

AUKUS : A New Arms Race in the Indo-Pacific

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Abstract

The newest military alliance in the Pacific between Australia, the United Kingdom and the United States of America, to be called AUKUS, is considered to be the most significant step taken in terms of security since World War II. The security alliance, on the one hand, strengthens the West's military capabilities in the Indo-Pacific; on the other hand, it is receiving backlashes from other states who believe this will hamper peace and stability in the region. The mixed reactions from different states having stakes in the region have tensions looming for a Cold War between China and the West in the most pivotal region of the 21st century, the Indo-Pacific. The analysis of reactions and implications for the stakeholder states because of the alliance and how it shapes the other regional cooperation in the region is the main aim of the paper. It also focuses on how it architects the future of the Indo-Pacific region and could cause a shift in the world order in upcoming decades.

Understanding AUKUS

The Pacific is under a new theatre of action as the 'AUKUS' - the acronym for Australia, United Kingdom and the United States - are forming a new security alliance to strengthen cooperation to stabilise the Indo-Pacific. The pact resembles that Australia will be building eight nuclear submarines with the help of the United Kingdom and the United States in Adelaide.² The joint statement by the three nations claims the pact as a historic opportunity for them, with like-minded allies and partners, to protect shared values and promote security and prosperity in the Indo-Pacific region. Australia will become the seventh country in the world to own nuclear submarines. Joe Biden, the US President, believes with the

FASTER AND HARDER TO DETECT	STAY SUBMURGED FOR MONTHS
Why Nuclear Submarines?	
SHOOT MISSILES AT FARAWAY TARGETS	CARRYING MORE WEAPONS IN THEIR ARSENAL

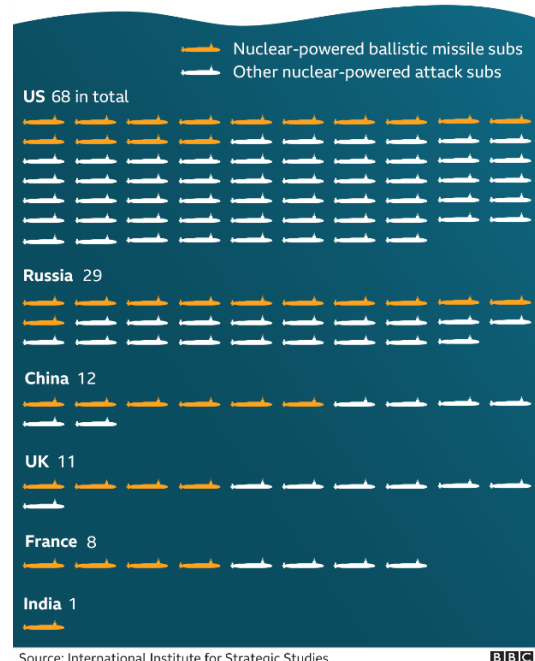
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² "Australia to build eight nuclear-powered submarines under new Indo-Pacific pact" | Reuters | Sept 16, 2021 | <https://www.reuters.com/world/asia-pacific/australia-build-eight-nuclear-powered-submarines-under-new-indo-pacific-security-2021-09-16/>

shared resources, they will be able to protect themselves from the threats of the 21st century as they did in the 20th century. He also believes that the framework allows the planning process to be completed in the upcoming 18 months.³

Australian Prime Minister Scott Morrison confirmed that Australia would remain a non-nuclear state following the International Atomic Energy Agency's rules for the non-proliferation of nuclear weapons. The submarines will not carry any nuclear weapons or be used for any civil nuclear industry, and they will only be fueled by nuclear reactors carrying conventional weapons.⁴ However, the country will still have to enrich its weapons-grade uranium up to a level with the imports. The most significant part of this deal is that for the first time in more than 50 years, America is sharing its box of nuclear secrets with any other nation – the first being the United Kingdom in 1958.

Who has nuclear submarines?



Source: International Institute for Strategic Studies



Figure 1: Countries with Nuclear Submarines

Although the highlighting factor has been mostly related to nuclear submarines, the agreement is not confined to that only. The deal also involves the deployment of American nuclear-powered Virginia-class submarines operating from HMAS Stirling in Perth. So the deal will also allow the US troops to influence this close to the South China Sea. Australian defence minister Peter Dutton also focused on the significance of cooperation among the states. It includes greater air cooperation through rotational deployments of the US military aircraft to Australia.⁵ It will provide all three countries to focus on joint exercises on a much rapid basis in the Pacific. AUKUS also focuses on improving joint capabilities centring on cyber capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities

³ "Australia nuclear submarine deal: Aukus defence pact with US and UK means \$90bn contract with France will be scrapped" | The Guardian | Sept 16, 2021 | <https://www.theguardian.com/australia-news/2021/sep/16/australia-nuclear-submarine-deal-contract-france-scrapped-defence-pact-us-uk>

⁴ "AUSTRALIA TO PURSUE NUCLEAR-POWERED SUBMARINES THROUGH NEW TRILATERAL ENHANCED SECURITY PARTNERSHIP" | Prime Minister of Australia | Sept 16, 2021 | <https://www.pm.gov.au/media/australia-pursue-nuclear-powered-submarines-through-new-trilateral-enhanced-security>

⁵ "Australia dismisses China 'outbursts' and flags plans for more US military on home soil" | The Guardian | Sept 17 2021 | <https://www.theguardian.com/australia-news/2021/sep/17/more-us-military-to-deploy-to-australia-as-dutton-dismisses-china-outbursts>

to strengthen the region's physical and technological aspects.⁶ The collaboration from artificial intelligence to such advanced technologies of the US, UK, and Australia would certainly be a game-changer in the region.

Summing it up, The United States will be sharing its technologies in building nuclear submarines with the United Kingdom for Royal Australian Navy. In return, Australia will be funding the whole nuclear submarine project. Australia undoubtedly is one of the most important geostrategic locations for the United States as it shares such close borders with Chinese maritime routes and the South China Sea in the Pacific.

Indo-Pacific Importance for France

France being a country of Europe, is still one of the most significant countries in the Indo-Pacific. France is active in this region through its overseas territories. Approximately 93% of its exclusive economic zone (EEZ) is located in the Indian and Pacific Oceans. It has also become a place for greater geopolitical and geo-economic significance. Six members of the G20 - Australia, China, India, Indonesia, Japan and South Korea – share borders with the oceans. Trade and economy's most vital maritime routes link Europe and the Persian Gulf to the Pacific Ocean via the Indian Ocean and Southeast Asia. Almost 1.5 million French people, including 8,000 soldiers, are

stationed in these overseas territories region.⁷ Based on the geostrategic importance of the Indo-Pacific, France had signed a submarine project agreement with Australia in 2016 with the promise of 12 submarines to be provided within the



Figure 2: French Overseas Territories in the Indo-Pacific

mid-2020s comprised of 50 billion dollar investment from Australia.

The frustration regarding the deal grew when the projected delivery for the first submarine was shifted from the mid-2020s to 2035, and the investment required jumped to \$90 billion. The project saw many ups and downs but was finally confirmed to be running again after the

⁶ “UK, US AND Australia launch new security partnership” | United Kingdom Government Statement | Sept 15, 2021 | <https://www.gov.uk/government/news/uk-us-and-australia-launch-new-security-partnership>

⁷ “The Indo-Pacific region: a priority for France” | France Diplomacy | April 2022 | <https://www.diplomatie.gouv.fr/en/country-files/asia-and-oceania/the-indo-pacific-region-a-priority-for-france/>

meeting between Scott Morrison and Emmanuel Macron in June 2021. With tensions of illegal hegemony of China rising in the South China Sea and the recent political retributions between Australia and China over multiple issues, the growing interest for the United States and the United Kingdom with Australia made a dramatic twist in the submarine project.⁸

The AUKUS nuclear submarine agreement made Australia turn its back on the \$90 billion French deal. The whole incident was termed ‘a stab at the back’, ‘brutal’, ‘unilateral’, ‘unpredictable’ and ‘unacceptable between allies and partners’ by France’s Foreign Minister Jean-Yves Le Drian, aiming at all the three countries. The French diplomats in Washington even cancelled a gala organised to celebrate ties between the US and France. Angela Merkel stepping away from power makes Emmanuel Macron one of the most leading political figures in Europe.



Figure 3: *French Embassy U.S.’s Furious Tweet*

Sidelining France was one of the most humiliating impressions created at the very wrong time that would not help the stature of the French President.

France, as a form of retaliation, recalled its ambassadors from the US and Australia. Even the relation between Russian President Vladimir Putin and Europe never deteriorated to the state of recalling ambassadors.⁹ Australia, however, accepts the anger and actions taken by France. They justified their actions stating it was a much-needed move as they could not afford to wait for another decade in building their defence to protect themselves from the emerging threat in the Pacific.¹⁰ The United States Secretary of the State, Anthony Blinken, also claimed that their goodwill and friendship with Paris remains very strong and intact. But as the situation now

⁸ “AUKUS our most dramatic strategic decision in a generation” | The Australian | Cameron Stewart | Sept 16, 2021 | <https://www.theaustralian.com.au/commentary/aukus-our-most-dramatic-strategic-decision-in-a-generation/news-story/628252432431e406382d4a56cbfefb40>

⁹ “Furious Over Sub Deal, France Recalls Ambassadors to U.S. and Australia” | The New York Times | Sept 18, 2021 | <https://www.nytimes.com/2021/09/17/world/europe/france-ambassador-recall-us-australia.html>

¹⁰ “Emmanuel Macron has good reason to feel angry and deceived by Australia” | The Sydney Morning Herald | Sept 16, 2021 | <https://www.smh.com.au/world/europe/emmanuel-macron-has-good-reason-to-feel-angry-and-deceived-by-australia-20210916-p58s0z.html>

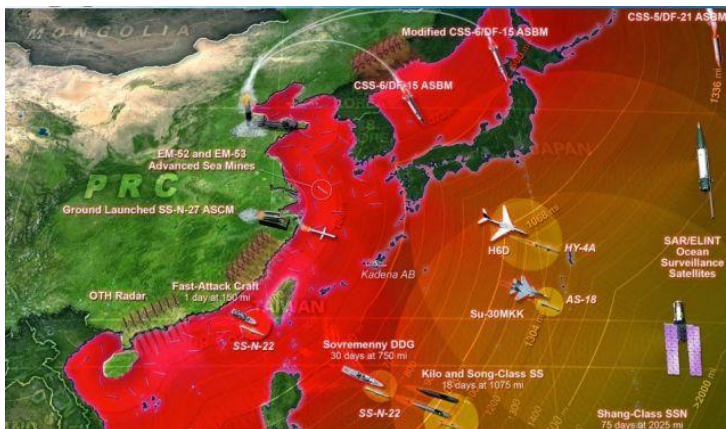
drifted towards undermining the prestige of France as a European giant, the situation has a great chance of deteriorating with time if the damage is not controlled instantly.¹¹

Open Arms Race with China

Even though none of the three leaders mentioned anything about China, it is evident that with acquiring the nuclear submarines, Australia is most likely to focus on the South China Sea issue with routine patrols over the Pacific, especially on the Beijing claimed disputed territories debated for years now. The three leaders even tried clearing the stance of AUKUS, saying the alliance is not aimed towards ‘any one country’. However, the armament of a nuclear submarine in the Pacific was never supposed to be taken lightly from Beijing. Zhao Lijian, the Spokesperson for the Chinese Foreign Ministry, has stated -

“The cooperation between the United States, Britain and Australia on nuclear-powered submarines have severely damaged the regional peace and stability, intensified the arms race and undermined the international efforts for nuclear non-proliferation. The export of highly sensitive nuclear-powered submarine’s technologies by the US and Britain to Australia once again proves they are using exports as a tool for geopolitical games, adopting double-standard measures, which is extremely ‘irresponsible’.”

China has been strengthening its naval capabilities in the region for years with ships, submarines and building artificial islands with military installations in the South China Sea.



They have approximately 27 outposts built in different parts of these islands.¹² Australia sees these indications as a huge threat to its sovereignty and has decided to muscle itself immediately. But such measures taken by the West, extending their influence from Diego Garcia to the Pacific, will

Figure 4: Military Capabilities of China in the South China Sea

create a situation of arms proliferation from both parties. China will definitely want to match

¹¹ “Why the French are so furious at the Biden administration over a derailed submarine deal” | The Washington Post | Sept 18, 2021 | <https://www.washingtonpost.com/world/2021/09/17/france-submarine-australia-anger/>

¹² “China quietly installed missile systems on strategic Spratly Islands in hotly contested South China Sea” | CNBC | April 2018 | <https://www.cnbc.com/2018/05/02/china-added-missile-systems-on-spratly-islands-in-south-china-sea.html>

the arsenal of the West toe-to-toe and challenge their military with exclusive People's Liberation Army capabilities if the situation as such persists. The situation already gave birth to an escalating tension of Cold War in the Indo-Pacific with high possibilities of turning the region into a conflict zone.

The statements made by the Chinese officials in different stages already show how they are alarmed by the presence of the recent military agreement at such close margins to their border. Suppose the preventive measures are taken from all the nations in the region. In that case, it will cause an escalating militarisation which only needs one trigger to turn the cold war into regional conflicts.¹³

A Conflict of Interest within the West

The Indo-Pacific has been one of the main centres of attraction for the United States in the last few years with the rising influence of China. The current geopolitical situation shaped up the attention of America to shift from Europe towards the countries that share borders with the Indian and Pacific oceans. Both France and the European Union representatives have claimed that AUKUS could not be formed overnight, yet they were not aware of it being very close allies with all the three countries.¹⁴

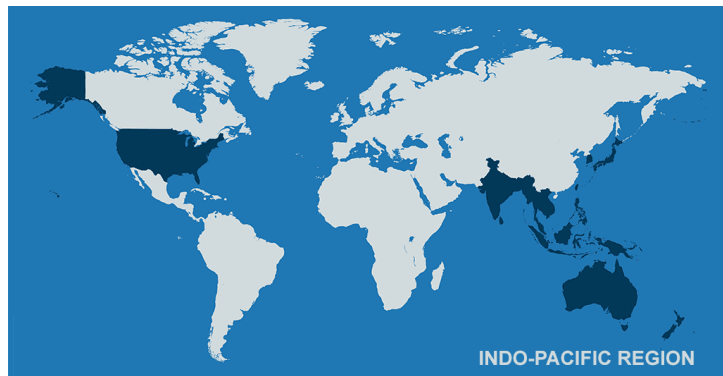


Figure 5: *The Indo-Pacific Region*

It is a clear indication that Europe cannot rely completely on the US as it has since the last century. A shift in the world order has set the

priorities of the West towards the Indo-Pacific for a long time. However, in this scenario, the United States and the European Union are not likely to work together extensively because of America's one-sided approach of caring only about themselves.

The United Kingdom with Brexit and the United States with changed geopolitical strategies have now given European Union a wake-up call to rethink its existing policies. While the

¹³ "Aukus: China denounces US-UK-Australia pact as irresponsible" | BBC | Sept 18, 2021 | <https://www.bbc.com/news/world-58582573>

¹⁴ "Furious EU complains that it was 'not consulted' on AUKUS submarine deal while France blasts Australia for stabbing it in the back" | Mail Online | Sept 16, 2016 | <https://www.dailymail.co.uk/news/article-9998659/Furious-EU-complains-not-consulted-AUKUS-submarine-deal.html>

United Kingdom has been sending a series of air fleets in the South China Sea, the European Union has been very sensitive to hurt China's feelings. The German Warship 'Bayern' wanted to pay a visit to Beijing while in the South China Sea ended up getting rejected for entry. It was another humiliation of the West in the hands of Beijing.¹⁵ Earlier this year, Emmanuel Macron, after he met with Xi Jing Ping, the Chinese President, has asked the European Union to not gang up with the US on Beijing. It was another notable incident where the differences in opinion within the Western countries while approaching China were evident.¹⁶ The statement also signifies the rising trust issues that still prevail between the US and the EU.

Despite having several US cooperations working together with European countries in the Indo-Pacific region, the notable alliances have been non-Europe centric. The lesser importance of Europe might result in a massive shift in the world order with every country thinking to revise their strategies in dealing with the upcoming threats in a much different practice than it has been for the past century.¹⁷ It is just a matter of time to assess whether such an approach based on state-centric interests is the best option in creating a stable and peaceful Indo-Pacific, or it would work as a buffer to escalate the situation into the further rise of tensions.

Overlapping Strategies with other Alliances: QUAD, ANZUS and FVEY

AUKUS involves two of the four countries of the QUAD, short for Quadrilateral Security Dialogue. The United States giving special treatment to Australia for its geographical advantage, especially in the case of the South China Sea and Taiwan, will be a major psychological blow for New Delhi and Tokyo. QUAD was always considered a non-military alliance collaborating to discuss trade, climate issues and other major tensions escalating in the Indo-Pacific region. There have been ongoing debates that the motive of the alliance was to



Figure 6: *Indio-Pacific Alliances and their Roles*

¹⁵ "China denies port visit by German warship" | The DW | Sept 15, 2021 | <https://www.dw.com/en/china-denies-port-visit-by-german-warship/a-59190643>

¹⁶ "Macron: EU shouldn't gang up on China with US" | Politico | Feb 4, 2021 | <https://www.politico.eu/article/macron-eu-shouldnt-gang-up-on-china-with-u-s/>

¹⁷ "Aukus: Defence pact an awkward wake-up call for Europe" | BBC | Sept 18, 2021 | <https://www.bbc.com/news/world-europe-58600454>

control the escalating influence of China in the region. Scott Morrison said that he has communicated after the pact announcement with Yoshihide Suga and Narendra Modi, the Prime Ministers of Japan and India, respectively. He believes there is mutual trust and understanding among all the nations of QUAD that the AUKUS will benefit the common goal of all the nations. But deprivation of the two countries sharing much closer borders with China among a group of four will certainly be a huge setback despite the category of both actions and discussions between the two alliances are very different from one another.¹⁸



Figure 7: Alliances in the Indo-Pacific Region (1. QUAD; 2. FVEY 3. ANZUS)

Five Eyes (FVEY) is a long-standing multilateral arrangement for sharing intelligence between five nations, including the three AUKUS countries with Canada and New Zealand. The experts claim that the alliance was formed for keeping security tabs on the part of the world where China's growing influence is being watched with apprehension around the globe. Justin Trudeau, the Prime Minister of Canada, has claimed nothing unusual in the new security pact, and they will keep contributing to the Five Eyes as they always did.¹⁹

New Zealand is the other member of the alliance and also a part of ANZUS, an alliance between the US, Australia and New Zealand. The country believes there was no surprise with the AUKUS not approaching them due to New Zealand's very strict regulations on nuclear enrichment within their country's borders. Prime Minister Jacinda Ardern also added that their non-nuclear policy remains unchanged. Anything that has nuclear resources will not be welcomed in their borders, even the submarines of Australia, one of their closest allies. Although Canada has remained mostly silent on the nuclear submarine project, for New Zealand, the situation is quite alarming as nuclear submarines will roam very close to its

¹⁸ "AUKUS gives Canberra special treatment, a psychological blow for Japan, India as Quad members" | Global Times | Sept 18 2021 | <https://www.globaltimes.cn/page/202109/1234602.shtml>

¹⁹ "Nothing to see here, Canada says of Five Eyes alliance despite absence from sub deal" | CTV News | Sept 16, 2021 | <https://www.ctvnews.ca/politics/nothing-to-see-here-canada-says-of-five-eyes-alliance-despite-absence-from-sub-deal-1.5588072>

borders. The sidelining of New Zealand and posing a minor security threat near their territories will assert some unfavourable environment between the two Pacific countries.²⁰

Besides the alliances, the reactions of the other Pacific countries like Indonesia, Malaysia, and Taiwan were significant to the issue. Lai Ching-te, Taiwan Vice President, immediately welcomed the project in almost red carpet fashion, claiming it "*a positive development for democracy, peace, and prosperity in the region*" via his personal Twitter account. They also claim that they will keep working with the United States based on the groundwork of the Taiwan Relations Act and the Six Guarantees to ensure stability in the Indo-Pacific and the Taiwan Strait's prosperity. However, Indonesia and Malaysia stated that this deal might lead to an arms race with significant involvement in exporting weapons-grade uranium in the region.²¹

The AUKUS agreement pivots the strategies shaping the future of the Indo-Pacific. The deal primarily speaks of maritime democracies but is only limited to three countries. Despite the claims of ideals and shared commitment to the international rules-based order to deepen diplomatic, security and defence cooperation in the Indo-Pacific region, all the other countries have to reshape their strategies and policies regarding the region after this bold and significant move by the US, UK and Australia.

Strategic Significance of AUKUS

A question might arise in the minds of everyone that whether it is worth introducing such an agreement that is disrupting alliances existing for decades, militarising an important region, posing security threats and causing so many backlashes from different actors. The significance of AUKUS is immense for both the region and involved countries. President Joe Biden believes that the biggest significance of the pact is that it will help the countries tackle current circumstances and gear up the nations to counter the evolving future ones.

The biggest advantage for Australia with the pact would be equipping itself with 'nuclear submarines' with AUKUS, overthrowing a deal of obtaining 'conventional submarines' within the next 15 years with France. It will be a major boost for Australia in flexing its muscles in the region. The nation will also be able to use the advanced cyber technologies and artificial

²⁰ "ANZUS without NZ? Why the new security pact between Australia, the UK and US might not be all it seems" | The Conversation | Sept 17, 2021 | <https://theconversation.com/anzus-without-nz-why-the-new-security-pact-between-australia-the-uk-and-us-might-not-be-all-it-seems-168071>

²¹ "Indonesia warns against arms race after Australian nuclear sub pact" | The Star | Sept 18, 2021 | <https://www.thestar.com.my/aseanplus/aseanplus-news/2021/09/18/indonesia-warns-against-arms-race-after-australian-nuclear-sub-pact>

intelligence from the other two countries and improve its cyber structure to match exponential Chinese technologies. Australia, holding the status of a non-nuclear state, would still enjoy the advantages of deploying nuclear-powered submarines from its arsenal. It will be only the second country in the world to do that after Brazil. The military influence of China and its rapid growth in the Pacific, centring the South China Sea, was one of the underlying factors that made this agreement come to light. Blinken, the US Secretary of State, while talking about the Chinese strategy of putting economic pressure against Australia to weaken the alliance with the US, stated that AUKUS ensures that the United States and Australia now have “an unwavering alliance”.²² The gesture from the US and UK will certainly give Australia a capable military to challenge all the recent issues it faced with China.

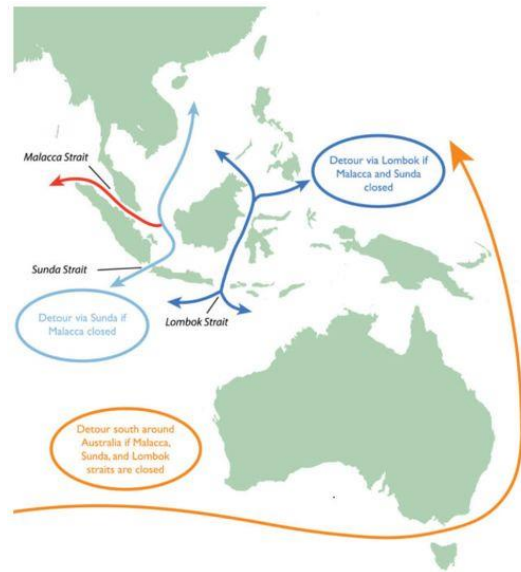


Figure 8: Links with South China Sea

The alliance is not just an accomplishment for Australia; it also has a great strategic advantage for the United States and the United Kingdom. AUKUS allows both nations to operate joint military exercises at a much closer range from the South China Sea and Taiwan. Despite the possibility of an arms race in the region, the agreement is a huge blow for China. The focus of China with the circumstances will be diverted towards challenging three nations trying to increase their capabilities in the Indo-Pacific. The un-uttered prime concern of the West in pushing back Chinese influence is now few steps closer if they can militarise themselves in the Pacific at such magnitude and pace.

The aim of the pact for ensuring the commitment to maintaining a free, open, inclusive and rules-based Indo-Pacific region will only be possible if China faces a significant challenge in their home turf. It will establish the freedom of navigation, over-flight and peaceful and unimpeded commerce by adherence of all nations to international law, including the United Nations Convention on the Law of the Sea (UNCLOS) and peaceful resolution of disputes.²³

²² “Blinken, Austin call out China at event on Australia security pact” | Axios | Sept 16, 2021 | <https://www.axios.com/china-australia-submarines-blinken-austin-945533ef-9ed9-40a3-a0ff-6db5bf5e6833.html>

²³ “Strategic significance of AUKUS Agreement for the Indo-Pacific” | Times of India | Sept 18, 2021 | <https://timesofindia.indiatimes.com/blogs/ChanakyaCode/strategic-significance-of-aucus-agreement-for-the-indo-pacific/>

Overall, the AUKUS is assumed to have a beneficial impact on the Indo-Pacific, with a stronger Australia securing robust military links with the US and UK, which can deter China from misadventure in the region.

Conclusion

The United States and the United Kingdom must consider the alliance as one of their most successful attempts in establishing military influence in the Pacific. It has to be a great accomplishment for Australia too as they will be strengthening their defence by having higher technologies and weapons.²⁴ But the first military alliance that too on the scale of sharing nuclear technologies in the Indo-Pacific will cause tensions among the neighbouring state, which might roll onto a rapid militarisation and arms race in the region. It is also high time for Europe and other allied states of the West involved in separate alliances to rethink their strategies involving the United States as the world order, and the priorities of the states are shifting towards a new direction, focusing on different geography.

Compacting the alliance and changing priorities among different states have caused a dilemma for the countries like France and other European states in shaping their foreign policies.²⁵ All the shifts and changes can bring in a new practice different from the previous century, which might also destabilise the peace efforts in the making during all this time.

Although the alliance did not directly aim towards any nation, the experts foresee it as an agreement to counter the influence of China, especially regarding the South China Sea and Taiwan. China being a nuclear state itself, will prepare itself for the arms race and challenge the Western capabilities in their home turf at any time. Such tensions might end up causing a rapid proliferation of arms which will undoubtedly destabilise a very important political, strategic and economic region, the Indo-Pacific.²⁶

²⁴ "AUKUS alliance has long-term benefits, if time is on our side" | Greg Shariden | The Weekend Australian | Sept 19, 2021 | <https://www.theaustralian.com.au/commentary/aucus-alliance-has-longterm-promise-for-a-problem-close-at-hand/news-story/f27d3537aabcd06960461dbf54e28a10>

²⁵ "Aucus deal showing France and EU that Biden not all he seems" | The Guardian | Sept 16, 2021 | <https://www.theguardian.com/world/2021/sep/16/aucus-deal-showing-france-and-eu-that-biden-not-all-he-seems>

²⁶ "US stands in 'unshakeable alliance' with Australia - as China says AUKUS deal 'intensifies arms race'" | Sky News | Sept 16, 2021 | <https://news.sky.com/story/china-says-aucus-submarine-deal-highly-irresponsible-and-will-intensify-the-arms-race-12409319>