

How Middle Powers Shape Regional Order in the Indo-Pacific

By Sarah Teo



At the World Economic Forum in Davos in January 2026, Canadian Prime Minister Mark Carney delivered the now-famous speech on the erosion of the old order, emphasising the imperative for middle powers to “develop greater strategic autonomy” and to collectively “build something bigger, better, stronger, more just”. Carney’s speech drew mixed responses from analysts, with some welcoming his vision for middle powers to step up and others expressing scepticism.

The capacity of middle powers to shape international outcomes has frequently been debated. It is admittedly true that in many domains, the great powers naturally dominate, as realists have argued. Yet, this does not mean that middle powers are powerless. While they cannot unilaterally shape outcomes, they can play a constructive role—particularly when acting together—in fostering a stable order that safeguards the interests of less powerful states.

Amid today’s volatile geopolitical environment, the constructive contributions of middle

powers would be more vital than ever. In the Indo-Pacific, middle powers have demonstrated meaningful agency in at least two ways.

The first involves middle powers actively broadening and diversifying their relationships. In recent times, Indo-Pacific countries have sought to deepen ties among themselves. One approach has focused on enhancing “spoke-to-spoke” connections among US allies, marking a shift from the “hub-and-spoke” characterisation in which US allies primarily relied on Washington as the central coordinating hub. Over the past several years, for instance, ties between Australia and Japan, as well as Japan and South Korea, have strengthened.

Another approach sees middle powers reinforcing partnerships beyond traditional alliance frameworks, thereby broadening options. An example would be the Australia-Indonesia Treaty on Common Security that was signed in February 2026. While this is

not the first agreement between the two middle powers, the new treaty commits both countries to consult at the leaders' level; this represents a **step up** from the 1995 Agreement on Maintaining Security, which mandated consultations only at the ministerial level.

By expanding their networks, middle powers foster an environment conducive to cooperation based on shared interests and create channels for dialogue that serve the broader region. At the same time, these efforts reflect a deliberate attempt to reduce dependence on any single power, which overall promotes a more inclusive and balanced regional order.

The second way that middle powers in the Indo-Pacific have exercised agency is in advancing small-group coalitions. Although such coalitions are not new, they have come to be framed within the rise of minilateralism, closely **tied** to the increasing salience of the Indo-Pacific construct since the late 2010s.

Regional countries such as Australia, Japan and the Philippines have been particularly proactive as participants of minilateral arrangements, with agendas spanning **critical minerals**, **supply chain resilience**, and **maritime security**. In theory, these coalitions enable like-minded middle powers to **pool** resources and influence to address challenges of common concern. Admittedly, as some scholars have noted, the actual **effectiveness** of minilateralism remains underexplored.

Others have cautioned that minilateral groupings with a **strategic** emphasis, in the context of great power rivalry, may **deepen polarisation** within the regional order. These observations underscore the **importance** of keeping minilateral initiatives issue-based and complementary to bigger multilateral institutions, ensuring they reinforce rather than fragment the wider regional architecture.

This points to a broader responsibility for middle powers, specifically, ensuring that multilateralism itself remains fit for purpose and continues to provide a valuable avenue for regional stakeholders. Middle powers have conventionally relied on and invested in multilateral institutions because such frameworks amplify their voice and influence, encourages predictability in state behaviour, and helps to level the playing field vis-à-vis the great powers. In the face of current **challenges** to multilateralism, middle powers are arguably well-positioned to help strengthen and adapt it.

For all its flaws, multilateralism continues to matter, particularly because it promotes inclusivity and enhances legitimacy. Middle powers could shore up multilateralism by identifying and working to address gaps in existing frameworks, forging and sustaining partnerships where interests align, as well as ensuring that issue-based coalitions complement the agenda of broader multilateral arrangements.

There exists much potential for middle powers to constructively shape regional dynamics—by ensuring that the Indo-Pacific remains a space where smaller states can exercise agency, sustaining inclusive multilateral cooperation even amid great power rivalry or disengagement, and preserving regional stability.

Sarah Teo is an Assistant Professor in the Regional Security Architecture Programme, Institute of Defence and Strategic Studies (IDSS); and, Coordinator of PhD Programme at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore.