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THE AUKUS ALLIANCE

THE FUTURE OF STRATEGIC BALANCE IN THE INDO-PACIFIC

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On September 15, 2021, exactly a month after the US withdrew from Afghanistan, it announced a trilateral security partnership with the UK and Australia. The initiative, termed colloquially as 'AUKUS' (Australia-UK-US for short), is primarily aimed at helping Australia acquire at least eight nuclear-powered submarines, with the US and the UK providing the technology and some consultative support. It also seeks to enhance cooperation on applied artificial technology, quantum technologies, undersea capabilities, and acquisition of cruise missiles besides fostering joint capabilities and interoperability among the three countries.¹

The inception of AUKUS has given rise to discussions surrounding its impact on the balance of power in the Indo-Pacific. But before any changes are discussed, it is imperative to understand the current balance of power in the region.

The existing balance of power in the Indo-Pacific

The Indo-Pacific has emerged as a significant geopolitical theater for stakeholders from across the region. About 65% of the world population is hosted by the Indo-Pacific, as is 62% of the global GDP and over 40% of the global merchandise trade. The US, China, India, Russia, Japan, Australia, ASEAN, France, the UK, and EU are the key players in the region with significant interests that may converge or diverge. However, with China's rise and its increasing ability to give effect to its interests through coercion is bringing it into conflict and tensions with the others in the region. Different countries have accordingly adopted varying mechanisms to deal with China's assertion, which in turn, have determined the balance of power in the Indo-Pacific.

As the Chinese naval fleet - the largest in the world - emerged as a Blue Water Navy, US' relative maritime power declined. A US moving farther as one travels further from the East Pacific to the West Pacific and Indian Ocean is another factor that limits US' naval power in the region. The US

¹ British Prime Minister's Office, 10 Downing Street, "UK, US AND Australia launch new security partnership," Government of the UK, 15 September 2021, <https://www.gov.uk/government/news/uk-us-and-australia-launch-new-security-partnership>.

therefore relies on allies and partners to counterbalance China. Countries like Japan, Australia, Philippines, Thailand, Korea, and India, among others, are closely allied with the US in the region to safeguard their interests. There are a few ASEAN countries that despite facing concerns have not either closely aligned with the US nor have partnered against China but have sat on the fence (like Indonesia and Malaysia). Despite Russia-India relations, Russia's condemnation of the Quad, of which India is a member, conveys that their interests do not align completely in the region. Russia's position on the Indo-Pacific has been closer to the Chinese as the former has expressed concerns similar to those of China on several occasions with regard to Quad. The Ukraine crisis is expected to further strengthen the Russia-China nexus and their position on the Indo-Pacific.

How does AUKUS affect the strategic balance in the Indo-Pacific?

The AUKUS seeks to change the dynamics of existing strategic balance in the Indo-Pacific region in many ways. First, it reaffirms the US' commitment to the Indo-Pacific, which had suffered substantial erosion during the Trump administration. Although Trump made several symbolic gestures such as renaming the Pacific Command as the Indo-Pacific Command and recognising the Indo-Pacific region as the top security agenda in the 2017 National Security Strategy (NSS) document to underline the region's importance to the US, his withdrawal from the Trans Pacific Partnership (now the CPTPP), the adoption of a purely transactional tone with its allies with regard to its security commitments, and his public criticism of the regional allies had questioned America's intentions and consequently confused regional partners.² Through the AUKUS, the US has now expressed a renewed commitment. The deal is perhaps the first possible substantial and concrete step amidst a host of America's hollow overtures in its Indo-Pacific Policy. As Mishra

² Yuki Tatsumi, "Needed: Restoration of U.S. credibility in the Indo-Pacific region," Stimson Center, 18 September 2020, <https://www.stimson.org/2020/needed-restoration-of-u-s-credibility-in-the-indo-pacific-region/>

(2021) notes, AUKUS seeks to “fill the strategic vacuum in America’s long-sought ‘Pivot to Asia’ strategy”.³

Furthermore, the AUKUS has strengthened the idea of ‘external balancing’ as a credible alternative mechanism in the region. This is especially significant because many of the players in the region, in absence of any feasible support, have so far either relied on ‘hedging’ or ‘bandwagoning’, rather than creating balance of power to deal with Chinese aggression. Indonesia and Malaysia, for instance, have resorted to hedging and engaging with China and have been hesitant towards adopting any form of external balancing mechanism, despite having faced continuous threats from it, such as through aggressive bullying faced by Indonesia against its oil and gas projects in the South China Sea,⁴ or through a ‘breach of sovereignty’ experienced by Malaysia as 16 Chinese jets reportedly entered its Exclusive Economic Zone in the disputed SCS.⁵ Philippines has had a failed luck with bandwagoning while Laos and Cambodia have benefitted. India has followed a mixed approach of hard military balancing internally and partnering with the US to externally balance China without completely aligning with the former. It has equally also engaged in hedging via cooperation and confrontation with China.

The AUKUS deal seeks to augment Australia’s military and maritime capabilities. It aims to allow Australia an entry into an exclusive club of six countries - the US, Russia, UK, France, China and India - that currently operate nuclear submarines. Nuclear powered submarines can alter the balance of power in the region because of the significant advantage they enjoy over conventional submarines in terms of undersea and deep-sea capabilities. Nuclear submarines can remain submerged for longer durations without the need for surfacing, dive to deeper depths, have silent propulsion systems, and clock higher speeds, making them difficult to detect and hence, furthering their position as an attack vessel. Thus, the deployment of additional nuclear submarines in the

³ Vivek Mishra, “The View from American Beltway,” in *AUKUS and the Indo-Pacific: Stakeholders Weigh their Wins and Losses*, ed. Harsh V Pant and Rahul Kamath, ORF Special Report No. 173, December 2021, Observer Research Foundation.

⁴ Sebastian Strangio, “China Demanded Halt to Indonesian Drilling Near Natuna Islands: Report,” *The Diplomat*, 2 December 2021, <https://thediplomat.com/2021/12/china-demanded-halt-to-indonesian-drilling-near-natuna-islands-report/>.

⁵ “Malaysia to lodge formal protest after Chinese military 'intrusion' in airspace over South China Sea,” *ABC News Australia*, 1 June 2021, <https://www.abc.net.au/news/2021-06-01/chinese-planes-violated-eez-malaysia-says-south-china-sea/100183174>.

waters of the Indo-Pacific would significantly shift the balance of power against the Chinese. This is because China, despite having largely closed the gap with respect to induction and use of surface vessels vis-a-vis the US, still lags far behind the US in so far as undersea and deep-sea warfare is concerned and is yet to develop any credible anti-submarine capabilities.⁶

The AUKUS strengthens the US system of alliances in the Indo-Pacific. In the game of great power competition, what differentiates the US from China and confers a significant advantage over the latter is that it operates through a large network of alliances and partnerships that reduce its costs of operation, in maintaining and sustaining its global maritime influence and upholding a geopolitical order that suits its interests. Since China largely functions unilaterally and lacks allies that are capable of contributing anything significant to its strength, the enhancement of Australia's military capabilities empowers the US system of regional alliance-making.

For a country like Australia, with a population size comparable to Delhi (around 3 crore), a GDP comparable to that of Russia (approximately \$1.3 trillion) and ranks 21 in terms of per capita GDP (PPP)⁷ but has traditionally spent disproportionately less on its defense until lately, an enhanced military expenditure to modernize its military and acquire nuclear submarines not only augments Australia's capabilities but also strengthens the security arm of America's system of alliances against China. As President Joe Biden has said, this pact "is about investing in our greatest source of strength, our alliances and updating them to better meet the threats of today and tomorrow."⁸ Furthermore, the creation of the AUKUS allows the Quadrilateral Security Dialogue the luxury to retain its non-militaristic, non-security nature and avoid anti-China posturing, thus allowing to it

⁶ Catherine Wong, Aukus security pact likely to spur China into boosting anti-submarine warfare capacity, South China Morning Post, 21 Sep 2021, <https://www.scmp.com/news/china/diplomacy/article/3150118/aukus-security-pact-likely-spur-china-boosting-anti-submarine>.

⁷ "GDP Per Capita, PPP (current international \$)," World Bank, <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>.

⁸ The White House, "Remarks by President Biden, Prime Minister Morrison of Australia, and Prime Minister Johnson of the United Kingdom Announcing the Creation of AUKUS," September 15, 2021, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/09/15/remarks-by-president-biden-prime-minister-morrison-of-australia-and-prime-minister-johnson-of-the-united-kingdom-announcing-the-creation-of-aukus/>.

maintain its moralistic line of upholding a rules-based order in the region and towards ensuring a ‘free and open Indo-Pacific’ - a polite way of referring to the China challenge in the region.

By averting the need to specifically target China and overtly present itself as the anti-China platform, the Quad can focus on less controversial and more relevant issues that appeal to smaller states in the region such as cooperation on vaccine delivery, critical technologies, supply chain, investment, and so on. Not only does that help counter the Chinese narrative about the Quad being an ‘Asian NATO’, but also retains its appeal for the smaller states in the Indo-Pacific region, which otherwise may decline or feel hesitant to cooperate/participate with the Quad on a number of issues if it is viewed as an anti-China grouping. Thus, the outsourcing of security aspects to other minilateral groupings such as AUKUS is a strategic gain for the Quad, in that the principal opposition to its acceptability among the other stakeholders could be managed and could further tilt the balance against China in the region. In this regard, AUKUS supplements the aims and objectives of the Quad by taking hard power-related concerns upon itself, thereby allowing the latter to stick to soft power politics.

Another way in which the AUKUS transforms the strategic balance in the Indo-Pacific is by inviting a European power - the UK - into the region. The UK is an important global player with a stake in the free and open Indo-Pacific region. It controls the British Indian Ocean Territory (BIOT) which is situated at the heart of the Indian Ocean. Through AUKUS, the UK has taken a lead among all other European powers to step into a military alliance that is clearly directed at countering Chinese expansionism. By doing so, it has overcome the lackadaisical approach to security that has been usually associated with the European states lately. European powers have so far been resistant to challenge or stand up to the Chinese aggression in the region, which is evident in the delay on the part of the UK, France and Germany and the EU as a whole in announcing their respective Indo-Pacific strategies. The entrance of the UK into the region through a military alliance is significant because it might help remove the perceived inhibitions among the Europeans and encourage them to take a greater interest in the security of the region, especially considering their own stakes. It might also open doors for similar cooperation among countries from Europe and Asia. Examples of such cooperation already exist, such as the fact that France is already a partner to the Indian ‘Project 75’ to develop conventional submarines, and the prevalence of AUKUS helps extrapolate regional scope for expanded partnerships.

India's Position

As a member of the Quad and at the same time, as one of the biggest import markets for China, India's AUKUS approach is best described as a strategic dilemma. India's continued unwillingness to classify the Quad as an 'Asian NATO' or an anti-China entity has ultimately led for it to show meager support to AUKUS while engaging only little in narrative-building surrounding securitisation against an external rival force. In a way, AUKUS has created this highly securitised environment that could invoke more belligerence from China, because of the basic Chinese strategic thought that calls for self-preservation through aggressive posturing. This is not a positive signal for India and the Indo-Pacific. AUKUS has also significantly altered New Delhi's perceptions of its own Indo-Pacific Strategy, now that its own naval supremacy in the regional maritime architecture may be challenged by a close middle power possessing nuclear submarine technology. At a vulnerable moment when India is strapped for cash on the naval investment front, facing stark choices with regards to what tech and materiel to invest in, and having already faced rejection at the hands of the US over the dissemination of the same nuclear submarine tech that America has now openly provided to Australia, India's stance matters in the larger narrative of a free, open, and inclusive Indo-Pacific.

India's relations with France complicate matters further. France's disillusionment with the AUKUS deal is expressed in Paris recalling its Ambassador to Canberra and claiming to having felt "backstabbed" that it remained uninformed of the pact negotiations between Australia, the UK and the US (as a consequence of which the AUKUS replaced a US\$ 90 billion conventional submarine deal between France and Australia). For India, it is yet another signal to be congratulatory but not overtly supportive of the existence of this militarized endeavour. As I discuss below, India-France defense ties have significantly shaped Indian military posture in the past decade, and the tensions created by AUKUS can be well leveraged by India to invest in its own naval critical tech with support from France. At the same time, it wouldn't also be prudent for India to give up collaboration with Australia and the US on matters of regional security through mechanisms such as the Quad or the Indian Ocean Rim Association.

Conclusion

The AUKUS has set an important precedent that, in future, might further shift the balance of power in the region. Through AUKUS, the US and the UK, along with Australia – the champions of the NSG and NPT – have suggested that transfer of technology over nuclear-powered submarines does not constitute nuclear proliferation, is not violative of NPT, and is compliant with deterrence mechanisms. Thus, this deal might remove hesitancy towards similar cooperation mechanisms among countries. Already, AUKUS has given rise to debates if the US would offer something like Japan and whether Japan would also think of acquiring nuclear-powered submarines. South Korea is reported to have requested the US on multiple occasions to help it acquire nuclear-powered submarines in the past, something that the US has declined. The US, however, has stated that AUKUS-like cooperation is a one-off thing and there might not be any such deal that the US would be part of.

Nevertheless, AUKUS has set an example for countries like India, among many others, to seek cooperation on nuclear-powered submarines (technology) with countries possessing sufficient expertise. France, which has been aggrieved by the deal, and has emerged as a pro-active European player in the region, can explore a similar arrangement with India given its budding relationship with India in the defense sector. Both the countries have already been cooperating on submarine-building under Project 75, under which France is helping India build six Scorpene-class conventional submarines. This paper proposes, that not only could the AUKUS pave way for widening of cooperation between India and France with regard to nuclear powered submarines, but India, on its part, must pursue this form of cooperation with France, especially since AUKUS has rendered the usual apprehensions with regard to such cooperation redundant. India's developing relations with France and latter's position in the entire AUKUS saga lay perfect groundwork for AUKUS like cooperation between the two countries.

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