can succeed with such a strategy.

Joseph S. Nye, Jr

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In this photo provided by U.S. Navy, the Virginia-class fast-attack submarine USS Missouri (SSN 780) departs Joint Base Pearl Harbor-Hickam for a scheduled deployment in the 7th Fleet area of responsibility, Sept. 1, 2021. Australia will purchase U.S.-manufactured, Virginia-class nuclear-powered attack submarines to modernize its fleet, a European official and a person familiar with the matter said Thursday, March 9, 2023, amid growing concerns about China's influence in the Indo-Pacific region. (Amanda R. Gray/U.S. Navy via AP, File)





Executive Summary

The Biden administration has both continued pre-existing strategic initiatives and created new ones in the Indo-Pacific region. It has sustained and reinvigorated the Quad, expanded strategic partnerships with ASEAN, unveiled new security pacts like AUKUS, and adopted an Indo-Pacific Economic Framework. Because of the novelty and the rapidity of change in these initiatives, understanding current developments and the most recent iteration of the administration's myriad strategic frameworks has become challenging. The objective of this primer, therefore, is to offer analysts, generalist policymakers, and political leaders with an interest in the region an overview of the genesis, objectives, and achievements of three core components of the United States's Indo-Pacific Strategy—as a resource and a tool to inform discussion, debate, and future analysis.

This primer provides a concise background of three major elements of the Biden administration's Indo-Pacific Strategy: the Quad, a non-traditional multilateral grouping of India, Japan, Australia, and the U.S.; the AUKUS security pact between Australia, the United Kingdom, and the U.S.; and the Partners in the Blue Pacific, a multilateral initiative aimed at promoting greater alignment with the Pacific Island nations.

Introduction

Stretching from the Pacific coast of the United States to the Indian Ocean, the Indo-Pacific region is one of the most culturally, economically, and politically diverse regions of the world. It is home to more than half of the world's population, two-thirds of the world's economy, and seven of the largest military forces on the planet. The region includes large economies like Japan and China, but is also home to numerous developing economies and small island nations. As a major global center of gravity, the Indo-Pacific will shape the trajectory of the world in the next century.

The United States is a Pacific power and has had significant security and economic interests in the region for more than a century. From forging treaty alliances with Australia, Japan, the Republic of Korea, and the Philippines, to establishing three million American jobs in the region and providing \$1 trillion in foreign direct investment to date, successive Republican and Democratic administrations have recognized the importance of engagement in Asia. Today, the U.S. faces critical challenges in the region—from managing competition with China to revitalizing relations with allies and partners in Southeast Asia; from reimagining economic statecraft to addressing the threats posed by emerging technologies.

Successive U.S. administrations have articulated and advanced an Asia strategy in the context of an increasingly fraught U.S.-China bilateral relationship.

While an intensifying prioritization of the Indo-Pacific theater is undoubtedly due to enhanced strategic competition with China, a significant portion of U.S. diplomatic and military engagement remains directed at shaping the alliances, partnerships, and regional organizations in Asia.

This report is not meant to be exhaustive. We have selected three representative initiatives that range in size, membership, and form—from players including major economies like the world’s largest democracy, India, to smaller developing economies like the Solomon Islands; from formal alliances to emerging partners; from economically focused strategies to security-driven ones. For each of the three, we have aimed to provide a clear, succinct, and analytical explanation for what the U.S. government under the Biden administration (and in the case of the Quad, earlier administrations) has envisioned, what objectives they have articulated, and what concrete policy actions have been taken. We also discuss the responses elicited from China and provide an assessment of the initiative today.

What this report is not, however, is a scholastic or intellectual discussion of the theoretical underpinnings of U.S. foreign policy in Asia; nor is it a predictive judgment about the future or a prescriptive set of policy guidance.

It is our hope that for researchers in the foreign policy think tank community, members and staffers in Congress, and the general reader, be they student or citizen, American or not, this report helps illuminate the substantive components of initiatives that perhaps have been only known as fuzzy abstractions or buzzwords. We hope this primer informs and serves as a resource for future analysis and policy discussion about a critical region of the world.

QUAD

I. Introduction

The Quad—comprising Australia, India, Japan, and the United States—is a core component of the Biden administration’s strategy to promote a free, open, transparent, inclusive, and peaceful Indo-Pacific. Unlike the North Atlantic Treaty Organization (NATO), the Quad is not a formal alliance. Rather, it is a four-circle Venn diagram of national interests with limited—albeit increasing—overlap in the middle. Providing a counterbalance to China involving four major democracies is the core implicit objective at its center. The Quad is a major tenet of U.S. efforts to bring key Indo-Pacific players onside in a renewed era of great power competition amid a rising and increasingly assertive China. In 2021, the Biden administration doubled down on Quad cooperation, and extended its reach to a “Quad-Plus” community, including New Zealand, South Korea, and Vietnam. While the Quad has succeeded overall in establishing closer ties between members, its future trajectory will depend in large part on the national interests of individual Quad members and the trajectory of bilateral relations between Quad members.

II. Primer

A. History

The Quad can be understood as a strategic partnership among four of the most powerful democracies in the world, the strategic alignment of which could severely complicate China’s ambitions to become a global power on par with the United States. The Quad was initiated following the 2004 Indian Ocean Tsunami, when U.S. President George W. Bush established the grouping to coordinate relief efforts.¹ Two years later, the Quad shifted from a functional grouping to an ideological one when then-Japanese Prime Minister Shinzo Abe delivered his “Confluence of the Two Seas” speech to India’s Parliament, proposing an “arc of freedom and prosperity” that Japan, India, the U.S., and Australia could tie together to form a “broader Asia.” This network, Abe declared, would emphasize values of freedom, democracy, rule of law, and market economies. Indian Prime Minister Manmohan Singh, U.S.

¹ “Bush Announces Tsunami Aid Coalition.” *CNN*, Cable News Network, <https://www.cnn.com/2004/US/12/29/bush.quake/index.html>.

Vice President Dick Cheney, and Australian Prime Minister John Howard echoed the call for increased dialogue with “like-minded countries in the Asia-Pacific region,” culminating in a 2007 summit in Manila that paved the way for increased partnership between the four nations.²

Neither a defensive alliance nor a network aimed at containing China, the Quad took on a new military angle after its initial 2007 meeting with the expansion of the U.S.-India Malabar joint exercises to include participation from Australia, Japan, and Singapore. This move was met with pushback from China, which filed demarches against all four Quad member countries following the exercises. Increased economic integration led to hesitation to formalize the partnership and ultimately withdrawal by Australia’s newly elected Rudd government in 2007.³

In the decade following the disbanding of the Quad as it was initially conceived, members continued to strengthen bilateral ties through joint military exercises and economic integration. The mid-2000s marked a reorientation in the foreign policy agendas of the U. S. and Japan towards the Indo-Pacific. President Obama announced a “pivot to Asia” in 2011 while President Shinzo Abe’s 2016 speech in New Delhi reiterated Japanese commitment to a “free and open Indo-Pacific.”⁴

The Quad’s mission took a new turn from 2017. China’s growing assertiveness and influence in the region prompted a revival of the grouping, with the four member states convening multiple times between 2017-2019. The introduction of the term Indo-Pacific (as opposed to Asia-Pacific) signaled a broadening of the aperture and significance of India in particular.⁵

Managing China’s rise in the region remains the grouping’s core objective today. While countries comprising the Quad have carefully refrained from explicitly stating this as their north star, the Quad’s objective of maintaining an Indo-Pacific that is “free, open, inclusive, anchored by democratic values, and unconstrained by coercion” leaves little room for interpretive doubt that the Quad aims to be a

2 “Joint Statement Towards India-Japan Strategic and Global Partnership,” India Ministry of External Affairs, December 15, 2006, <https://mea.gov.in/bilateral-documents.htm?dtl/6368/>.

3 Varadarajan, Siddharth. *Four-Power Meeting Drew Chinese Démarche*. 14 June 2007, <https://svaradarajan.com/2007/06/14/four-power-meeting-drew-chinese-demarche/>.

4 “New Plan for a ‘Free and Open Indo-Pacific (FOIP).’” *Ministry of Foreign Affairs of Japan*, https://www.mofa.go.jp/policy/page25e_000278.html.

5 Detsch, Jack. “How the U.S. Learned to Stop Worrying About the Pacific and Love the ‘Indo-Pacific.’” *Foreign Policy*, 30 July 2021, <https://foreignpolicy.com/2021/07/30/biden-pacific-china/>.

counterweight to China's coercive approach to projecting power in the Indo-Pacific.⁶ The Quad's "positive" and "affirmative" approach to the Indo-Pacific necessarily involves contending against China for influence in the region.

B. **Stated Objectives**

According to the objectives outlined in various U.S. and partner policy documents, including the 2017 National Security Strategy, the 2021 Interim National Security Strategic Guidance, the 2021 Quad Leaders' Joint Statement, and the Biden administration's 2022 Indo-Pacific Strategy, the objectives of the partnership are to:

1. Promote a free and open Indo-Pacific region that is inclusive, resilient, and anchored by democratic values.⁷
2. Strengthen regional security by maintaining a rules-based international order, promoting maritime security and the safety of sea lanes, and countering terrorism and other transnational threats.⁸
3. Promote economic growth and development by supporting free and open trade, investment, and infrastructure development.⁹
4. Address shared challenges such as climate change, pandemic response, and humanitarian assistance and disaster relief.¹⁰
5. Promote people-to-people ties, including through educational and cultural exchanges.¹¹

6 "Quad Leaders' Joint Statement: 'the Spirit of the Quad.'" The White House, The United States Government, 12 Mar. 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/quad-leaders-joint-statement-the-spirit-of-the-quad/>.

7 "Quad Leaders' Joint Statement: 'the Spirit of the Quad.'" The White House, The United States Government, 12 Mar. 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/quad-leaders-joint-statement-the-spirit-of-the-quad/>.

8 "DOD Releases Indo-Pacific Strategy Report." U.S. Department of Defense, <https://www.defense.gov/News/Releases/Release/Article/1863396/dod-releases-indo-pacific-strategy-report/>.

9 "Marking One Year since the Release of the Administration's Indo-Pacific Strategy." U.S. Department of State, U.S. Department of State, 14 Feb. 2023, <https://www.state.gov/marking-one-year-since-the-release-of-the-administrations-indo-pacific-strategy>.

10 "Quad Joint Leaders' Statement." Ministry of Foreign Affairs of Japan, https://www.mofa.go.jp/fp/nsp/page1e_000401.html.

11 "Quad Leaders' Joint Statement: 'the Spirit of the Quad.'" The White House, The United States Government, 12 Mar. 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/quad-leaders-joint-statement-the-spirit-of-the-quad/>.

Despite having a common overarching objective, individual Quad members have demonstrated that they have domestic constraints which color their respective approaches to achieving the Quad's stated goals. The U.S. and Australia have been more willing to publicly and privately challenge China in the international arena. Each member has different interests and approaches across domains of the Quad's strategy, posing an ongoing barrier to coordination and deep strategic cooperation.

China's Response to the Quad:

China perceives the Quad as an emerging "Asian NATO" and a U.S. attempt to create an anti-China alliance with a thinly-veiled security focus. China has responded indirectly to the Quad's growing cooperation through (1) broad economic disciplinary measures directed largely at the U.S. and Australia; (2) an uptick in territorial disputes with India and Japan; (3) demarches and harsher rhetoric warning against a "Cold War mentality"; and (4) attempts to continue developing partnerships in the region.

Viewing the Quad as an anti-China "bloc," China has also attempted to develop its own strategically-aligned club. China has doubled down on creating links to other partners in the Indo-Pacific including Pacific Islands and some Southeast Asian players. It has also developed ties with Central Asian, African, and Latin American countries. Meanwhile, China has fostered military and trade relations with Russia, Iran, Pakistan and others as a potential counterweight to coordinated U.S.-aligned sanctions.

C. Initiatives

2002	<i>August:</i> Trilateral security dialogue between U.S., Japan, and Australia focusing on counter-proliferation and counter-terrorism ¹²
2004	<i>December:</i> U.S., Japan, Australia, and India form the “Tsunami Core Group” to manage response to Boxing Day Tsunami ¹³
2006	<i>September:</i> Japanese Prime Minister Shinzo Abe proposes a quadrilateral security dialogue with India ¹⁴
2007	<i>August:</i> India, Japan, and the U.S. conduct first joint Malabar exercises in Okinawa <i>September:</i> U.S., India, Australia, Japan, and Singapore conduct second joint Malabar exercises in the Bay of Bengal First Quad 1.0 meeting held in Manila Australia withdraws from the dialogue, dissolving the partnership
2011	<i>December:</i> U.S., India, and Japan “mini-lateral” meeting ¹⁵
2015	<i>September:</i> Japan becomes a permanent member of Malabar exercises ¹⁶
2017	<i>October:</i> Unofficial revival of the Quad proposed by U.S. Secretary of State Rex Tillerson and Japanese Foreign Minister Taro Kono <i>November:</i> Quad members meet at ASEAN Summit in Manila
2019	<i>September:</i> Quad holds first ministerial-level dialogue at UN General Assembly <i>November:</i> Quad holds counter-terrorism tabletop exercise (CT-TTX) to assess CT response mechanisms and improve interagency cooperation across Quad countries
2020	<i>September:</i> Quad members host ministerial meeting at UN General Assembly <i>November:</i> India hosts Malabar joint naval exercises in the Bay of Bengal
2021	<i>July:</i> First Quad 2.0 Summit held virtually
2022	<i>September:</i> Quad members host ministerial meeting at UN General Assembly <i>May:</i> Third Quad leader-level meeting and fifth Quad foreign ministers meeting in Tokyo; Quad launches Climate Change Adaptation and Mitigation Package to strengthen clean energy cooperation; Humanitarian Assistance and Disaster Relief to coordinate disaster response. <i>December:</i> Quad launches Fellowship program for STEM education; Technology Business and Investment Forum to collaboration on strategic technology challenges
2023	<i>March:</i> Quad foreign ministers meeting at G20 Summit in India <i>May:</i> Quad launched Indo-Pacific Partnership for Maritime Domain Awareness to bolster shared maritime domain awareness

12 Tomohiko, Satake. “Tracking the Pathway to a ‘Quasi-Alliance’: Japan’s Policy toward Australia from 2013 to 2022.” The Asan Forum, 12 Oct. 2022, <https://theasanforum.org/tracking-the-pathway-to-a-quasi-alliance-japans-policy-toward-australia-from-2013-to-2022/>.

13 “President Discusses Support for Earthquake and Tsunami Victims.” National Archives and Records Administration, National Archives and Records Administration, 29 Dec. 2004, <https://georgewbush-whitehouse.archives.gov/news/releases/2004/12/20041229-1.html>.

14 Medcalf, Rory. “Chinese Ghost Story.” The Diplomat, The Diplomat, 14 Feb. 2008, <https://thediplomat.com/2008/02/chinese-ghost-story/>.

15 “Holding of the 7th Japan-U.S.-India Dialogue and the Japan-U.S.-India Dialogue.” Ministry of Foreign Affairs of Japan, 26 June 2015, https://www.mofa.go.jp/mofaj/press/release/press4_002246.html.

16 Raghuvanshi, Vivek. “Japan to Join Malabar as Permanent Participant.” Defense News, Defense News, 18 Aug. 2022, <https://www.defensenews.com/naval/2015/10/13/japan-to-join-malabar-as-permanent-participant/>.

III. Assessment

The Biden administration has fostered an upward trend in cooperation among Quad members across the grouping's core strategic domains: military, economic, and cyber/technology. More broadly, the U.S. has leveraged the Quad to significantly strengthen its bilateral relationships with India and Japan since at least 2021, and with Australia since 2018.

As the most powerful player in the Quad, the United States' bilateral relationships with each of the members has been a strong determinant of the extent to which members are willing to engage with the grouping. This closer cooperation has been driven not just by U.S. efforts, but because China's assertiveness has served as a repellent. This confluence of factors has yielded gains for the U.S. and losses for China in terms of its bilateral relationships with Quad members.

However, the Quad has largely failed to reshape the Indo-Pacific in favor of its stated goals. China's influence in the region remains strong, despite some reputational losses from China's assertive posturing under President Xi Jinping and slower economic growth linked to the COVID-19 pandemic and protracted Zero-COVID policies, which continued until early 2023. It is too soon to expect success in this broader regard from the Biden administration after just two and a half years in office, but there are certain lines of effort that the Biden administration could prioritize to accelerate progress in building a free and open Indo-Pacific.

The Quad is not purposed for military operationalization.

Policymakers should be circumspect about what to reasonably expect from the Quad itself, and instead see the Quad as a helpful tool for facilitating closer cooperation between the four member powers. The Quad was never purposed for operational functionality, but instead for developing and coordinating relations among a group of countries who are all bilaterally important and seek to form a counterweight to China. Rather than a formal alliance, the strength of the Quad for the U.S. is in bringing India onside and ensuring the largest democracies in the Indo-Pacific are in broad normative agreement.

India remains the most significant liability for the group, with divergent interests and nationalistic policies that often put it at odds with other members, including its close

ties with both Russia and Iran. For this reason, India is the most important member for the U.S. to engage. The U.S. has identified fostering a productive relationship with India as a major priority, including in 2023 announcing the U.S.-India Initiative on Critical and Emerging Technology, and prioritizing U.S.-India defense ties in the FY2023 National Defense Authorization Act. Australia's and Japan's bilateral ties with India have also notably deepened over the last several years.

The Quad has played a part in driving trade integration between member states, but has largely failed to engage smaller nations and developing countries with close economic ties to China.

When measured in net gains and losses, the Quad has overall been successful in driving an upwards trendline on regional integration in investment and trade. The U.S. has played a key role in facilitating a shift away from China and towards India and East Asian alternatives. Specifically, the Republic of Korea and Vietnam have become key trade and manufacturing hubs, facilitated by domestic economic, human rights-based and national security policies against Chinese-made products. Despite China's greater maritime assertiveness—including its continued dismissal of the International Criminal Court (ICC)'s ruling on claims in the South China Sea and stronger military presence in the East China Sea—open sea lanes continue to benefit all four Quad members in both military and economic terms.

Beyond fostering greater embeddedness among its membership, however, the Quad has generally failed to engage itself economically with smaller nations. It has not been successful in fostering the trust and influence required to get those countries' buy-in to Quad principles, especially through bilateral and multilateral trade agreements. The U.S. (and, to some extent, India) remains outside of most major trade agreements, including the Regional Comprehensive Economic Partnership (RCEP) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).¹⁷ India has also demonstrated strong protectionism on trade, including weaponizing the World Trade Organization (WTO) against the U.S. for domestic gains on food security and e-commerce. Many developing countries in the region remain heavily indebted to China, with some at risk of a contagious bout of debt default. Others are reaping short-term economic benefits and supply chain resilience. It is too soon to assess whether economic initiatives announced in 2022, including the Indo-Pacific Economic Framework and the Partnership for Global

¹⁷ Schott, Jeffrey. "Which Countries Are in the CPTPP and RCEP Trade Agreements and Which Want in?" PIIE, 3 Apr. 2023, <https://www.piie.com/research/piie-charts/which-countries-are-cptpp-and-rcep-trade-agreements-and-which-want>.

Infrastructure and Investment, will have tangible impacts on Indo-Pacific economic ties.

Mismatched national interests among Quad members limits strategic cooperation.

The Quad's effectiveness in ensuring a free and open Indo-Pacific in military terms is thwarted by a mismatch of commitments, interests and capabilities. Specifically, India's geography and military ties with Russia complicate military cooperation. Even though Quad members have held limited joint military exercises, there are highly divergent military interests among members. For example, the U.S., Japan, and Australia are concerned with Chinese aggression in the Taiwan Strait, whereas India's geography means it is more concerned about territorial disputes with China in Ladakh and Tibet. India's strong military ties with Russia and friendly relationship with Iran are particular causes for concern among other members.

In general, the Indo-Pacific has seen a substantial uptick in military investment since the Trump administration dislodged previous expectations of U.S. predictability in foreign policy and amid increasing Chinese assertiveness in the region. Such investments in indigenous military development could be seen as safeguarding a free and open Indo-Pacific, but likely instead represent a growing sense of insecurity among smaller powers in the region and greater expectations of military conflict. China may also see military investment by U.S.-aligned countries as a security threat, leading to a security dilemma of increasing militarization and potential for miscalculation in the region.¹⁸

Convergence of cyber and technology interests among the U.S., Japan, and Australia presents opportunities, but challenges arise from differing levels of technological advancement and India's approach to data sovereignty.

There is substantial overlap between the U.S., Japan, and Australia in terms of priorities within advanced technology and cybersecurity. The Quad Technology Business and Investment Forum, which held its inaugural convening in 2022, has a modest scope that aims to coordinate on standards, supply chain resilience, and telecommunications deployment. Australia was the first country to publicly ban

¹⁸ "China Says Japan's Defense Shift Provokes 'Regional Tension'." The Japan Times, 17 Dec. 2022, <https://www.japantimes.co.jp/news/2022/12/17/national/japan-defense-china-reaction/>.

Huawei communications infrastructure after the U.S. urged its allies and partners to do so, and has a strong partnership with the U.S. on cyber issues as part of the Five Eyes network. Japan's military integration with the U.S. similarly garners expectations of alignment on cyber issues.

The challenge for the Quad will be coordinating public-private investment among members at different stages of technology advancement and with differing degrees of existing cooperation. In particular, India's track record on data sovereignty may prove to be a roadblock to cooperation on cyber issues. With India becoming an important secondary manufacturing hub for many U.S. technology companies – increasingly seen as an alternative to China amid U.S. decoupling policies – both technology and economic relations between countries could deepen.

AUKUS

I. Introduction

It would be hard to identify three nations that have a more robust relationship and corresponding alliance structure than Australia, the United Kingdom, and the United States. Their shared liberal democratic values and aligned national interests have driven deep cooperation for decades. Since World War I, the three countries have stood by each other during times of international strife and struggle, calculating that their individual national existence hinged on the autonomy, freedom, and stability of like-minded partners and allies. It was thus via a pre-established framework of deep international collaboration that the three nations announced the creation of the Australia-United Kingdom-United States (AUKUS) trilateral security pact in late 2021.

Decades of expanding Chinese diplomatic, economic, and military power, combined with its increased willingness to challenge the rules-based international order and global norms, pushed the already close nations to elevate their cooperation to the field of nuclear power with military applications. While the tangible security benefits and political staying power of the AUKUS pact are still unclear, the group's collective willingness to cooperate on an area as secretive as nuclear-powered submarine technology shows both the perceived severity of the Chinese military threat and the role of strategic alliances in checking the rise of a resurgent global power.

II. Primer

A. History

The AUKUS pact originated with an Australian request to the Biden administration in April 2021 to acquire nuclear-powered submarines.¹⁹ In September 2021, Prime Minister Scott Morrison of Australia, Prime Minister Boris Johnson of the United Kingdom, and President Joe Biden of the United States announced the formation of the AUKUS partnership. The pact was originally introduced as a trilateral security partnership of “maritime democracies” that would focus on supporting

¹⁹ Gordon, Michael R. “How the U.S. Agreed to Provide Nuclear Sub Technology to Australia.” *The Wall Street Journal*, 13 Mar. 2023, www.wsj.com/articles/how-the-u-s-agreed-to-provide-nuclear-sub-technology-to-australia-2b631d8f?mod=us_more_pos1.

the Australian acquisition of nuclear-powered submarines for the Royal Australian Navy by 2039. The partnership would focus on enhancing joint capabilities and interoperability in the fields of cyber, artificial intelligence, quantum technologies, and additional undersea capabilities.²⁰

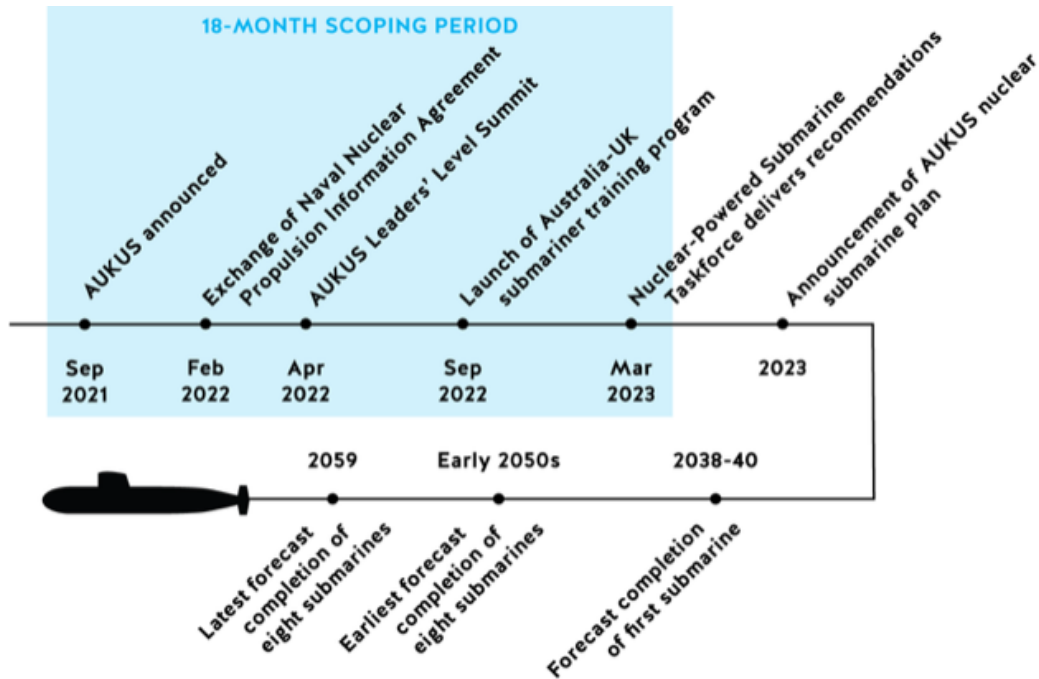


Figure 1. Original AUKUS timeline with built in scoping period to develop a future plan of action²¹

Formation of the AUKUS partnership marked only the second time the U.S. has publicly agreed to share its coveted classified technology on nuclear submarine propulsion. Signed in 1958, the U.S.-UK Mutual Defense Agreement (MDA) facilitated the transfer of a complete submarine nuclear propulsion plant from the U.S. to the UK, along with the bilateral sharing of classified information on nuclear technology.²² In choosing to enter into submarine development with the UK and the U.S., Australia abandoned a \$66 billion deal with France for 12 new diesel-electric submarines to replace its current fleet. The Royal Australian Navy currently operates six Collins-class diesel-electric submarines that are scheduled for retirement in 2036.²³

²⁰ "Joint Leaders Statement on AUKUS." *The White House*, 15 Sept. 2021, www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/.

²¹ "By the Numbers: AUKUS Timeline - United States Studies Centre." *By the Numbers | AUKUS Timeline - United States Studies Centre*, 14 Sept. 2022, www.ussc.edu.au/analysis/by-the-numbers-aukus-timeline.

²² "Disarmament Diplomacy." *Disarmament Diplomacy: - US-UK Mutual Defence Agreement*, www.acronym.org.uk/old/archive/dd/dd77/77mda.htm.

²³ Jones, Dustin. "Why a Submarine Deal Has France at Odds with the U.S., U.K. and Australia." *NPR*, 20 Sept. 2021, www.npr.org/2021/09/19/1038746061/submarine-deal-us-uk-australia-france.

The unstated reason behind Australia’s desire to acquire nuclear-powered submarines and the willingness of both the UK and the U.S. to share the technology is to counterbalance the growing power and assertiveness of the People’s Republic of China (PRC). In its 2020 China Military Power Report, the U.S. Defense Intelligence Agency (DIA) reported an alarming statistic: the Chinese Navy now operated 350 ships and submarines compared to the U.S. Navy’s (USN) 293 vessels.²⁴ The Royal British Navy and Royal Australian Navy currently operate approximately 70 and 50 vessels respectively.²⁵

On March 13, 2023, in a planned update to the AUKUS development timeline, Australian Prime Minister Anthony Albanese, British Prime Minister Rishi Sunak, and U.S. President Joe Biden announced their chosen path forward “for Australia to acquire a conventionally-armed, nuclear-powered submarine (SSN) capability” via the AUKUS partnership.²⁶ The three leaders settled on a phased approach that will employ a combination of operational American SSNs embedding Australian sailors and civilians, regional rotational deployments of American and British SSNs, sale of U.S. Virginia class SSNs, and the development of a new “SSN-AUKUS” based on British and American submarine technology.

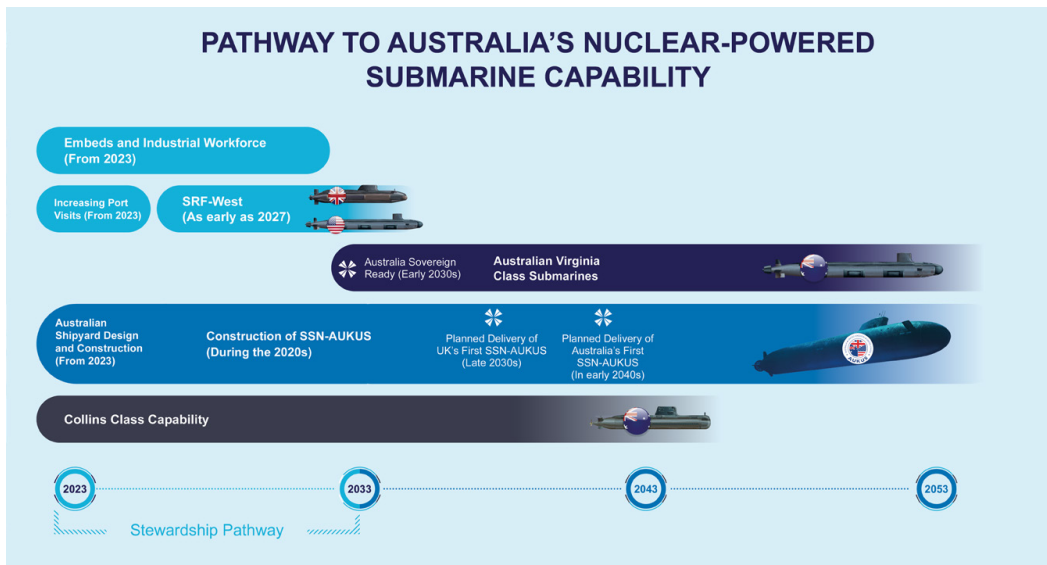


Figure 2. Official pathway for AUKUS to provide SSNs to Australia announced on March 13, 2023²⁷

24 2020 China Military Power Report - U.S. Department of Defense, 1 Sept. 2020, media.defense.gov/2020/Sep/01/2002488689/-1/-1/1/2020-DOD-CHINA-MILITARY-POWER-REPORT-FINAL.PDF.

25 “Aukus Reshapes the Strategic Landscape of the Indo-Pacific.” *The Economist*, 25 Sept. 2021, www.economist.com/briefing/2021/09/25/aukus-reshapes-the-strategic-landscape-of-the-indo-pacific.

26 “Fact Sheet: Trilateral Australia-UK-US Partnership on Nuclear-Powered Submarines.” *The White House*, 13 Mar. 2023, www.whitehouse.gov/briefing-room/statements-releases/2023/03/13/fact-sheet-trilateral-australia-uk-us-partnership-on-nuclear-powered-submarines/.

27 “Aukus Nuclear-Powered Submarine Pathway: About: Defence.” *Commonwealth of Australia, Department of Defence*, 14 Mar. 2023, www.defence.gov.au/about/taskforces/aukus.

China's Response

Immediately following the AUKUS formation announcement, then-Chinese Foreign Ministry spokesman Zhao Lijian denounced the partnership as reflecting an “outdated Cold War zero-sum mentality and narrow-minded geopolitical perception” and warned that the three nations were “hurting their own interests.”^{28,29} China also intimated that it might declare Australia to be in violation of its agreements under the South Pacific Nuclear Free Zone Treaty, known commonly as the Treaty of Rarotonga, which requires signatories to prevent the placement of nuclear weapons within the South Pacific.³⁰ China's state media tabloid, *Global Times*, further stated, “Chinese military experts warned that such a move will potentially make Australia a target of a nuclear strike if nuclear war breaks out.”³¹ In response to the March 2023 update, China's Foreign Ministry declared “the United States, Australia, and the United Kingdom are traveling ‘further down the wrong and dangerous path for their own geopolitical self-interest.’”³²

B. Stated Objectives

The most recent Joint Leaders Statement on AUKUS, in March 2023, details the countries' main objective for the pact: to support Australia's development of the infrastructure, technical capabilities, industry and human capital necessary to produce, maintain, operate, and steward a sovereign fleet of conventionally-armed, nuclear-powered submarines.³³

C. Initiatives

On April 5, 2022, in a planned review of AUKUS's progress, then-Prime Minister Morrison, then-Prime Minister Johnson, and President Biden reaffirmed that by March 2023, they would decide the ideal path for Australia to acquire a

28 Kine, Phelim. “China Howls at Perceived Threat of New ‘Aukus’ Agreement.” *POLITICO*, 16 Sept. 2021, www.politico.com/news/2021/09/16/china-howls-at-perceived-threat-of-new-aukus-agreement-512376.

29 “Aukus: China Denounces US-Uk-Australia Pact as Irresponsible.” *BBC News*, 17 Sept. 2021, www.bbc.com/news/world-58582573.

30 “Treaty of Rarotonga Platform for Nuclear-Weapon-Free Zones.” *United Nations*, www.un.org/nwzfz/content/treaty-rarotonga.

31 “Nuke Sub Deal Could Make Australia ‘Potential Nuclear War Target.’” *Global Times*, 16 Sept. 2021, www.globaltimes.cn/page/202109/1234460.shtml.

32 “China Says Aukus on ‘dangerous Path’ with Nuclear Subs Deal.” *AP NEWS*, 14 Mar. 2023, apnews.com/article/china-aukus-nuclear-submarines-f6ecf854646e2dbddd6ebeaa2f2e971d.

33 “Joint Leaders Statement on AUKUS.” *The White House*, 13 Mar. 2023, www.whitehouse.gov/briefing-room/statements-releases/2023/03/13/joint-leaders-statement-on-aukus-2/.

conventionally-armed, nuclear-powered submarine capability. Furthermore, the grouping announced that it had established the AUKUS Undersea Robotics Autonomous Systems (AURAS) and the AUKUS Quantum Arrangement (AQuA) to facilitate coordination on autonomous underwater vehicles and generation-after-next quantum capabilities, respectively.³⁴ The partnership also committed to focusing trilateral efforts on advanced cyber, hypersonic and counter-hypersonic, and electronic-warfare capabilities while highlighting the need to work together on innovation and expand sharing of sensitive information. Following the March 2023 AUKUS update, the overall projected cost of the program became more quantifiable. Australia's share over three decades is estimated to be between \$268 billion and \$368 billion.³⁵

III. Assessment

Australia has determined its national security alliance with the United States is more important than its trade relationship with China.

For years, international relations experts have debated what Australia deems more important: its security relationship with Washington or its economic relationship with Beijing.³⁶ AUKUS is a strong indication of the former. An April 2023 agreement between Australia and China where the latter will review trade restrictions on Australian barley in exchange for Australia agreeing to temporarily suspend its complaint to the World Trade Organization is a step forward in bilateral economic relations. However, the continued threat of punitive Chinese sanctions almost certainly guarantees that Australia will diversify its trade away from dependence on the Chinese market.

Initiated by under the Liberal Government of Prime Minister Scott Morrison and cemented under the Labor Government of Prime Minister Anthony Albanese, AUKUS has survived a national political turnover and is moving forward in full force despite costs to Australian taxpayers. This agreement will cement security

34 "Fact Sheet: Implementation of the Australia – United Kingdom – United States Partnership (AUKUS)." *The White House*, 5 Apr. 2022, www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aukus/.

35 *How Will Australia Pay for the AUKUS Submarines?*, 22 Mar. 2023, www.aspistrategist.org.au/how-will-australia-pay-for-the-aukus-submarines/.

36 Westbrook, Tom. "Australia Must Choose between United States and China - U.S. Army Official." *Reuters*, 1 Sept. 2016, www.reuters.com/article/uk-southchinasea-australia-usa-idUKKCN1173AJ.

cooperation and defense industrial information sharing between the three partners for decades to come.

AUKUS is designed to reinforce a decisive technological military advantage the U.S. military retains over the PLA.

Decades of increased funding combined with President Xi Jinping's reform and modernization of the People's Liberation Army (PLA) have eroded America's traditional hard power advantages over China. The increased capabilities of the PLA Navy (PLAN) and PLA Air Force (PLAAF) combined with the lethality and range of the PLA Rocket Force (PLARF) have caused alarm within the Pentagon.³⁷ The major exception to this paradigm is the American submarine force. With any future U.S.-China conflict likely to erupt or be decisively fought in the maritime domain, America still holds the key undersea advantage. AUKUS provides the framework, incentive structure, and resources necessary to double down on this submarine supremacy. Furthermore, it will bring more UK SSNs into theater, and adds Australia as a partner in a submarine warfare triad which could significantly challenge the PLAN in the event of conflict. Finally, it spreads the burden for monitoring, and if necessary, defending all of the maritime choke points within the first island chain and allows more geographic concentration of forces by individual allied navies.

SSNs represent a monumental shift in Australian national security strategy and bolster its relevance and role in deterring Chinese military aggression.

Diesel submarines are ideal for coastal defense yet are effectively useless for offensive operations on the open seas against enemy submarines or surface combatants. Australia's decision to ditch the French deal and seek SSNs in cooperation with the UK and the U.S. is a tacit acknowledgement that diesel submarines are not a sufficient naval deterrent for the threat it sees as most proximate: the PLAN. Furthermore, across the tactical and operational levels of warfare, SSNs provide a much more potent force projection platform. As *The Economist* has written:

“To go from a diesel-electric fleet to a nuclear fleet is thus a change of strategy, not just of propulsion. It provides a way to project power from

³⁷ Burns, Robert. "Pentagon Rattled by Chinese Military Push on Multiple Fronts." *AP NEWS*, 1 Nov. 2021, apnews.com/article/technology-china-asia-united-states-beijing-aea288656fab23253ee0397dc21ba68a.

the shipping lanes which feed the all-important Malacca Strait to the waters off Taiwan. Add on the capacity to launch much longer-range missiles—a submarine could deliver missiles to China’s mainland while sitting to the east of the Philippines—and the country has a greatly expanded offensive capacity.”³⁸



Figure 3. Graphic from The Economist dated September 25th, 2021 highlighting the extended range benefits of SSNs³⁹

38 "Aukus Reshapes the Strategic Landscape of the Indo-Pacific." *The Economist*, 25 Sept. 2021, www.economist.com/briefing/2021/09/25/aukus-reshapes-the-strategic-landscape-of-the-indo-pacific.

39 "Aukus Reshapes the Strategic Landscape of the Indo-Pacific." *The Economist*, 25 Sept. 2021, www.economist.com/briefing/2021/09/25/aukus-reshapes-the-strategic-landscape-of-the-indo-pacific.

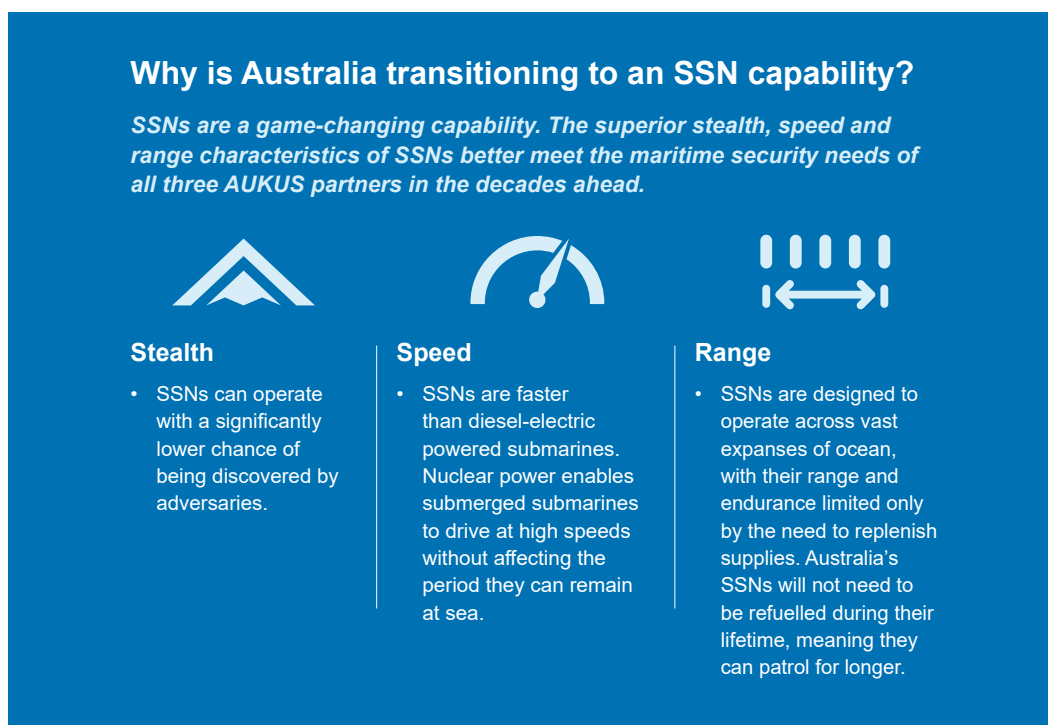


Figure 4. Graphic from the Australian Defence Force document: The AUKUS Nuclear-Powered Submarine Pathway⁴⁰

The most significant threat to AUKUS stems from short-term domestic political considerations and incentives in the United States and Australia.

In late December 2022, U.S. Senator Jack Reed, Armed Services Committee Chairman, and Ranking Member Senator James Inhofe, sent a letter to the Biden administration expressing concern “about the state of the U.S. submarine industrial base as well as its ability to support the desired AUKUS SSN [nuclear sub] end state.” The letter included a warning against any sale or transfer of American submarines to Australia.⁴¹ The Senators’ concern stemmed primarily from the intense operational demand requirements and domestic industrial base limitations highlighted by senior submarine officers at the 2021 Naval Submarine League annual symposium held in November.⁴²

⁴⁰ “Aukus Nuclear-Powered Submarine Pathway: About: Defence.” *Commonwealth of Australia, Department of Defence*, 14 Mar. 2023, www.defence.gov.au/about/taskforces/aukus.

⁴¹ Katz, Justin. “Exclusive: Reed, Inhofe Warn Biden AUKUS Risks Becoming ‘zero Sum Game’ for US Navy.” *Breaking Defense*, 6 Jan. 2023, breakingdefense.com/2023/01/exclusive-reed-inhofe-warn-biden-aukus-risks-becoming-zero-sum-game-for-us-navy/.

⁴² Katz, Justin. “As Aukus Looms, US Navy Sub Leaders Sound Alarms at Home.” *Breaking Defense*, 15 Nov. 2022, breakingdefense.com/2022/11/as-aukus-looms-us-navy-sub-leaders-sound-alarms-at-home/.

This apprehension was driven by from uncertainty about the U.S.' ability to sustain a domestic industrial base while fulfilling AUKUS requirements to transfer American submarines to Australia. This risk became more acute after the March 13, 2023 announcement that the U.S. would sell Australia at least three Virginia class submarines, with the possibility for the sale of up to two more.

Furthermore, with a total price tag range of between \$268 billion and \$368 billion, Australia is projected to spend five to seven times its entire current annual defense budget on this SSN program alone.⁴³ While AUKUS survived a government transition from the Liberal to the Labor Party, it is unclear whether Australian taxpayers will continue to support such a massive government expenditure on national defense.

⁴³ *The Cost of Defence ASPI Defence Budget Brief 2022–2023*, 8 June 2022, aspi.org.au/report/cost-defence-aspi-defence-budget-brief-2022-2023.

Partners in the Blue Pacific (PBP)

I. Introduction

The Pacific Island Countries (PICs) have emerged as one of the diplomatic hot-spots of U.S.-China competition in recent years. The PICs lie on critical military and economic sea lanes for the U.S. and have significant collective diplomatic clout. Though the U.S. is and has historically been a Pacific power, its regional diplomatic, military, and economic engagement has waned in the post-World War II era. Capitalizing on this vacuum, China has ramped up its engagement with the PICs, providing close to \$1.5 billion in foreign aid between 2006 and 2017.⁴⁴ Precipitated in part by China's increased presence in the region, the U.S., Australia, Japan, New Zealand, and the United Kingdom launched the Partners in the Blue Pacific (PBP) initiative, an informal coordination program aiming to support the Pacific region and its priorities.⁴⁵ The multilateral cooperation encouraged by the PBP is likely to facilitate and streamline aid towards the PICs and enhance U.S. presence in the region. It remains to be seen whether the scale of aid provided through PBP is sufficient to counteract China's influence in the region.

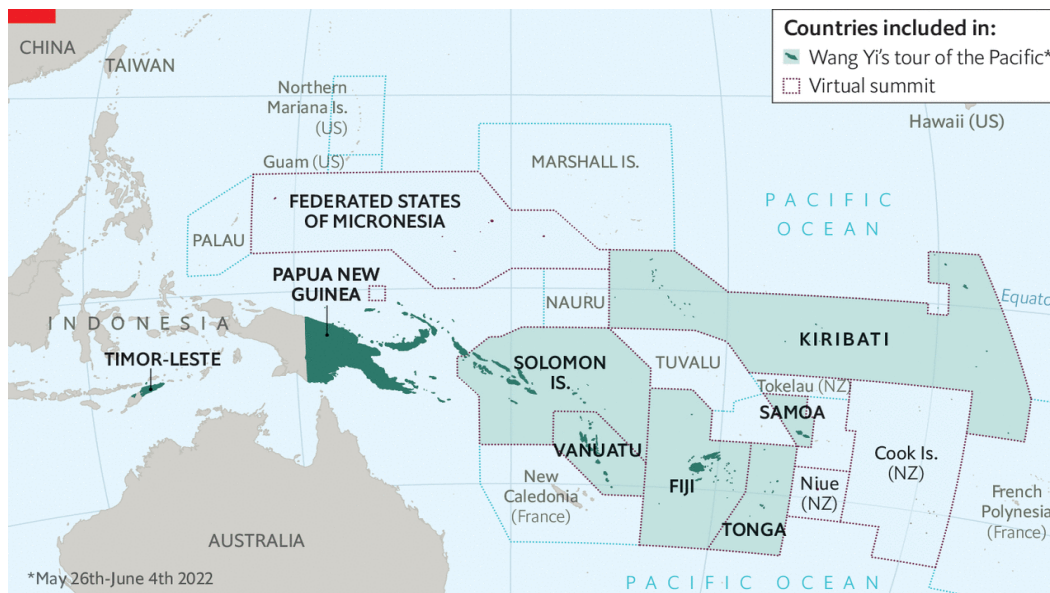


Figure 5. Graphic from *The Economist*: “China’s interest in the Pacific islands is growing.”⁴⁶

44 Pryke, Jonathan. “The Risks of China’s Ambitions in the South Pacific.” Brookings, Brookings, 9 Mar. 2022, <https://www.brookings.edu/statement-by-australia-japan-new-zealand-the-united-kingdom-and-the-united-states-on-the-establishment-of-the-partners-in-the-blue-pacific-pbp/>

45 The White House, The United States Government, 25 June 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/24/statement-by-australia-japan-new-zealand-the-united-kingdom-and-the-united-states-on-the-establishment-of-the-partners-in-the-blue-pacific-pbp/>

46 “China’s Interest in the Pacific Islands Is Growing.” *The Economist*, 2 June 2022, www.economist.com/china/2022/06/02/chinas-interest-in-the-pacific-islands-is-growing.

II. Primer

A. History

The PICs have historically been vital to U.S. influence in the Indo-Pacific because their territories lie on sea lanes between the U.S. and its southern ally Australia. During World War II, the U.S. fought Japan for control of islands in the South Pacific including Guadalcanal, the Philippines, and Saipan to reestablish naval access. The U.S. also controls several territories in the region including the state of Hawai'i, American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam. It has exerted influence in the South Pacific with the Freely Associated States, which were formerly territories administered by the U.S. However, the American presence in the region has been defined by different priorities in the post-Cold War period, with an attempted push by the State Department to declare 2007 the “year of the Pacific” perceived to have failed due to limited funding and high level participation in important fora.⁴⁷

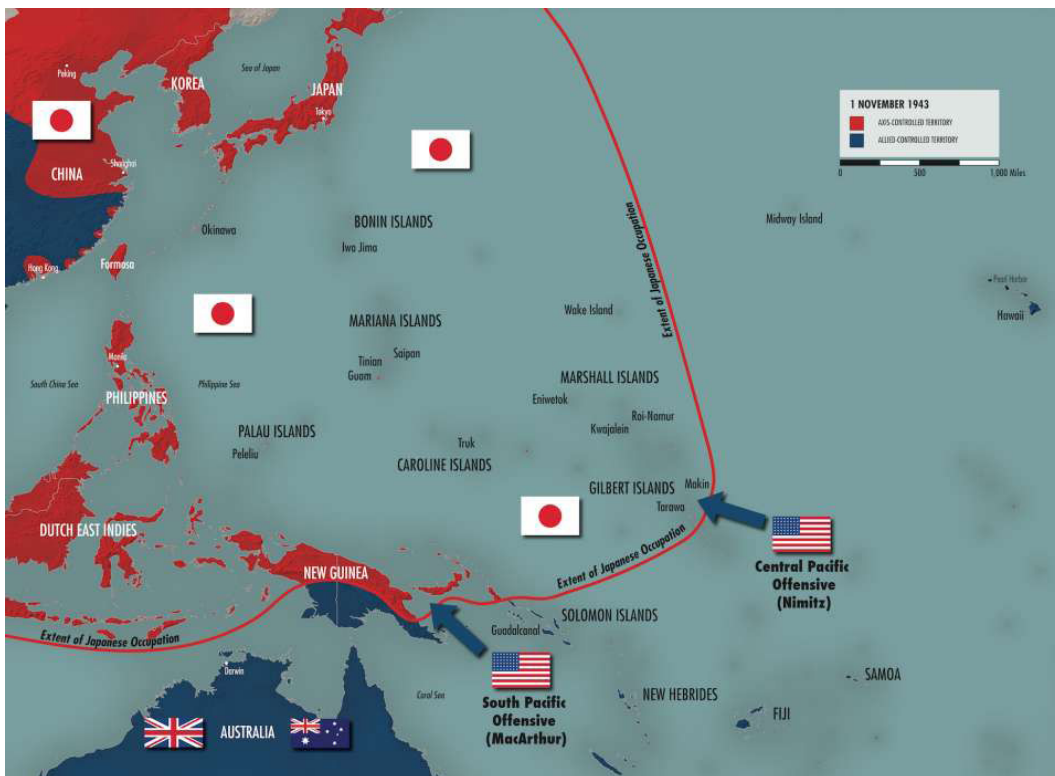


Figure 6. Graphic from The National World War II Museum: “The Pacific Strategy, 1941-1944”⁴⁸

47 O'Brien, Patricia. “What Did the US-Pacific Summit Achieve?” – The Diplomat, 6 Oct. 2022, <https://thediplomat.com/2022/10/what-did-the-us-pacific-summit-achieve/>.

48 “The Pacific Strategy, 1941-1944: The National WWII Museum: New Orleans.” The National WWII Museum, 10 July 2017, www.nationalww2museum.org/war/articles/pacific-strategy-1941-1944.

In recent years, U.S. regional influence has been threatened because of increased Chinese engagement in the region. For example, in March 2022, China and the Solomon Islands signed a security pact for military assistance and disaster response in exchange for PLA naval ships being allowed to carry out logistical operations around the Islands. China has announced plans to improve an airfield on the coral atoll of Katon in Kiribati, located 3000 kilometers from Oahu near the sea lanes connecting Hawaii with Australia and New Zealand.⁴⁹ It has also completed work on Momote Airport on Manus Island in Papua New Guinea and has reportedly sought basing opportunities in Vanuatu and Tulagi in addition to the Solomon Islands.⁵⁰

One reason for increased Chinese engagement in the region is for diplomatic advantage. Four Pacific island states (Nauru, Tuvalu, Palau, and Marshall Islands) recognize Taiwan diplomatically, and though the Solomon Islands and Kiribati switched their diplomatic recognition to the PRC in 2019, these remaining four countries have been steadfast in their support for Taiwan. In addition, the PICs collectively claim 14 votes at the United Nations, constituting a major voting bloc that China can utilize to advance its interests.

Recognizing China's increased interest in the region, the U.S. began to boost its engagement with the Pacific Islands under the Trump administration with high-level visits of the countries. In November 2018, Vice President Pence visited Papua New Guinea for the Asia-Pacific Economic Cooperation (APEC)⁵¹, while in May 2019, President Trump hosted the leaders of the three Freely Associated States (FAS)—Marshall Islands, Federated States of Micronesia, and Palau—at the White House for the first time in history.⁵² At the Cabinet level, the Secretary of the Interior attended the annual Pacific Islands Forum Partners Dialogue in 2018 and 2019, Secretary of Veterans Affairs Robert Wilkie attended the inauguration of

49 "Being a Better Partner in the Pacific." War on the Rocks, 31 Jan. 2022, <https://warontherocks.com/2022/01/being-a-better-partner-in-the-pacific/>.

50 Ibid.

51 "Remarks by Vice President Pence at the 2018 APEC CEO Summit | Port Moresby, Papua New Guinea." National Archives and Records Administration, National Archives and Records Administration, <https://trumpwhitehouse.archives.gov/briefings-statements/remarks-vice-president-pence-2018-apec-ceo-summit-port-moresby-papua-new-guinea/>.

52 "Statement by the Press Secretary Regarding the Upcoming Visit of the Presidents of the Freely Associated States." Statement by the Press Secretary Regarding the Upcoming Visit of the Presidents of the Freely Associated States | The American Presidency Project, 15 May 2019, <https://www.presidency.ucsb.edu/documents/statement-the-press-secretary-regarding-the-upcoming-visit-the-presidents-the-freely>.

Micronesian President Panuelo in July 2019⁵³, and Secretary of State Mike Pompeo became the first Secretary of State to visit the Marshall Islands and the Federated States of Micronesia in August 2019.⁵⁴

Beyond state visits, the importance of PICs was highlighted in the Trump administration's strategic document on the Indo-Pacific, "A Free and Open Indo-Pacific: Advancing a Shared Vision." Under the Trump administration, the U.S. announced a \$100 million increase in aid under a "Pacific Pledge" in addition to the approximately \$350 million annually that U.S. agencies invest in projects, assistance, and operations in the Pacific.⁵⁵ It also contributed \$23 million to the Papua New Guinea Electrification Partnership (PEP), a program seeking to connect 70% of the PNG population to electricity by 2030, up from 13% in 2019.⁵⁶ This partnership included Australia, Japan, and New Zealand, and is one example of existing cooperation between current members of the Partners in the Blue Pacific.

Building on this existing cooperation, in June 2022 Australia, Japan, New Zealand, the UK, and the U.S. announced the Partners in the Blue Pacific, an inclusive, informal, coordination initiative seeking to meet Pacific priorities and support Pacific institutions. PBP partners provide a collective \$2 billion in development assistance to the PICs annually. Through this initiative, the partners have aimed to better coordinate existing aid to support shared strategic objectives.

The partners have met twice, first holding a working-level meeting in June 2022 to launch the initiative, followed by a ministerial-level meeting in late September 2022. In addition to the launching members of the U.S., Australia, Japan, New Zealand, and the United Kingdom, Germany and Canada have also announced that

53 Clark, Richard. "FSM National Government - President Panuelo Receives Secretary Wilkie of the U.S. Department of Veterans Affairs." The National Government of the Federated States of Micronesia, 2 Aug. 2019, <https://gov.fm/index.php/fsm-publicinfo/announcements/35-pio-articles/news-and-updates/125-president-panuelo-receives-secretary-wilkie-of-the-u-s-department-of-veterans-affairs>.

54 "Secretary of State Michael R. Pompeo, Federated States of Micronesia President David W. Panuelo, Republic of the Marshall Islands President Hilda C. Heine, and Republic of Palau Vice President and Minister of Justice Raynold B. Oilouch at a Press Availability - United States Department of State." U.S. Department of State, U.S. Department of State, 1 Dec. 2020, <https://2017-2021.state.gov/secretary-of-state-michael-r-pompeo-federated-states-of-micronesia-president-david-w-panuelo-republic-of-the-marshall-islands-president-hilda-c-heine-and-republic-of-palau-vice-president-and-min/index.html>.

55 "Free and Open Indo-Pacific - United States Department of State." United States of America Department of State, 4 Nov. 2019, <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>.

56 "U.S. Government Delivers on PNG Electrification Partnership Promise: Press Release: Pacific Islands." Archive - U.S. Agency for International Development, 5 Nov. 2020, <https://2017-2020.usaid.gov/pacific-islands/press-releases/nov-2-2020-us-government-delivers-png-electrification-partnership-promise>.

they intend to formally join the PBP, while France, the EU, Korea, and India have expressed interest in participating in the initiative.⁵⁷

China's Response

China has strongly criticized the PBP as an American attempt to play the Indo-Pacific states off as geopolitical pawns. In a June 1st, 2022 press conference, Zhao Lijian, the Chinese Foreign Ministry Spokesperson, stated that “South Pacific Island countries are not the backyard of any country, still less an arena for geo-political games...[China has] neither forced PICs to take sides nor imposed our will on them, still less seek selfish interests or so-called ‘spheres of influence.’”⁵⁸

The Chinese state media outlet *Global Times* has called the PBP a “small clique [which] will bring no benefit to island nations but only instability to the region... expelling and suppressing China and impeding China’s cooperation with island nations in the area.”⁵⁹ Chinese media have cited the participation of the UK and Japan—countries that have traditionally had little presence in the region—as evidence of the initiative as being geopolitically oriented rather than purely benign economic and development support.⁶⁰ A *China Daily* editorial framed the PBP as being “conceived not as a means to provide assistance but as an instrument for geostrategic competition with China,” and criticized the PBP for dragging Pacific island nations into a “geostrategic game.”⁶¹

In response to increased U.S. influence, China promoted the “China-Pacific Island Countries Common Development Vision,” a multilateral development and security agreement that would cement Beijing’s influence in the region. Then-Chinese Foreign Minister Wang Yi embarked on a tour of the PICs to

57 “Joint Statement on Partners in the Blue Pacific Foreign Ministers Meeting - United States Department of State.” U.S. Department of State, U.S. Department of State, 23 Sept. 2022, <https://www.state.gov/joint-statement-on-partners-in-the-blue-pacific-foreign-ministers-meeting/>.

58 “Foreign Ministry Spokesperson Zhao Lijian’s Regular Press Conference on June 1, 2022.” Embassy of the People’s Republic of China in the United States of America, 1 June 2022, [us.china-embassy.gov.cn/eng/lcbt/wjbfyrbt/202206/t20220601_10697636.htm](https://www.china-embassy.gov.cn/eng/lcbt/wjbfyrbt/202206/t20220601_10697636.htm).

59 “US Puts Together Security-Focused PBP Clique to Contain China, Disregards Pacific Island Nations’ Interests.” *Global Times*, <https://www.globaltimes.cn/page/202209/1275919.shtml>.

60 “US Puts Together Security-Focused PBP Clique to Contain China, Disregards Pacific Island Nations’ Interests.” *Global Times*, 22 Sept. 2022, <https://www.globaltimes.cn/page/202209/1275919.shtml>.

61 刘 小卓. “Power Plays, Not Aid, the Rationale for Partners in the Blue Pacific: China Daily Editorial.” *Opinion - Chinadaily.com.cn*, 20 Sept. 2022, <https://www.chinadaily.com.cn/a/202209/20/WS6329a766a310fd2b29e78bf8.html>.

advocate for this initiative.⁶² However, Pacific Island foreign ministers ultimately rebuffed this Chinese overture due to the overtly military nature of the vision.⁶³

B. **Stated Objectives**

The PBP has three main objectives:

1. Advancing more efficient cooperation and engagement among the partners.
2. Strengthening Pacific regionalism.
3. Facilitating and encouraging partners and institutions to engage and consult with the Pacific.⁶⁴

Additionally, the PBP has six focal areas, pursuant to the implementation plan for the 2050 Strategy for the Blue Pacific Continent endorsed by the Pacific Islands Forum Leaders in July 2022.⁶⁵

1. Climate Change Resilience, Adaptation, and Disasters
2. Secure and Resilient Technology and Connectivity
3. Protection of the Ocean and Environment
4. People Centered Development
5. Resources and Economic Development
6. Political Leadership and Regionalism

62 “Western Countries Watch as China’s Foreign Minister Begins South Pacific Tour.” NPR, NPR, 26 May 2022, <https://www.npr.org/2022/05/26/1101423950/western-countries-watch-as-chinas-foreign-minister-begins-south-pacific-tour>.

63 “Four Takeaways from China’s Tour of the Pacific Islands.” United States Institute of Peace, 9 June 2022, <https://www.usip.org/publications/2022/06/four-takeaways-chinas-tour-pacific-islands>.

64 “Statement by Australia, Japan, New Zealand, the United Kingdom, and the United States on the Establishment of the Partners in the Blue Pacific (PBP).” The White House, The United States Government, 25 June 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/24/statement-by-australia-japan-new-zealand-the-united-kingdom-and-the-united-states-on-the-establishment-of-the-partners-in-the-blue-pacific-pbp/>.

65 Ibid.

Timeline

Feb 12th, 2022	Secretary of State Tony Blinken announces that the U.S. will open an embassy in the Solomon Islands
June 23-24, 2022	Launch of PBP following High Level practitioner's meeting in Washington D.C. with Pacific Islands Forum and other Pacific partners (observers: France and EU)
July 12, 2022	Vice President Kamala Harris participates in Pacific Islands Forum. Announces establishment of embassies in Tonga and Kiribati, appointment of first U.S. Envoy to PIF, return of Peace Corps volunteers, re-establishing USAID regional mission in Fiji, and tripling funding for Pacific islands from \$21 million to \$60 million per year for next ten years
Sept 22, 2022	First Foreign Ministerial meeting of PBP. Participants were Fiji, French Polynesia, Japan, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, the United Kingdom, the United States, and Vanuatu, while Canada, France, Germany, India, Republic of Korea, the Pacific Islands Forum, and the European Union observed
Sept 28-29, 2022	First U.S.- Pacific Island Country Summit in Washington DC
Jan 24-26, 2023	Workshop on strengthening understanding among PBP and Pacific Islands on IUU Fishing and Maritime Domain Awareness in Honolulu, Hawaii

C. Initiatives

Initiatives that have been discussed among the partners include: Pacific humanitarian warehousing to preposition humanitarian and emergency supplies, an annual Pacific cyber capacity conference, further support to the Pacific Climate Change Centre in Samoa, and support to access climate finance. One of the first substantive PBP initiatives included a workshop on strengthening understanding among the PBP members and PICs on Illegal, Unreported and Unregulated (IUU) Fishing and Maritime Domain Awareness held in Honolulu, Hawaii in January 2023.⁶⁶

In addition to these joint measures by the PBP, the U.S. has also unilaterally increased its diplomatic and economic engagement in the region. Diplomatically, the U.S. announced that it would recognize the Cook Islands and Niue as sovereign states and establish U.S. embassies in the Solomon Islands, Tonga, and Kiribati.⁶⁷ The U.S. also designated its first envoy to the PIF, pledged to open a regional mission

⁶⁶ "Strengthening Shared Understanding among the Partners in the Blue Pacific and Pacific Islands: Illegal, Unreported and Unregulated Fishing (IUUF) and Maritime Domain Awareness (MDA) - United States Department of State." U.S. Department of State, 28 Jan. 2023, www.state.gov/strengthening-shared-understanding-among-the-partners-in-the-blue-pacific-and-pacific-islands-illegal-unreported-and-unregulated-fishing-iuuf-and-maritime-domain-awareness-mda/.

⁶⁷ "Fact Sheet: Roadmap for a 21st-Century u.s.-Pacific Island Partnership." The White House, 3 Oct. 2022, www.whitehouse.gov/briefing-room/statements-releases/2022/09/29/fact-sheet-roadmap-for-a-21st-century-u-s-pacific-island-partnership/.

for USAID in Suva, Fiji by September 2023, and promised to expand the Peace Corps presence in the area.⁶⁸ These measures have signaled that the U.S. is once again engaging in the region, a move that has broadly been welcomed by Pacific Island States.

The U.S. declared that it will provide over \$3 million to enhance training and capacity-building in the Pacific Islands for maritime security and marine protection.⁶⁹ Moreover, it has begun negotiations on a new Acquisition and Cross Servicing Agreement with Fiji and will begin negotiations with Papua New Guinea on a Defense Cooperation Agreement.⁷⁰

Furthermore, two bills are being considered by the U.S. Congress to strengthen regional engagement: Boosting Long-Term Engagement in the Pacific Act (or the BLUE Pacific Act) and the Honoring Oceania Act. The BLUE Pacific Act endorses cooperation with Australia, Japan, New Zealand, and Taiwan to de-escalate conflict in the region, safeguard Pacific populations, and ensure complementarity of programming.⁷¹ The Honoring Oceania Act calls on Australia, France, Japan, New Zealand, the Republic of Korea, and the United Kingdom to advance shared alliance goals of the Oceania region concerning health, environmental protection, disaster resilience and preparedness, illegal, unreported, and unregulated (IUU) fishing, maritime security, and economic development.⁷²

68 Ibid.

69 Ibid.

70 Ibid.

71 "H.R.2967 - 117th Congress (2021-2022): Blue Pacific Act." United States Congress, 4 May 2021, www.congress.gov/bill/117th-congress/house-bill/2967.

72 "H.R.3373 - 117th Congress (2021-2022): Honoring Oceania Act." United States Congress, 20 May 2021, www.congress.gov/bill/117th-congress/house-bill/3373.

III. Assessment

U.S. neglect of the PICs has created room for the PRC to increase its regional influence.

Until China's greatly increased engagement with the Pacific Islands became evident, there was limited attention in Washington towards the PICs, or acknowledgement of their strategic importance. Much of the attention inside Washington until recently was paid to bilateral relations with China, domestic competitiveness, and cooperation with larger powers such as Australia and Japan. Meanwhile, China had spent years building trust with the PICs.

This has proven to be a mistake: the security-focused interventions that China has introduced in the PICs risks making the South Pacific less accessible for U.S. and allied ships, and more friendly to China's military vessels. Both of these realities would jeopardize U.S. operations in the Indo-Pacific and poses a threat to U.S. security.

PICs are wary of efforts to militarize the region, regardless of who does it.

Though the PICs are increasingly becoming a stage for U.S.-China competition, the PICs themselves are wary of being embroiled in a conflict. PICs tend to be averse to attempts to militarize the region, as evidenced by their rejection of the China-Pacific Island Countries Common Development Vision. Though they may have an interest in increasing their own security, their main interests lie in countering the devastating impacts of climate change while ensuring economic development for their states, something that has largely been overlooked by larger powers.

The PIF member states believe Washington should accept the priorities of PICs and refrain from embroiling them in its great power conflict. The PBP recognizes this reluctance on the part of PICs and clearly excludes overtly military initiatives from their six priorities. Moreover, the priorities reflect those of the PICs as articulated in the 2050 Strategy for the Blue Pacific Continent, which has been broadly welcomed by the PICs.

PICs value U.S. regional engagement but are unsure of whether the U.S. will be able to provide substantive benefits.

Following decades of relative disengagement from the region, the Partners in the Blue Pacific is a necessary step for increasing U.S. engagement with the PICs. The PBP has gained wide participation from the PICs as well as interest from other relevant countries. However, the substantive benefits of cooperation between the Partners is yet unclear. Though some initiatives have been floated at the ministerial summit in September, the partners have yet to cooperate on any major initiative, suggesting the PBP may be more rhetorical than substantive.

The main thrust of the PBP has involved coordinating economic assistance to better achieve Pacific priorities. In 2020, together, the PBP members provide \$2.1 billion in aid to the Pacific, or 41% of total aid provided to the region. By comparison, Chinese aid to the region amounted to \$168.33 million, or 4% of the total. The U.S. also announced more than \$810 million in expanded U.S. programs during the Pacific Island Country Summit, including \$130 million in new investments to support climate resilience and sustainability. To some degree, the PICs remain skeptical of U.S. attempts to reengage after what they perceive as decades of neglect and failure to address the impacts of climate change, which the PICs continue to feel acutely. The PBP is more likely to succeed to if puts PICs' core interests as priorities. Increased aid to PBP countries is undoubtedly welcome but it remains unclear how future coordination will take place or what it will entail. For the U.S. to counter Chinese influence in the region, it is critical that material benefits promised through initiatives such as the PBP are realized in a prompt, transparent, and substantive manner.

Strategic Alignment and Conclusion

Taken together, the Quad, AUKUS, and the Partners in the Blue Pacific provide a vivid example of the Biden administration's recent approach to engagement and competition in the Indo-Pacific. This collective framework seeks to upgrade alliances, enhance partnerships, and offer an affirmative vision for the region in national security, security cooperation, technology, and development. In reinvigorating the Quad, the U.S. has sought to deepen its relationship with non-traditional partners like India and expand positive cooperation on economics and technology with allies, while advancing a transparent and inclusive regional order. In launching the AUKUS security pact, the U.S. has aimed to enhance Australia's naval capabilities to reorient deterrence against China's military assertiveness. Lastly, in proposing the Partners in the Blue Pacific, the U.S. is seeking to re-engage through development and economic initiatives with a region of the Pacific it has long neglected. Each advances the objective of sustaining an open, inclusive, and free Indo-Pacific—but does so with different ways and means.

Not surprisingly, all three initiatives are fundamentally about China's behavior in the region and aim to provide an economic, diplomatic, and military counterbalance to China. In all three cases, the Biden administration has refused to define its objectives in terms that reference China as a singular objective. This ostensible paradox underscores a longstanding feature of the U.S.'s approach to China. It positions the strategy as an element of a broader Indo-Pacific strategy, of which China is one element, rather than articulating first a China policy and subsequently harnessing multilateral engagement to support that policy. In other words, it aims to shape the environment in which China acts in order to affect changes on its behavior, rather than leveraging economic, military, and political inducements in a direct bilateral way. Moreover, by avoiding explicit articulation of China as the focal point of these intertwined networks, the U.S. maintains the ability to assert that it is neither pursuing a containment strategy, nor developing a Cold War-era bloc in Asia.

While the logic of this thinking is compelling, in reality, Beijing perceives no difference and explicitly denounces these initiatives as efforts at containment. In a speech at the Two Sessions in March 2023, Xi Jinping condemned the fact that “Western countries led by the United States have implemented all-around containment, encirclement, and suppression of China.” Moreover, for resident countries in the region, much of their willingness to participate more actively in

these U.S.-led initiatives does indeed emerge from an increasing wariness about China's muscular foreign policy and military activity. As this report notes, much of the progress in U.S. engagement (from the Quad to AUKUS to the PBP) stems from Asian nations increasingly seeing Beijing as a threat. Going forward, it may be worth reconsidering to what extent U.S. messaging avoids or chooses to acknowledge the brute fact that its Indo-Pacific strategy is, at the end of the day, still primarily about China.

A few common observations emerge from our analysis. First, moving forward, U.S. policymakers should carefully and precisely define objectives and expectations for each multilateral framework America adopts in the Indo-Pacific. Deepening engagement, coupled with China's increasingly aggressive behavior, has bolstered U.S., alliances in the region, from Japan's newly publicized defense reforms to the announcement of new military bases in the Philippines under the Enhanced Defense Cooperation Agreement (EDCA). It will be crucial to manage expectations for other initiatives, as each is unique. Indeed, the burden of rising expectations easily creates strategic risk. Recognizing that the Quad is not a military alliance to be operationalized, for example, will be paramount in the coming years. Similarly, an appreciation for the valid security concerns and economic interests of Pacific islands or of nations in Southeast Asia—and the reality that their trading relations with China are robust—would be wise to maintain.

Additionally, while the Quad, AUKUS, and PBP have contributed to advancing U.S. objectives, the material impact of each has still been moderate because of geopolitical realities. Although the Quad has provided a larger number of occasions and opportunities for multilateral summits and alignment on normative issues, India continues to hedge and remains firmly a partner (and not an ally) with an independent foreign policy and autonomous streak. As Ashley Tellis has observed, while India has been willing to join its Quad partners in areas of low politics, such as vaccine distribution, India will not move toward offering any meaningful military contributions to defend against potential Chinese aggression in situations where its own security is not threatened. It would be unwise to anticipate that any level of engagement through the Quad will fundamentally change India's geopolitical stance overnight. These changes will come gradually, not rapidly.

With AUKUS, given the extended timeline for construction and delivery of nuclear-powered submarines, no concrete benefit that substantially and materially

alters the regional military balance of power has yet been seen. Similar to the Quad, the impacts of AUKUS will be realized over multi-year periods rather than all at once. This assumes that all three partners stay the course and continue to provide political and material support. While the Partners in the Blue Pacific has provided renewed attention and positive steps such as the announcement to open new U.S. embassies in the region, the substantial impact on any of the countries has not yet been manifested.

At the same time, however, it cannot be denied that the needle is moving in the right direction. While the needle is moving in the right direction, an urgent focus on substance over symbolism will be critical. This includes establishing definitions of success in metrics that measure progress on key priorities including defense infrastructure, disaster response, and climate resilience. As the U.S. continues to refine its presence and purpose in the Indo-Pacific, it should carefully consider each nation's unique political and economic circumstances and adopt a tailored individual approach that accounts for their distinct interests. A one size fits all approach that treats the region as a homogenous whole will not suffice. In these efforts, greater "strategic empathy" and a ruthless evaluation of U.S. "strategic narcissism" will be critical.

Finally, the recurring challenge for all three initiatives lies in implementation and sustainment of U.S. engagement over time and across successive administrations. U.S. foreign policy has been too reactive to challenges and threats rather than pro-actively anticipating future problems. That the U.S. had not operated an Embassy in the Solomon Islands since 1993 should serve as a clarion call to the risks of ceding American influence in the region. While the Biden administration has begun to reverse decades of disengagement in parts of the region, U.S. policymakers would do well to think beyond the immediate future and identify areas where potential risks may emerge. It should do so with an acute focus and measured humility about its ability to predict the future, while taking into account the best possible forecast of where trendlines are heading. Finally, recognizing that U.S. foreign policy is inherently messy and exists in a world of polarized political winds and tides, leaders should aim to forge bipartisan consensus. This approach is most likely to establish sufficient momentum to sustain initiatives across future administrations so as to insulate U.S. strategy in the Indo-Pacific from the pitfalls of domestic political infighting. If the U.S. can accomplish these tasks, it will greatly enhance its capacity to promote the free, open, and democratic order it seeks to both defend and bolster in the Indo-Pacific region.



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