

AUKUS: Arms, Allies and the Geopolitics of the Indo-Pacific

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Summary

The announcement of AUKUS, a strategic alliance between Australia, the United Kingdom, and the United States (US), has created a kerfuffle whose echoes can be heard from the Indo-Pacific to the Atlantic. Washington's decision to offer Australia the most sophisticated of its military technology and hardware has left Canberra relieved, Beijing enraged, Paris slighted and Southeast Asia anxious. AUKUS has tremendous significance for the unfolding great power rivalry between the US and China, but it also impacts the strategy and calculation of all other actors in the Indo-Pacific.

Introduction

The announcement of the strategic defence pact between Australia, the United Kingdom (UK) and the United States (US) – called AUKUS – to use the words of the *Economist*, represents a “profound geopolitical shift.”¹ Under the agreement, the three Anglo-Saxon powers declared cooperation in building a fleet of six nuclear-armed submarines for the Australian Navy. The pact also announced major defence cooperation across wide-ranging military technologies including Artificial Intelligence, Quantum Computing, Cyber Warfare, and Undersea technologies.² The US, Australia and the UK have committed themselves wholeheartedly to keep the Indo-Pacific “free and open” from China’s growing influence. In doing so, the pact has not only evinced shock and anger from China but also drew massive backlash from France, both a North Atlantic Treaty Organization ally and an increasingly assertive Indo-Pacific power. The nuclear submarine deal under AUKUS scuttled the Australian-French contract to build conventional attack submarines for the Australian Navy. The kerfuffle engendered by AUKUS, therefore, was felt from the Indo-Pacific to the Atlantic. However, technical details and diplomatic shadowboxing notwithstanding, AUKUS holds significant consequences for Sino-US rivalry, Southeast Asia, the Quad and India.

Militarised Alliances as Response to Naval Vulnerability

AUKUS’ principal significance lies in its political messaging.³ For a long time, Washington appeared to be indecisive on how it aims to tackle the rise of China. Whereas liberals assumed that growing economic interdependence and its global enmeshment will socialise China into accepting the US-led global liberal order, the pragmatist opined that China and

¹ “The strategic reverberations of the AUKUS deal will be big and lasting”, *The Economist*, 19 September 2021, <https://www.economist.com/international/2021/09/19/the-strategic-reverberations-of-the-aukus-deal-will-be-big-and-lasting>.

² The White House, “Joint Leaders Statement on AUKUS”, 15 September 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/>.

³ C Raja Mohan, “AUKUS, the Quad, and India’s Strategic Pivot”, *Foreign Policy*, 23 September 2021, <https://foreignpolicy.com/2021/09/23/india-modi-biden-aukus-quad-summit-geopolitics/>.

the US could together manage the global order. China's rise and its assertiveness, however, debunked both these expectations. AUKUS signifies two important departures in US policy. First, it represents an emphatic embrace of the logic of balance of power in the US approach towards the Indo-Pacific. In one single stroke, Washington has enmeshed two of its most important Anglo-Saxon allies in an explicit alliance against China. Second, it underlines that the US approach in containing China will make full use of its defence technology and its allies.

The exceptional nature of the agreement is an indicator of growing American vulnerability vis-à-vis China's growing naval power in the region. In sheer numbers, the rise of the People's Liberation Army Navy (PLAN) in the region has been nothing less than miraculous. From being a small coastal navy in the 1980s and the 1990s, the PLAN has now emerged as the "largest navy in the world".⁴ The Chinese shipbuilding programme "launched more than 600,000 tons" of naval combatants between 2016 and 2020, almost 50 per cent more than the American yards.⁵ Without corrective measures, the PLAN will be able to fully dominate the Indo-Pacific by 2035. AUKUS, therefore, is also an acceptance of the US's growing vulnerability in the region.

AUKUS is the first instance of an alliance formation since the end of the Cold War explicitly targetting China. US bilateral alliances in the region – whether with South Korea, Japan or Australia – were otherwise of the Cold War vintage. By agreeing to transfer the most prized of strategic military technology – nuclear propulsion – to Australia, Washington has conveyed to the rest of the world that rather than regional stability and its normative objectives of non-proliferation, it first and foremost values its primacy in the Indo-Pacific.

AUKUS underlines that in the ensuing great power rivalry, the US will not let China dominate without a fight. Both technology and the presence of allies provide a significant edge to the US. Even when the PLAN can field more naval combatants, the US navy enjoys vast technological superiority. AUKUS aims to hit China where it hurts the most. Nuclear submarines in the hand of American allies will not only hem the PLAN within the First Island chain, but it will also neutralise the asymmetric advantage China has gained by developing and deploying ship-killing missiles such as DF-21.

The Quad and the Entry of AUKUS

The announcement of AUKUS coincided with the first-ever physical meeting of the heads of the state of the Quadrilateral Security Initiative or the Quad.⁶ Given that before the announcement of AUKUS, the Quad was seen as the principal vector of American geopolitics in the region, questions have been raised over the impact of AUKUS on the agenda and the

⁴ Thomas Shugart, "Australia And The Growing Reach Of China's Military", Lowy Institute, 9 August 2021, <https://www.lowyinstitute.org/publications/australia-and-growing-reach-china-s-military>.

⁵ Congressional Research Service, "China Naval Modernization: Implications for US Navy Capabilities — Background and Issues for Congress", 9 March 2021, <https://fas.org/sgp/crs/row/RL33153.pdf>.

⁶ The White House, "Joint Statement from Quad Leaders", 23 September 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/24/joint-statement-from-quad-leaders/>.

significance of the Quad.⁷ AUKUS may well signify a shift in US attitude where it accords a central security role to AUKUS and relegates the Quad to focus on soft balancing. The Quad's agenda may, therefore, increasingly centre around vaccine diplomacy, civilian technology cooperation, supply chains management, norm-building and intelligence cooperation.

However, rather than undercut the Quad, AUKUS will only strengthen it further for several reasons.⁸ First, doubts over American commitment to the region are a major source of friction within the Quad. Insofar AUKUS has laid those doubts to rest; other Quad members – India and Japan – will feel reassured that facing a resurgent China, the US will not retreat in the safety of its geographical remoteness from the region. Insofar AUKUS signifies America's intention to stay and prolongs its staying power in the region while correspondingly complicating China's naval power and ambitions; India and Japan would be more than satisfied with this. Second, both New Delhi and Tokyo understand that Washington's willingness to share its deepest military secrets is directly dependent upon Beijing's rise and its assertive attitude. If China continues to challenge American primacy and assert its military and economic power in the region, the US will be more forthcoming to pursue similar agreements with India and Japan in the future. With AUKUS, the Quad is more assured of US intentions, and it will only further the cooperation between Indo-Pacific's maritime powers. Lastly, given the growing asymmetry of naval power between China and the maritime democracies of the Indo-Pacific, ensuring their maritime safety lay in dividing the defence of the Indo-Pacific among their zones of interests and influence. Capability enhancement of individual Quad members complicates Chinese naval strategy in two ways. First, it divides the focus and concentration of China's naval forces. Building a preponderance of a balance of naval power across maritime zones will be highly costly for China, irrespective of the current trajectory of its naval growth. Second, as the Quad members substantially augment their naval capabilities, decision-makers in Beijing would have to weigh the gains of imposing their claims and influence over the costs associated with accidental, inadvertent and even deliberate escalation. In the long run, the systemic effects of AUKUS will benefit the Quad's overall interests in the Indo-Pacific.

ASEAN's Anxieties

The growing militarisation of the Sino-US great power rivalry complicates the calculations of the Southeast Asian states the most.⁹ Sandwiched between China's rising power and proximity on one hand, and the US intention to save its primacy on the other, the Association of Southeast Asian Nations (ASEAN) stare at a loss of their hard-earned agency, autonomy and centrality in the affairs of the Indo-Pacific. The rise of ASEAN in the post-Cold

⁷ "Quad sidelined? As US, UK, Australia form new AUKUS grouping, questions for India, EU", *The Week*, 16 September 2021, <https://www.theweek.in/news/world/2021/09/16/as-us-uk-australia-form-new-aukus-grouping-questions-on-quad-future-and-miffed-france.html>.

⁸ Yogesh Joshi, "With AUKUS, Southeast Asia may become a more intense battleground", *Think China*, 28 September 2021, <https://www.thinkchina.sg/aukus-southeast-asia-may-become-more-intense-battleground>.

⁹ Lowy Institute, *Southeast Asian Perspectives on US-China Competition*, 3 August 2017, <https://www.lowyinstitute.org/publications/southeast-asian-perspectives-us-china-competition#:~:text=Southeast%20Asians%20inhabit%20a%20region%20increasingly%20shaped%20by,Southeast%20Asia%20on%20important%20issues%20facing%20the%20region>.

War period was predicated on growing economic interdependence with China, the continuation of US security guarantees and the possibility that Sino-US relations will remain peaceful.¹⁰ ASEAN has, therefore, perceived the growing Sino-US rivalry with both anxiety and trepidation. First, the ASEAN states' economic dependence upon China leaves them with very few recourses but to yield to China's assertiveness, as was the case with the South China Sea dispute even when many of the ASEAN states had direct territorial interests at stake. However, ASEAN's ineffectiveness to stand up to Beijing's economic and military coercion has also forced the US and the other Quad countries to assume that either ASEAN is unwilling or is simply incapable of addressing the problem of Chinese coercion. The growing economic and military competition in the Indo-Pacific, therefore, corners the ASEAN states into greater isolation. In this "seismic shift in the post-cold war strategic environment," as Singapore's former Permanent Secretary in the Foreign Ministry, Bilahari Kausikan argued, "Asean plays no irreplaceable role to an offshore balancer. As an organization of member countries, it is a convenience, not a necessity."¹¹ Going forward, ASEAN states will have to navigate the following faultlines.¹²

First, as nuclear submarines become the primary weapon of choice in the Indo-Pacific, Southeast Asia will be their primary area of operations. Their maritime interests were already threatened by China's aggressive naval and fishing operations in the South China Sea. Aggressive naval balancing by the Quad countries will not only increase the risks of accidental and inadvertent escalation but may also result in further loss of sovereign decision-making. Second, ASEAN's rather muted response to Chinese aggression and its disunity in facing Chinese power have created rifts between the Southeast Asian states. ASEAN has criticised the Quad's earlier attempts to establish a direct dialogue with other ASEAN countries such as Vietnam. Even AUKUS has elicited mixed responses from the region: whereas Malaysia and Indonesia have criticised the deal, Vietnam and the Philippines have been relatively more welcoming in their approach.¹³ As the US-China rivalry heats up, ASEAN faces serious divisions within. Lastly, new and expanding security institutions like AUKUS and the Quad reduce the reliance and importance of ASEAN and ASEAN-led institutions such as the ASEAN Regional Forum in managing the region's economic and security landscape. ASEAN's centrality, which all major powers often echo, is increasingly becoming collateral damage of Sino-US rivalry.

India's Opportunity

Within the Quad, India is the only country that is not a direct alliance partner of the US. It also faces a territorial threat from China along its vast and undefined Himalayan border. The

¹⁰ Yogesh Joshi, "Will the Quad's focus on vaccines, rare earths help it win friends in Asean?", *South China Morning Post*, 18 March 2021, <https://www.scmp.com/week-asia/opinion/article/3125837/will-quads-focus-vaccines-rare-earth-help-it-win-friends-asean>.

¹¹ Bilahari Kausikan, "AUKUS submarine deal signals new Indo-Pacific balance of power", *The Straits Times*, 22 September 2021, <https://www.straitstimes.com/opinion/aukus-submarine-deal-signals-new-indo-pacific-balance-of-power>.

¹² Yogesh Joshi, "With AUKUS, Southeast Asia may become a more intense battleground", *Think China*, 28 September 2021, <https://www.thinkchina.sg/aukus-southeast-asia-may-become-more-intense-battleground>.

¹³ Ristian Atriandi Supriyanto, "Why Southeast Asia Should Welcome AUKUS", *Foreign Policy*, 28 September 2021, <https://foreignpolicy.com/2021/09/28/southeast-asia-asean-australia-aukus-china-united-states/>.

declaration of AUKUS, some have argued, suggests that India remains at the margins of US military strategy in the Indo-Pacific which will continue to privilege alliance partners over the unallied strategic partners.¹⁴ The more functional criticism of the AUKUS comes from a perception that the US will never offer India similar military technology.

New Delhi must weigh the impact of AUKUS on its nuclear submarine programme and the prospects of US assistance for India's ambitions to build a fleet of attack nuclear submarines (SSNs). India is the only country within the Quad other than the US which has an indigenous nuclear submarine programme. So far it has concentrated mostly on ballistic missile submarines to complete the triad of its nuclear delivery platforms. Moreover, rather than its Western compatriots, India's nuclear submarine programme is based upon Russian technology.¹⁵ However, in the last few years, India's strategic planners have embraced the necessity of procuring SSNs for conventional operations as well as felt the need to diversify its dependence on Russian. To this end, the Indian Navy expressed a desire to build and operate six SSNs and has shown interest in the French Barracuda-class SSNs. The Joe Biden administration's decision has induced greater efficiency in the otherwise monopolistic market of nuclear submarine technology. Even when Washington may not sell to New Delhi, the prospective shadow of such a deal will strengthen India's negotiating position vis-à-vis the French and the Russians. New Delhi has expressed an interest in French-Barracudas at the highest level but has received no firm response so far. However, the very prospect of French assistance made Moscow offer its new 'Yasen' class SSNs. By inducing competition in the market from a new vendor which has both better technology and the right motivation to help, AUKUS has substantially enhanced India's bargaining power.

Some quarters in India have also raised concerns that AUKUS bestows greater capability on the Australian navy and, hence, reduces India's maritime footprint in the Indian Ocean.¹⁶ Such arguments, however, ignore the underlying logic of India's balancing strategy. India's maritime power is not an end itself; it has a specific objective: to counter China's capability and influence in the Indian Ocean. Insofar India and Australia do not have any fundamental conflict of interest and their broader goals remained aligned, growth in Australian naval power will only help India's interests in the region.

Conclusion

With the announcement of AUKUS, the US has thrown the gauntlet of Indo-Pacific's balance of power in the Chinese court. If Beijing hoped that assertion and aggression may either scare the US to withdraw or force submission from Indo-Pacific's other middle powers, AUKUS has failed the calculations of Chinese decision-makers. The US has now employed the two most important instruments in its strategic wherewithal to halt Beijing's ambitions:

¹⁴ Arun Prakash, "The new AUKUS alliance holds some lessons for India", *The Indian Express*, 22 September 2021, <https://indianexpress.com/article/opinion/columns/aukus-alliance-new-partnerships-realpolitik-7523384/>.

¹⁵ Yogesh Joshi, "Samudra: India's Convoluted Path to Undersea Nuclear Weapons", *The Non-Proliferation Review*, Vol. 26, No. 5-6 (2019), pp. 481-497.

¹⁶ Raja Menon, "India dithered over projecting naval power. Now it's been pushed to the sidelines of the Indo-Pacific", *The Indian Express*, 25 September 2021, <https://indianexpress.com/article/opinion/columns/india-dithered-over-projecting-naval-power-now-its-been-pushed-to-the-sidelines-of-the-indo-pacific-7530473/>.

arms and allies. It has also, however, put the entire Indo-Pacific on notice of its interests in maintaining American primacy. The ensuing great power politics will reassure the Quad but also reduce the agency and autonomy of smaller states, particularly in Southeast Asia.

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