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by Stephen Nagy
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POLICY PERSPECTIVE

PIVOTING TOWARDS NEO-MIDDLE-POWER DIPLOMACY: SECURING AGENCY IN AN ERA OF GREAT POWER RIVALRY

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As the U.S.-China strategic competition deepens, how can middle powers establish their strategic and political relevance and resist marginalization?

Who are middle powers? Which criteria can be employed to distinguish middle powers from great powers? The answers to these questions are becoming increasingly nebulous. Furthermore, the lack of shared understanding on middle powers also extends towards their functions and agency in the international system. Hence, middle powers, including Canada, are losing salience as a critical actor in shaping international affairs. In the background of deepening U.S.-China strategic competition, the withering of a shared understanding of middle powers and their agency will disadvantage their collective ability to shape the great-power rivalry and manage their shared regional and global challenges, putting them in a marginalized position.

Diverging Organizations of Middle-Power Diplomacy

In September 2013 at the 68th meeting of the United Nations (UN) General Assembly, Mexico, Indonesia, South Korea, Turkey and Australia formed the middle-power grouping called MIKTA. Consisting of vibrant democracies such as Australia, Mexico and South Korea to [hybrid-authoritarian/partly free states](#) such as Turkey and Indonesia, its membership highlights its focus on function and inclusivity. However, MIKTA is a reformulation of the middle-power grouping, which has effectively [not achieved](#) anything significant yet.

At the recent [MIKTA Academic Dialogue](#) in September 2020, scholars stressed that MIKTA countries were “middle, regional and constructive powers because they can exert influence in the international arena by building coalitions, fostering multilateralism and serving as bridges between countries and regions.”

Its contradictory membership and exclusion of middle powers with established track records of fostering multilateralism such as Canada and Japan raise questions as to the *raison d'être* of this grouping and its effectiveness. How can it function cohesively and effectively when its core members are bifurcating politically into liberal and illiberal directions? Why weren't the champions of the values espoused not included in its organization?

In contrast, France and Germany have established another middle-power grouping which is normative in character, called the [“Alliance for Multilateralism.”](#) The alliance “aims to renew the global commitment to stabilize the rules-based international order,” an obvious yet important objective in an era increasingly defined by states and leaders who openly eschew multilateralism, rules-based behaviour and international institutions such as the WHO, the UN and the Paris Climate Accords.

Its [core supporters](#) are Western or Western-aligned states such as Germany, France, Canada and Japan with a clear commitment to multilateralism and international institutions. There is no buy-in from Southeast and South Asian countries, suggesting that the focus of the alliance is too value-



laden to attract converts in the Indo-Pacific region. This makes the Alliance for Multilateralism a normative but exclusive middle-power grouping.

Others have argued for a more functional approach to middle-power diplomacy such as advocacy for a [“middle power quad” \(MPQ\)](#) consisting of Japan, South Korea, Australia and India. This formulation is meant to contribute to an “ASEAN–MPQ framework” that will be a more effective tool at enhancing regional co-operation in the Indo-Pacific through functional and focused middle-power grouping.

With such different organizations and orientations of middle-power groupings, one wonders if these initiatives are in fact counterproductive, preventing a critical mass of middle powers that can, as Soeya Yoshihide (2005) writes, be a “driving force in the process of transnational institutional-building.”

These competing visions of middle-power diplomacy are contributing to a dilution of material and diplomatic resources. This weakens middle-power groupings’ ability to either be involved in transnational institution-building or, as [Lauren Neack \(2013\) argues](#), contribute to the “maintaining of the international order through coalition-building, by serving as mediators and ‘go-betweens,’ and through international conflict management and resolution activities.”

Pivoting Towards Neo-Middle-Power Diplomatic Approach?

Jonathan Ping’s “hybridization theory” of middle powers provides a road map of how to unify middle-power statecraft so it can better serve the interests of middle powers under the banner of [neo-middle-power diplomacy](#).

[N]eo-middle power diplomacy can be understood as proactive foreign policy by middle powers that actively aims to shape regional order through aligning collective capabilities and capacities. What distinguishes neo-middle power diplomacy from so-called traditional middle power diplomacy is that neo-middle power diplomacy moves beyond the focus of buttressing existing international institutions and focusing on normative or issue-based advocacy such as human security, human rights or the abolition of land mines, to contributing to regional/global public goods through cooperation, and at times in opposition to, the middle powers’ traditional partner, the US. Areas of cooperation [may include] ... maritime security, surveillance, HADR, joint transits, amongst others (Nagy 2020).

Based on an understanding that there has been a systemic change with China’s re-emergence as a great power and the advent of great-power strategic competition between the U.S. and China, middle powers require a realist approach regarding the capabilities they have and the specific policies they pursue. This means a regional focus to problem solving, building resilience to withstand and seize missteps by great powers and an outcome-focused approach.



Importantly, this hybridized approach also means middle-power partnerships in which more capable states take the lead in forging consensus and a critical mass to achieve strategic objectives.

Here, Japan's role in sustaining multilateralism through consequential trade and co-operation agreements such as the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP) or the TPP-11, the Japan-EU Economic Partnership Agreement and the Partnership on Sustainable Connectivity and Quality Infrastructure, is an example of a hybridized, neo-middle-power approach. In this approach, Japan leveraged its economy and diplomatic clout to forge meaningful multilateral arrangements.

The free and open Indo-Pacific (FOIP) concept is another example where middle powers can gravitate towards a critical mass based on shared capabilities and capacities that provide a regional public good to the Indo-Pacific. By focusing on infrastructure, connectivity, economic development and non-traditional security issues (such as HA/DR, anti-piracy, illegal fishing and climate change), a FOIP grouping of middle powers can take a less security-focused approach to the region. This type of middle-power statecraft embodies a hybridized, neo-middle-power approach to middle-power diplomacy rather than divergent groupings that are inclusive yet ineffective, or exclusive yet incompatible with the plethora of regimes in the region.

Where does Canada stand in this new approach of middle-power diplomacy? As a traditional middle power, Canada pursued normative-based policies focusing on human rights, human security, the advocacy of disarmament and the banning of landmines. Yet major shifts in balance of power associated with China's re-emergence as a global power, a re-centring of the global economic and geopolitical centre into the Indo-Pacific region, and deterioration in the regional security environment mean Canada should go beyond this normative approach to contribute to regional public goods. Concrete examples where Canada may focus its neo-middle-power diplomacy and capabilities under a FOIP framework include working within pre-existing multilateral frameworks and with other middle powers.

Infrastructure and Connectivity

[Infrastructure and connectivity needs](#) in the Indo-Pacific region are vast and present an opportunity for Canada to work with other middle powers. To illustrate, the pre-existing [Trilateral Partnership for Infrastructure Investment in the Indo-Pacific](#) presents a platform where Canada could insert itself at the technical, financial or resource level. This multilateral initiative was based on a Trilateral Memorandum of Understanding (MOU) signed by Australia's Department of Foreign Affairs and Trade (DFAT) and Export Finance and Insurance Corporation (EFIC), the Japan Bank for International Co-operation (JBIC), and the U.S. Overseas Private Investment Corporation (OPIC). Through this platform, the three countries "intend to work together to mobilize and support the deployment of private sector investment capital to deliver major new infrastructure projects, enhance digital connectivity and energy infrastructure, and achieve mutual development goals in the Indo-Pacific."



At the technical and financial level, Canada has the requisite skills and acumen to ensure that infrastructure and connectivity projects meet the [Blue Dot Network's \(BDN\)](#) standards for global infrastructure development. Working alongside the BDN founding members, Canada could find a complementary role in the evaluation and certification of projects.

At the resource level, Canada's contributions will depend on the project, location and partners. Leveraging Canada's natural and energy resources alongside Japan's and Australia's long-time engagement in the region may help maximize Canadian contributions to infrastructure and connectivity.

Policy Co-ordination on Supply Chain Management and Trade Restrictions

Another area of functional co-operation with middle powers and smaller states is supply chain continuity and selective removal of trade restrictions in times of crisis. A contemporary example of this kind of middle-power diplomacy came during the COVID-19 crisis. Here, Canada, Australia, Chile, Brunei and Myanmar have joined forces with New Zealand and Singapore by committing to [keep supply chains open and remove any existing trade restrictive measures](#) on essential goods, especially medical supplies.

While difficult to predict, the likelihood of future pandemics and natural disasters disrupting supply changes or causing a widespread humanitarian crisis is highly likely. Working with like-minded partners in the region, this front should not be exclusionary or premised on particular political systems, but rather functional forms of co-operation.

Supply Chain Resilience through Development and Diversification

Contributing to supply chain resilience and diversification in the Indo-Pacific is another window of opportunity for Canada to work with other middle powers. Australia, India and Japan put forward the [Resilient Supply Chain Initiative \(RSCI\)](#) in September 2020. The Australia-India-Japan [Economic Ministers' Joint Statement](#) on supply chain resilience highlights that RSCI is focused on a "free, fair, inclusive, non-discriminatory, transparent, predictable and stable trade and investment environment and in keeping their markets open."

These objectives are in line with Canada's interest in investing and securing supply chains so that they are more resilient, and less vulnerable to shocks, as we saw in the initial months of the COVID-19 pandemic when there was a [major shortage of personal protective equipment](#) and other goods emanating from China. Importantly, helping to build resiliency into supply chains with partners also contributes to broader development in the Indo-Pacific.



Multilateral Trade Promotion

Exemplifying a neo-middle-power approach to support multilateral agreements and by working with other middle powers, Canada should work with Japan and others to advocate for an enlargement of the CPTPP to include other middle powers. A critical mass could be incentive enough to bring the U.S. to the table but also resist coercive diplomacy. Top candidates should include South Korea, the U.K. and Taiwan, but the list should be as inclusive as possible.

With the [recent signing](#) of the Regional Comprehensive Economic Partnership (RCEP) in November 2020, there is more urgency to collective lobbying of the U.S. to re-join the CPTPP or a version of it so that the U.S. is not locked out of the two largest trading agreements. Canada could take advantage of the possibility of improved relations with the U.S. under the upcoming Biden administration to persuade the U.S. to pursue deeper economic engagement in the region.

Non-Traditional Security Co-operation

The Indo-Pacific region is facing multiple non-traditional security challenges, from climate change to natural disasters to piracy and trafficking. Therefore, non-traditional security is a promising area that presents ample opportunities for co-operation between Canada, other middle powers and the U.S.

Since 2019, Canada has been engaged in domains such as maritime monitoring and surveillance, contributing to the maintenance of regional security. It worked with Japan to [monitor illicit maritime activities](#), such as the ship-to-ship transfers of North Korean-flagged vessels – which are prohibited by United Nations Security Council resolutions – using aircraft based at Kadena Air Base, and subject to a UN Status of Force Agreement. Canada could look into assisting regional countries in preventing threats like piracy and trafficking through bolstering coastal states' capabilities in maritime domain awareness and maritime law enforcement.

Co-operation on mitigating the impact of climate change and promoting sustainable development is another promising area. Canada should work with the U.S. within the framework of the [U.S.-Mekong Partnership](#), which aims to provide good governance, transparency, connectivity and sustainable development for the Lower Mekong sub-region. Specifically, Canada can provide funding or directly involve itself in projects to help local residents adapt to climate change, invest in renewable energy sources and support human resource development.

Pre-existing middle-power projects such as the [Japan-Mekong Connectivity Initiative](#) or Australia's [Partnerships for Recovery in ASEAN and Southeast Asia region](#) also represent opportunities for Canada to conceptualize its middle-power contributions in the region. This could be done by identifying Canadian comparative advantages that could contribute to pre-existing programs such as technical skills, resources or good governance practices.



Concluding Remarks

Proactive, neo-middle-power diplomacy should not mean choosing between the U.S. and China, something that most middle powers cannot do and do not want to do. Through adept 1.5 track momentum building, fast-track diplomacy and other mechanisms, middle powers can enhance strategic autonomy that recent initiatives, such as MIKTA, have largely failed to generate due to inadequate diplomatic strategic foresight and process.

Concepts like FOIP provide a framework for how Canada should think about new middle-power approaches to the Indo-Pacific but they are not a panacea to manage an assertive China, a less reliable U.S. partner and the challenges of an intensifying U.S.-China strategic competition.

The above four categories where Canada could direct its middle-power diplomacy are not exhaustive, but they are constructive. Security challenges are growing in the region, but developmental challenges, a paucity in infrastructure and connectivity and the COVID-19 pandemic will leave the region challenged economically, which could lead to further socio-instability. By working with a concert of middle powers that focus on an outcome-based approach to problem solving and building resilience in the Indo-Pacific, Canada can recalibrate its middle-power diplomacy so it becomes a more effective stakeholder in the region.

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