

# CHANGING GEOMETRIES: THE RISE OF A MIDDLE-POWER TECH TRIANGLE

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*As great-power rivalry reshapes global supply chains, technology governance, and the clean-energy transition, middle powers are seeking new ways to reduce vulnerability. The Australia–Canada–India Technology and Innovation (ACITI) Partnership, announced at the 2025 G20 summit, represents an emerging model of strategic minilateralism focused on critical minerals, green innovation, and artificial intelligence. This issue brief argues that ACITI’s importance lies in its function as a risk-diversification platform, allowing participating states to expand cooperation and resilience while maintaining ties with major powers. However, the partnership’s broad agenda risks diluting its impact unless members prioritize concrete initiatives and align them with existing regional frameworks. ACITI therefore serves as a test case for whether flexible middle-power coalitions can deliver practical outcomes in an increasingly fragmented global order.*

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## Introduction

At this year’s Davos conference, Canadian Prime Minister Mark Carney argued that the world is “in the midst of a rupture, not a transition.”<sup>1</sup> The era of global integration underwritten by U.S. hegemony has given way to intensified great-power competition where economic integration is increasingly used as a weapon and supply chains are treated as vulnerabilities to be exploited. Carney noted that the middle powers

are at a strategic crossroads. They can either respond to this rupture by “building their own fortresses,” adopting reshoring and self-sufficiency policies, or they can adopt “variable geometry”—forming coalitions for different issues based on shared values and interests. The Australia–Canada–India Technology and Innovation (ACITI) Partnership<sup>2</sup> represents one of the clearest expressions of the latter approach.

Announced at the G20 summit in late 2025, the ACITI Partnership is a trilateral agreement focused on three areas: strengthening supply-chain resilience, particularly in critical minerals; deepening cooperation on net-zero goals through green energy innovation and sustainable development; and advancing the development and large-scale adoption of artificial intelligence. The ACITI Partnership does not position itself as a bloc or an alliance, nor does it position itself to be explicitly for or against either the U.S., China or the EU. Yet, it may represent an important example of how middle powers are seeking to reorganize themselves in a fragmented global order.

### **The Strategic Essence of ACITI**

Alongside the shift toward great-power competition, the ACITI Partnership is unfolding amid two other major trends reshaping the global economy. Governments big and small are trying to cut emissions and shift toward cleaner energy sources while simultaneously expanding the use of digital technologies like AI across civilian and military domains.<sup>3</sup> Together, these shifts are driving a sharp increase in demand for the materials and technologies that support both decarbonization and digitalization; however, with many of these elements remaining heavily concentrated in the hands of great powers, middle powers supply-chains are particularly vulnerable to exploitation.

Great powers are acutely aware of the constraints facing other states and the degree of control they can exercise over them. As a result, technology supply chains have become key instruments of power, allowing major states to exert leverage over small and middle powers for political advantage. This leverage is exercised through control of critical inputs such as minerals and components,<sup>4</sup> dominance over production and processing capacity, and influence over the standards, platforms, and rules that structure technological ecosystems.

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In this context, the ACITI Partnership acts as a buffer against great-power manipulation by building on the respective strengths of each party. Both Australia<sup>5</sup> and Canada<sup>6</sup> possess an abundant store of critical minerals such as lithium, cobalt, nickel, and rare earths, and have developed robust policy frameworks aimed at expanding the extraction and processing of these minerals. India, for its part, offers vast manufacturing scale, a rapidly growing technology market, and expanding AI and digital innovation hubs. Yet, the partnership is more than the sum of its parts. For India, this partnership supports its ambition to be a rule-shaper for emerging technologies without being committed to a formal alliance structure. For Australia<sup>7</sup> and Canada,<sup>8</sup> it offers a pathway to move up the value chain rather than remain primarily resource suppliers.

### **A Trans-Oceanic and Cross-Domain Partnership**

As others have noted, this trilateral agreement is ambitious in that it links three middle powers across North America, Oceania, and South Asia, creating cooperation that spans multiple oceans rather than

being confined to a single region.<sup>9</sup> The definitional aspect of middle powers is debatable, and one is not sure if India should be clubbed as a middle power, but many scholars in the wider Indo-Pacific see India as a potential middle power partner, including those from Australia and Canada. However, unlike many Indo-Pacific frameworks, which are often siloed into either defence, trade, or environmental cooperation, the ACITI Partnership cuts across these domains. This reflects a mature approach to regional cooperation, in which trade, security, environmental priorities, and technology are increasingly interconnected.

While the partnership is notable for its focus on supply chains and technological development, it is also distinctive in its normative dimension. The partnership explicitly frames cooperation around progress toward net-zero goals and the diversification of supply chains in ways that are ‘secure, sustainable, and resilient’. This normative emphasis reflects converging values that extend beyond narrow economic or strategic

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calculations among the participating countries, each of which brings a strong policy and institutional tradition of environmental stewardship and clean-energy development.<sup>10</sup>

## **David vs Goliath: China, the United States, and the Politics of Non-alignment**

While the partnership’s underlying strategic logic is clearly about hedging against major power blocs, it should not be mistaken for an attempt to exclude them from supply chains entirely, since great powers remain structurally indispensable to global supply chains and will remain so for the foreseeable future. China, for example, dominates 70 percent of rare earth mining and 90 percent of downstream processing and refining, a choke point that cannot be bypassed quickly.<sup>11</sup> Similarly, U.S. dominance in core digital infrastructure and advanced semiconductors is entrenched and unlikely to shift meaningfully in the near term. The U.S. is also attempting to embed its own AI infrastructure into global economic and security systems in ways that reproduce the structural power that it exercises through the dollar and digital platforms.<sup>12</sup>

The strategic logic of ACITI is not premised on overturning these existing structural realities, nor does it contradict increased engagement with the great powers. For example, Canada has maintained formal trade and investment arrangements with China, India has concluded a trade agreement with the EU, while Australia has deepened security cooperation through AUKUS while pursuing trade normalization with China. Minilateral middle-power groupings (though India is less known as a middle power and known more as a rising power) function less as substitutes for great-power ties than as a risk-mitigating safety valve—in other words, they give countries additional options if competition between major powers comes to a head or if global supply chains are disrupted.

In many ways, ACITI may be compatible with, and even reinforce, other major-power frameworks rather than standing apart from them. For example, parts of the AUKUS security partnership's Pillar 2 explicitly focus on supply chain innovation and resilience for critical technologies, creating opportunities for alignment on industrial and technological cooperation.<sup>13</sup> Additionally, both India and Australia are in talks to join the U.S.-led Economic Prosperity Network and are members of Washington's newest technology and supply-chain initiative, Pax Silica, which aims to align partners around secure technology supply chains and diversification.<sup>14</sup>

On the economic side, the Indo-Pacific Economic Framework (IPEF) brings together a broader group of countries, including Australia and India, to work on supply chains and digital trade, reinforcing themes of economic integration and resilience that sit alongside ACITI's goals.<sup>15</sup> In practice, this means ACITI could interact with existing regional mechanisms, linking middle-power cooperation to broader great-power initiatives and making it easier for states to pursue both inclusive economic cooperation and targeted strategic partnerships at the same time.

### **Minilateralism with Substance**

ACITI is also emblematic of how minilateralism is evolving. Earlier minilateral arrangements were often security-driven or crisis-specific. The ACITI Partnership stands apart because it spans several areas, including emerging technologies such as AI, supply chains, and environmental cooperation. It is therefore best understood as a 'strategic minilateral', bringing together like-minded states to advance shared strategic interests across multiple domains.<sup>16</sup>

In practice, as acknowledged by the countries themselves in their joint statement, the partnership is likely to operate as a flexible coordinating platform that builds on top of existing bilateral agreements,<sup>17</sup>

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rather than as a structured institution in and of itself. This, however, makes it vulnerable to political frictions in the bilateral relationships between the participating countries. As Ghosh notes, while Australia–India ties are strong and deepening, India–Canada relations have been comparatively uneven and more politically fraught.<sup>18</sup>

Nonetheless, the announcement of the ACITI Partnership itself signals that Canadian and Indian officials are keen to rebuild trust and expand cooperation, and it is likely that this trend will continue into the future, with Canada extending an invitation to restart negotiations on their bilateral free trade agreement.<sup>19</sup> Additionally, for a country like Canada, whose efforts at Indo-Pacific engagement are in their nascent stage,<sup>20</sup> the ACITI Partnership will be an early

test of how serious its long-term engagement in the region will be, especially as the U.S. is ramping up pressure back home.

## Translating Ambition into Outcomes

Another key challenge facing ACITI is that the breadth of its agenda risks blurring its focus, resulting in it becoming an aspirational agreement that fails to produce comprehensive and concrete outcomes. Observers of the Australia–India critical minerals partnership note that collaboration has often advanced through a patchwork of project-specific deals rather than a unified strategy, reflecting both countries’ differing priorities—namely, India’s emphasis on raw material security and Australia’s push to build domestic processing capacity and value-added production.<sup>21</sup> Without mechanisms to reconcile these differences, there is a risk that the partners work at cross-purposes

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or struggle to move beyond isolated projects and initiatives.

Rather than allowing cooperation to fragment in this way, the ACITI Partnership dialogues, set to convene sometime during the first half of this year, must be used wisely to narrow priorities and establish clear deliverables for the partnership. This could take the form of identifying a small number of flagship projects selected as part of a coherent strategy that can anchor cooperation and demonstrate progress. On this front, India can draw on its experience with its own established climate-industrial partnerships, such as its cooperation with Sweden, where jointly both countries have co-selected pilot projects, supported by private-public cooperation, in areas such as low-carbon steelmaking, carbon capture and utilization, and AI-enabled process optimization.<sup>22</sup>

ACITI countries should also consider how the trilateral can interact with and complement other existing minilateral groupings, ensuring it strengthens existing initiatives and does not create redundancy. For example, Australia, India, and Japan have maintained a Supply Chain Resilience Initiative aimed at strengthening supply chain cooperation among like-minded states, reflecting overlapping concerns with ACITI’s focus on diversification and resilience.<sup>23</sup>

## A Quiet Test of the Future Order

The ACITI Partnership will not define the global or regional order on its own, but it captures something essential about how power is being reorganized. In a fragmented world, where technology, climate transitions, and supply chains are increasingly being weaponized, middle powers are no longer waiting for the old multilateral organizations to drive progress. Instead, they are assembling selective, functional coalitions that are adapted to practical realities yet are still driven by shared interests and values.

What makes the Australia–Canada–India partnership strategically meaningful is its subtlety. It does not declare blocs or escalate rivalries, rather it seeks to build an infrastructure of cooperation that quietly reduces dependence and expands each country’s strategic choice. This is not balance-of-power politics in the classical sense but rather a balance through cooperation on strategically important issues.

If the ACITI Partnership succeeds, it will demonstrate that minilateralism can become a method for shaping the conditions under which middle powers are engaging with the global technological and economic landscape. Its deeper significance lies not in whether it confronts China or complements the United States, but in proving that strategic autonomy in the 21st century is built through trusted interdependence rather than isolation. For middle powers, navigating an era of technological rivalry and geopolitical flux, that lesson may ultimately be the ACITI Partnership’s most enduring contribution.

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