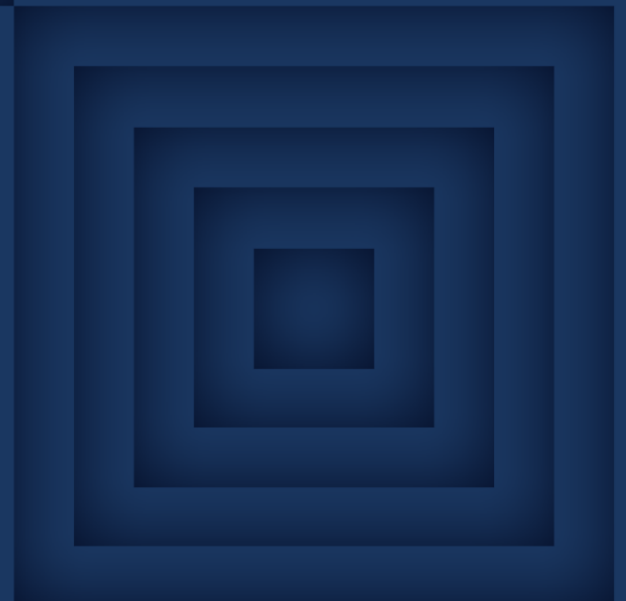
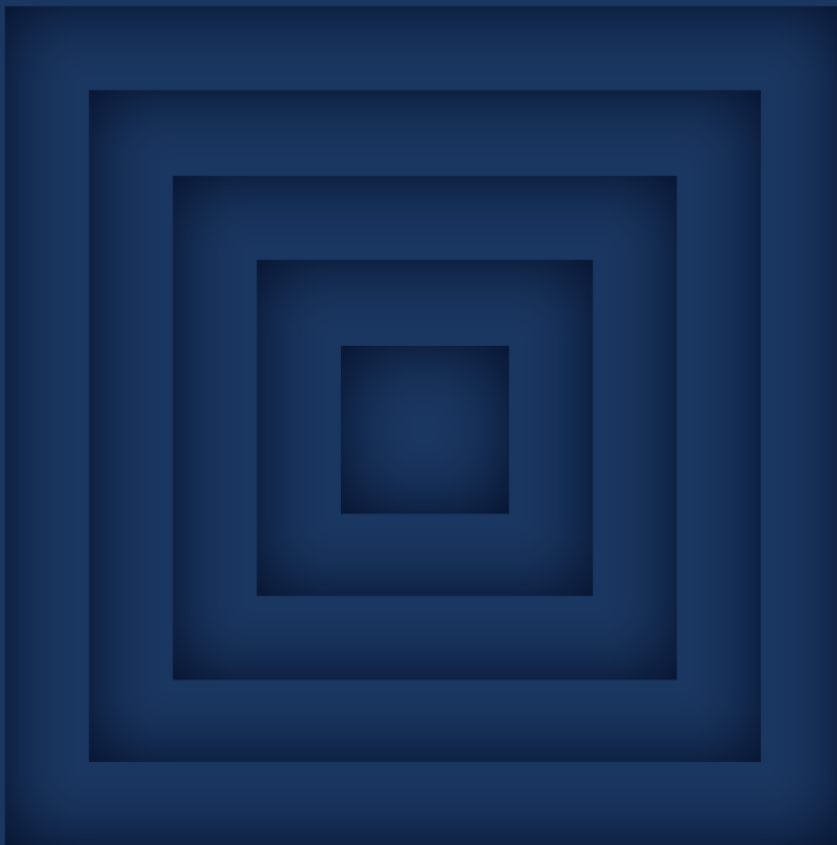




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This snapshot by Assistant Analyst Benedetta Girardi and Senior Strategic Analyst Paul van Hooft is part of a series of publications forthcoming in January 2022 on “Guarding the Maritime Commons”, in which we explore the European role in the Indo-Pacific.

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Key Takeaways

Despite the Biden administration's statements of support for multilateralism, the AUKUS security pact reveals that the US is using a minilateral approach to balance against China in the Indo-Pacific. The new security pact damaged the French economy; more importantly, it also sidelined EU states in the region and damaged confidence between Washington and Brussels.

The creation of AUKUS has brought to the surface a worrying rift between Europe and the US when it comes to engagement in the Indo-Pacific. A minilateral approach to balancing is ill-fitted to accommodate European goals and interests in the region, which Europeans prefer to achieve through an inclusive multilateral system.

The US approach to minilateralism hence poses a threat to transatlantic cooperation in the Indo-Pacific, but also undermines European engagement in the region and creates dissent among European states.

» Despite talks of inclusiveness and multilateralism, **American minilateral actions** point at US willingness to directly balance against China, but **European states are hardly likely to follow** down the same path «

Did AUKUS Torpedo Transatlantic Cooperation In The Indo-Pacific?

In the aftermath of the announcement of AUKUS, much of the talk centered around the blow to France's economy, given the cancellation of a €50-billion deal with Australia for the construction of conventional submarines. Amongst French indignation and discussions on the future of European defense industry, a serious matter remained submerged: the increasing divergence between the US and Europe on their engagement in the Indo-Pacific.

In fact, the AUKUS agreement signals increasing American willingness to balance against China in minilateral settings, rather than to construct an inclusive multilateral order in the region. This contrasts with Europe's vision when it comes to engagement in the Indo-Pacific. Given its dependency on China for trade, European states lean decidedly towards the creation of an inclusive multilateral system in the region. What does this discrepancy mean for the future of transatlantic cooperation in the Indo-Pacific?

Multilateral in Theory...

On the surface, alignment between the US and Europe on Indo-Pacific matters seems to be going full steam ahead. On both sides of the Atlantic, multilateralism and cooperation take center stage in talks about the region's future.

For the European Union, stability in the region depends on "inclusive and effective multilateral cooperation."¹ Brussels reiterated several times the importance of cooperation among different states and emphasized Europe's intentions to promote an open and rules-based regional security architecture.² Individual

member states also expressed their preference for open multilateralism. For France, avoiding bilateral conflict between China and the US is key to uphold multilateralism in the region. Paris is committed to "fair and equitable multilateralism"³ and calls for "a reinforcement of multilateral dialogues in order to promote stability."⁴ Protecting multilateralism and a rules-based order are also the defining traits of Germany's views on its involvement in the region.⁵ The Netherlands echoes this perspective, pledging its commitment to multilateralism and protection of the commons, and affirms that "only multilateral

¹"Joint Communication to the European Parliament and the Council - The EU Strategy for Cooperation in the Indo-Pacific," 12, (European Commission, September 16, 2021), https://eeas.europa.eu/sites/default/files/jointcommunication_2021_24_1_en.pdf.

²"Joint Communication to the European Parliament and the Council - The EU Strategy for Cooperation in the Indo-Pacific," 12-14.

³"French Strategy In The Indo-Pacific 'For An Inclusive Indo-Pacific,'" 12, (Paris: Ministère de l'Europe et des Affaires étrangères, June 2019).

⁴"France and Security in the Indo Pacific," 14, (Paris: Ministère des Armées, May 2019).

⁵"Policy Guidelines for the Indo-Pacific" (Berlin: The Federal Government of Germany, August 2020), 23-26.

consultations founded on a rules-based order will enable us to find solutions that take account of the interests of all states.”⁶

This message is on par with the one coming from the other side of the Atlantic. In fact, across the pond, the US declares its commitment “to upholding a free and open Indo-Pacific in which all nations, large and small, are secure in their sovereignty and able to pursue economic growth consistent with international law and principles of fair competition.”⁷ And while Washington acknowledges the assertiveness of China in the region, it also says that “the U.S. vision for the Indo-Pacific excludes no nation,”⁸ alluding at the possibility of constructing an inclusive multilateral system. In the US vision, cooperation with several actors and states is vital, and the European Union is defined as a “high standard” partner.⁹

...Minilateral in Practice

However, a deeper dive into American actions reveals the significant discrepancy with European views. While Washington speaks of inclusivity, multilateralism, and a pivotal role of EU states as partners in the region, its actions have so far pointed in the direction of minilateral balancing against China, in which Europe does not (yet) have a major role.

The revival of the Quad is the first sign of American preference for balancing in minilateral settings in the region, albeit this strategy is not new to the latest American administrations. When the US, Japan, India, and Australia came together in 2017 to revive their security partnership, the Quadrilateral Security Dialogue (the Quad), they did so on the basis of concerns related

The US presidential change in 2020 only reinforced the diplomatic ties between the US and Europe and president Biden promised close cooperation with Europe in international matters. The new administration confirmed the “strategic importance of French and European engagement in the Indo-Pacific region”¹⁰ and national security adviser Jake Sullivan spoke about transatlantic views on the Indo-Pacific as “an arrow in a direction that is trending towards more convergence between the U.S. and Europe.”¹¹

At first glance, Washington and the Old Continent seem hence to be aligned in their views. The US and Europe appear to agree on the importance of multilateralism and cooperation with one another, as well as with Indo-Pacific states, in order to foster stability in the region.

to China’s assertiveness in the region. The increasing tension between each Quad member and Beijing was a major driving factor in bringing back together an initiative that ceased to operate in 2007.¹² While Beijing was never explicitly mentioned in the Quad’s statements, its members have participated in several Joint naval exercises and tightened security partnerships with one another, in moves that can be interpreted as balancing against China.¹³ President Biden words following the most recent Quad meeting in September 2021 confirm the balancing nature of the Quad partnership: “Together, we recommit to promoting the free, open, rules-based order, rooted in international law and undaunted by coercion, to bolster security and prosperity in the Indo-

⁶ “Indo-Pacific: Guidelines for Strengthening Dutch and EU Cooperation with Partners in Asia,” 7, (Government of the Netherlands, November 2020).

⁷ “A Free and Open Indo-Pacific: Advancing a Share Vision” (Department of State, November 4, 2019), 5, <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>.

⁸ “A Free and Open Indo-Pacific: Advancing a Share Vision,” 6.

⁹ “A Free and Open Indo-Pacific: Advancing a Share Vision,” 16.

¹⁰ “Joint Statement on the Phone Call between President Biden and President Macron,” [elysee.fr](https://www.elysee.fr/en/emmanuel-macron/2021/09/22/joint-statement-on-the-phone-call-between-president-biden-and-president-macron), September 22, 2021, <https://www.elysee.fr/en/emmanuel-macron/2021/09/22/joint-statement-on-the-phone-call-between-president-biden-and-president-macron>.

¹¹ David M. Herszenhorn, “Biden’s Top Security Adviser Sees Strong Transatlantic Alliance (and No Jumping in Lakes),” *POLITICO*, October

8, 2021, <https://www.politico.eu/article/jake-sullivan-biden-national-security-transatlantic/>.

¹² William Choong, “The Revived ‘Quad’ – and an Opportunity for the US,” *IISS*, January 10, 2018, <https://www.iiss.org/blogs/analysis/2018/01/revived-quad>; Tanvi Madan, “The Rise, Fall, and Rebirth of the ‘Quad,’” *War on the Rocks*, November 16, 2017, <https://warontherocks.com/2017/11/rise-fall-rebirth-quad/>.

¹³ Saheli Roy Choudhury, “The Quad Countries Pledge to Promote an Indo-Pacific Region That Is ‘Undaunted by Coercion,’” *CNBC*, September 27, 2021, <https://www.cnbc.com/2021/09/27/quad-leaders-summit-us-india-japan-australia-statement-on-indo-pacific.html>; Kevin Rudd, “Why the Quad Alarms China,” October 18, 2021, <https://www.foreignaffairs.com/articles/united-states/2021-08-06/why-quad-alarms-china>.

Pacific and beyond.”¹⁴ And while there are talks about a “Quad Plus” in which some European countries might be included, so far no European state, nor the EU itself, has been involved in more than dialogues with the Quad.¹⁵

The announcement of the US security pact with the UK and Australia, the AUKUS pact, brings above water the growing rift between EU and American views on engagement in the Indo-Pacific. On the 16th of September 2021, the leaders of the three aforementioned countries announced an agreement that was defined as “a historic opportunity for the three nations [...] to protect shared values and promote security and prosperity in the Indo-Pacific region” in the leaders’ joint statement.¹⁶ The creation of the AUKUS pact is arguably an open act of balancing against China. Indeed, the pact involves the sharing of information and other technologies in fields such as quantum and intelligence, as well as the acquisition of cruise missiles.

Most importantly, the pact includes the provision to Australia of nuclear-powered submarines. This type of submarines is significantly stealthier and hence more difficult to detect than the conventional ones, covers longer distances, and can carry more missiles and shoot them farther.¹⁷ While nuclear-powered submarines cannot be equated to gaining a nuclear deterrent, their commission signals Australia’s willingness to get more involved in Indo-Pacific security matters and enhance its defense capabilities. It also allows a non-nuclear state gain access to certain level of enriched uranium, enhancing the proliferation risk. The presence of nuclear-powered submarines in the region has hence been interpreted as an American attempt to shift the balance of power to its favor and triggered fears of nuclear proliferation in the region.¹⁸

While the delivery of the nuclear-powered submarines will take over a decade¹⁹, the creation of the AUKUS pact has deep and lasting ramifications for European involvement in the region.

What does this mean? Implications for Europe and Transatlantic Cooperation In the Indo-Pacific.

American predilection for balancing against China in unilateral venues undermines the chances of creating a multilateral system in the Indo-Pacific before it has even had a chance to set sail, and compromises European ventures in the region, as well as transatlantic cooperation.

The relations between the US and continental Europe definitely suffered from the creation of AUKUS. European leaders were kept in the dark about the

formation of the AUKUS partnership and were caught by surprise by it, and with good reason. French leaders were particularly displeased with this unforeseen turn of events, which torpedoed their 2016 €50-billion deal with Australia for the construction of twelve conventional submarines.²⁰ After Canberra agreed to the delivery of eight nuclear-powered submarines with the US, French Foreign Minister Jean-Yves Le Drian defined the deal as a “stab in the back”²¹ and a “unilateral, brutal,

¹⁴ Choudhury, “The Quad Countries Pledge to Promote an Indo-Pacific Region That Is ‘Undaunted by Coercion.’”

¹⁵ Sumitha Kutty Narayanan and Rajesh Basrur, “The Quad: What It Is—And What It Is Not,” March 24, 2021, <https://thediplomat.com/2021/03/the-quad-what-it-is-and-what-it-is-not/>.

¹⁶ “Aukus: UK, US and Australia Launch Pact to Counter China,” *BBC News*, September 16, 2021, sec. World, <https://www.bbc.com/news/world-58564837>.

¹⁷ Suranjana Tewari, “Aukus: UK, US and Australia Pact Signals Asia-Pacific Power Shift,” *BBC News*, September 16, 2021, sec. Asia, <https://www.bbc.com/news/world-asia-58540808>.

¹⁸ Marc Julienne, “AUKUS Rocks the Boat in the Indo-Pacific, And It’s Not Good News,” September 29, 2021,

<https://www.ifri.org/en/publications/editoriaux-de-lifri/lettre-centre-asie/aukus-rocks-boat-indo-pacific-and-its-not-good>.

¹⁹ Daniel Hurst and Tory Shepherd, “Nuclear Submarines’ Uncertain Delivery Date Means Ageing Collins Class Could Be in Use until 2050,” *The Guardian*, October 15, 2021, sec. World news, <https://www.theguardian.com/world/2021/oct/15/nuclear-submarines-uncertain-delivery-date-means-ageing-collins-class-could-be-in-use-until-2050>.

²⁰ Jorge Liboreiro, “New US-Australia Defence Pact Eclipses EU’s Indo-Pacific Pivot,” *euronews*, September 17, 2021, <https://www.euronews.com/2021/09/17/we-were-not-informed-new-us-australia-defence-pact-eclipses-eu-s-indo-pacific-pivot>.

²¹ Jean-Yves Le Drian dénonce ‘un coup dans le dos’ après la rupture du contrat des sous-marins par l’Australie’ (FrancelInfo, September 16,

unpredictable decision.”²² While the French-American fracture is hardly irreparable, the trust between the two countries is surely eroded. France indignation matched that of other European leaders and EU officials condemning the anglophone countries for keeping their transatlantic allies in the dark.²³ Lastly, the sidelining of EU states in the AUKUS pact signaled that, despite its economic importance, the EU is not yet considered a major geopolitical actor by its anglophone allies, a further factor damaging EU-US relations. Additionally, tensions with the US limit European chances to close deals with other Indo-Pacific states, that might perceive as if they have to choose between an alliance with the US or Europe. European efforts to secure multilateral and bilateral partnerships in the region are thus undermined by the sourness of its relations with Washington.

Paradoxically, American unilateralism also potentially spoils EU-China ties. In fact, Beijing’s response to the announcement of the pact reveals that, despite Washington’s claims, the move is seen by China as an act of balancing. Zhao Lijian, a spokesperson for the Chinese foreign ministry, branded the creation of the tripartite partnership as “extremely irresponsible,” while Chinese news outlet Global Times stated that Australia

“turned itself into an adversary of China.”²⁴ Beijing is hence likely to grow increasingly weary of Western presence in the Indo-Pacific. This might have significant repercussions on Europe’s ties with the superpower if European states decide to further their presence in the region. Given its economic dependency on China, being antagonized by Beijing would prove detrimental for Europe.

Lastly, the creation of AUKUS opened fractures within NATO Europe that reveal the fragility of the security and defense environment in the Old Continent. Indeed, while European states, and France in particular, condemned the unilateral initiative, Danish Prime Minister Mette Frederiksen sided with the US, saying that she did not understand Paris and Brussels’ criticism.²⁵ In a typical fashion, Boris Johnson mocked France’s indignation saying “I just think it’s time for some of our dearest friends around the world to *prenez un grip* about this and *donnez-moi un break*”²⁶ while asked for a comment on France’s reaction. While Europe is not new to internal rivalry and division, these might undermine its chances to successfully engage in the Indo-Pacific. Indeed, given its scarce military capabilities, unity could be Europe’s most important weapon in the region.

What Next?

Despite talks of inclusiveness and multilateralism, American unilateral actions point at US willingness to directly balance against China, but European states are hardly likely to follow their ally down the same path. The convergence of European and American views for engagement in the Indo-Pacific hence only exists at a theoretical level. In practice, the divergence between Washington and the Old Continent is increasingly visible and it comes with heavy implications for Europe-US

relations, multilateralism in the Indo-Pacific, and European engagement with local stakeholders.

On the flip side, the uncertainty regarding transatlantic cooperation on Indo-Pacific matters gives European states the chance to get closer to other regional actors who did not welcome the American, English, and Australian move. Several ASEAN states, among which Malaysia and Indonesia, expressed their concerns

2021), https://www.francetvinfo.fr/economie/emploi/metiers/armee-et-securite/rupture-du-contrat-des-sous-marins-par-l-australie-c-est-un-coup-dans-le-dos-denonce-jean-yves-ledrian_4770743.html.

²² “Jean-Yves Le Drian dénonce ‘un coup dans le dos’ après la rupture du contrat des sous-marins par l’Australie.”

²³ Liboreiro, “New US-Australia Defence Pact Eclipses EU’s Indo-Pacific Pivot.”

²⁴ Helen Davidson and Gavin Blair, “China Warns US-UK-Australia Pact Could ‘Hurt Their Own Interests,’” *The Guardian*, September 16, 2021, sec. World news,

<https://www.theguardian.com/world/2021/sep/16/cold-war-mentality-china-criticises-aukus-us-uk-australia-submarine-pact>.

²⁵ “Denmark Sides against EU, with Biden in AUKUS Submarine Row,” *The Local Denmark* (blog), September 22, 2021, <https://www.thelocal.dk/20210922/denmark-sides-against-eu-with-biden-in-aukus-submarine-row/>.

²⁶ Kitty Donaldson and Jenny Leonard, “After Johnson Mocks French Outrage Over Submarines, Biden Reaches Out,” *Bloomberg*, September 22, 2021, <https://www.bloomberg.com/news/articles/2021-09-22/johnson-says-time-for-france-to-get-a-grip-on-submarine-spat>; “Denmark Sides against EU, with Biden in AUKUS Submarine Row.”

regarding AUKUS,²⁷ while the EU recently came up as the preferred partner for ASEAN in an opinion poll conducted among Southeast Asian citizens by Singapore's ISEAS-Yusof Ishak Institute.²⁸ European states could hence jump at the chance of further deepening their ties with ASEAN and enhance their participation in the region's affairs.

Concretely, Europe can take several steps to stay relevant in the region - even without relying entirely on the US. Specifically, Europeans should strategically invest in states that are troubled by developments in the region but still on the fence about how to respond. Indeed, several Indo-Pacific states have valuable diplomatic and economic influence in the region, but also military capabilities and natural resources.²⁹ Many of these states seem to be looking for more European engagement. Creating frameworks for doing so should therefore be a European priority.

While it is true that the EU depends economically on China, the opposite is also true. In fact, the EU is Beijing's biggest trading partner.³⁰ Europeans should exploit this mutual dependency to exert leverage over China, and consider instruments such as the EU-China trade deal in this light. In doing so, Europeans can perhaps shape China's behavior to some extent and thereby dampen escalatory dynamics within the region.

Finally, given its limited capacity, Europe should not focus on actions that rely on the hard military power that

it lacks. For instance, European states should foster information sharing capacity building, contribute to maritime domain awareness in the region, and create ocean governance frameworks.³¹ Europe already carries out some of these actions (e.g. CRIMARIO), thus focusing on these more achievable types of engagement that maintain and strengthen the multilateral order in the Indo-Pacific can benefit Europe's position in the region.

Truth to be told, while it is clear that there is a divide between European and American views on how to engage in the Indo-Pacific, the severity of the situation should not be exaggerated. The US is still Europe's main ally when it comes to security and defense, especially considering the fundamental role of American forces in deterring Russia in the European theater. Nevertheless, recent US unilateral actions such as AUKUS show that American claims of multilateral views and inclusive engagement in the Indo-Pacific should be taken with a grain of salt by European leaders. The Old Continent's economic dependency on China is undeniable, and openly balancing against Beijing is not a desirable option for Europe. European leaders will have to carefully consider their alternatives, while exploring other diplomatic and economic venues to enhance their presence in the Indo-Pacific. What is certain for now, is that the AUKUS pact brought to the fore the question of Europe's role in the region and that much is still to be done to clarify European positions on the matter.

²⁷"AUKUS an Ineffective 'NATO' against China: Malaysian Scholar - Global Times," Global Times, September 24, 2021, <https://www.globaltimes.cn/page/202109/1235003.shtml?id=11>; James Chin, "Why Is Southeast Asia so Concerned about AUKUS and Australia's Plans for Nuclear Submarines?," The Conversation, accessed November 2, 2021, <http://theconversation.com/why-is-southeast-asia-so-concerned-about-aukus-and-australias-plans-for-nuclear-submarines-168260>.

²⁸"Statement On Australia's Nuclear Powered Submarines Program | Portal Kementerian Luar Negeri Republik Indonesia" (Ministry of Foreign Affairs of the Republic of Indonesia, September 17, 2021), https://kemlu.go.id/portal/en/read/2937/siaran_pers/statement-on-australias-nuclear-powered-submarines-program; "Aukus Pact Could Provoke Powers to Act More Aggressively: Malaysia PM Ismail," *The Straits Times*, September 18, 2021,

<https://www.straitstimes.com/asia/se-asia/aukus-pact-could-provoke-powers-to-act-more-aggressively-malaysia-pm-ismail>; "The State of Southeast Asia: 2021 Survey Report," ISEAS-Yusof Ishak Institute, March 8, 2021, <https://www.iseas.edu.sg/articles-commentaries/state-of-southeast-asia-survey/the-state-of-southeast-asia-2021-survey-report/>.

²⁹Paul van Hooft, Benedetta Girardi, Tim Sweijts, Jack Thompson, *Guarding the Maritime Commons: multilateral European engagement in the Indo-Pacific*, 2022, the Hague Centre for Strategic Studies.

³⁰"China - Trade," European Commission, accessed December 14, 2021, <https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>.

³¹Frédéric Grare and Mélissa Levaillant, "Getting Real about the Indo-Pacific: Redefining European Approach to Maritime Security," 2022.