AUKUS and the Return of Balance of Power Politics

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This policy outlook examines the enhanced trilateral security partnership (AUKUS) signed by the US, the UK and Australia through the lens of balance of power politics and aims to analyse its implications for the regional order in the Indo-Pacific. Scholars have long debated the reasons for the absence of balancing coalitions among regional countries against Beijing. Yet, the relative decline of the US and simultaneous rise of China has been shifting the regional dynamics. The historic security pact appears to be the beginning of the return of balance of power politics in the region. Canberra’s growing perception that China is becoming more aggressive seems to have played a critical role in leading Australia to more forcefully side with the US in its effort to counter China’s growing influence in the region. Additionally, the recent revival of the Quadrilateral Security Dialogue (QUAD) among the US, Australia, India, and Japan can also be considered as one of the critical components of the overall US strategy in the region to maintain the US-led regional order vis-à-vis China.
Introduction

On September 15, 2021, the US, the UK and Australia announced the creation of an enhanced trilateral security partnership. Indications are that the deal, which is popularly known as AUKUS, was struck as part of the efforts to meet the challenges in the Indo-Pacific region by supporting each other’s security and defence interests. The historic pact is considered by some analysts as the most significant security deal between the three countries since the end of World War II. As part of the deal, the leaders of the three countries pledged to deepen cooperation on a range of security and defence-related issues including information and technology sharing and integration of defence-related science and technology. One of the most critical clauses of the deal is that the three countries will jointly work to equip Australia with nuclear-powered submarines with the leverage of expertise from the US and UK. As part of the deal, the US accepted to share its nuclear propulsion technology with a country other than the UK for the first time. As a result, Australia will become the seventh nation operating nuclear-powered submarines, which will give the country and coalition a key military advantage on the sea given that nuclear-powered submarines are faster and harder to detect compared to conventional diesel-powered submarines. They can also stay submerged for longer periods. However, the submarines will not carry nuclear weapons, at least at present.

Although the parties to the deal were cautious not to directly mention China, the historic security pact is widely viewed as part of Washington’s efforts to counter China’s growing influence in the region at a time when the strategic rivalry between the US and China continues to intensify. During the Trump presidency, the US described China as a “strategic rival” and Asia became the central focus of US foreign policy. The Biden administration has continued to follow this path. As part of his administration’s interim national security strategy guidance, China is described as “the only competitor” capable of challenging the US-led international system with its diplomatic, economic, and military power. Concerning the Indo-Pacific, the US is primarily concerned with China’s assertiveness, particularly in the South China Sea, including its territorial claims, naval activities, and coercive economic policies, which are perceived as key threats to the peace and stability of the region. Against this backdrop, once the submarines become operational, the US will increase its influence in the region and gain leverage vis-à-vis China. China’s first reaction to the deal was to describe it as an “extremely irresponsible” act threatening regional peace and risking triggering an arms race in the region. Chinese officials also described the move as reflecting obsolete Cold War mentality and narrow-mindedness.

The signing of the deal also angered France, since the country lost its $66bn dollar contract signed in 2016 with Australia for the production of 12 conventional subma-
have not engaged in counter-balancing activities against China's rise, instead, they have appeared to be bandwagoning with it. In this regard, many countries in the region have developed good relations with China, particularly in economic terms, despite its growing power and assertiveness. They have also taken care not to antagonize China while also refraining from moves that could be viewed as a leaning towards a balancing coalition by Beijing. Until recently, Australia has also pursued similar policies towards China where it prioritized retaining trade ties with Beijing despite increasing pressure from Washington. Canberra, which is largely dependent on China for its economic development and on the US for its security, also resisted making a choice between the two superpowers. However, Canberra's growing perception that China is becoming more aggressive has played a critical role in leading Australia to more forcefully side with the US. In recent years, relations between China and Australia have rapidly deteriorated and hit the lowest point since the establishment of diplomatic ties in 1972. Australia became wary of China's assertiveness in the region, started to raise its voice against Beijing and took certain measures. Australia's decision to officially ban Huawei from the rollout of the 5G network in 2018 was one of the major developments that caused friction in its relationship with Beijing. This is in addition to the adoption of anti-foreign interference law by Canberra, which was perceived by Beijing as being directed against it. Relations further worsened when the Australian Prime Minister Scott Morrison called for an international inquiry into the origin of the Coronavirus, siding with the then-US President Trump who repeatedly blamed China for the pandemic. In reaction to these developments, China started a campaign of economic sanctions aimed at limiting the import of Australian wine and barley and imposing high tariffs. China's economic coercion, which has only recently, Australia has pursued similar policies towards China where it prioritized retaining trade ties with Beijing despite increasing pressure from Washington. Canberra, which is largely dependent on China for its economic development and on the US for its security, also resisted making a choice between the two superpowers. However, Canberra's growing perception that China is becoming more aggressive has played a critical role in leading Australia to more forcefully side with the US. In recent years, relations between China and Australia have rapidly deteriorated and hit the lowest point since the establishment of diplomatic ties in 1972. Australia became wary of China's assertiveness in the region, started to raise its voice against Beijing and took certain measures. Australia's decision to officially ban Huawei from the rollout of the 5G network in 2018 was one of the major developments that caused friction in its relationship with Beijing. This is in addition to the adoption of anti-foreign interference law by Canberra, which was perceived by Beijing as being directed against it. Relations further worsened when the Australian Prime Minister Scott Morrison called for an international inquiry into the origin of the Coronavirus, siding with the then-US President Trump who repeatedly blamed China for the pandemic. In reaction to these developments, China started a campaign of economic sanctions aimed at limiting the import of Australian wine and barley and imposing high tariffs. China's economic coercion, which has only contributed to Australian threat perceptions can be considered as the key to Canberra's decision to join the US-led security coalition.

**AUKUS and the QUAD**

US efforts to counter China's rise is not confined to AUKUS. Washington has also intensified cooperation with regional countries on non-security issues such as economy and technology where China is gaining leverage over the US. The Quadrilateral Security Dialogue (QUAD) among the US, Australia, India, and Japan appears to be one of the most significant groupings at a time when great power competition is accelerating. The core of the QUAD came into being in 2004 as part of the relief efforts in response to the Indian Ocean Tsunami of 2004. Following the proposal of then-Japanese prime minister Shinzo Abe, the QUAD was established, and the first formal meeting was held in 2007. The following year, the grouping, mostly out of concern to not antagonize China, ceased to exist after Australia's withdrawal. However, the leaders of four countries agreed to revive the QUAD while meeting on the side-lines of the ASEAN Summit in 2017 at a time when the US under President Trump had increased its criticism of China. Although the grouping has continued to meet and discuss critical issues more frequently since its revival, it gained momentum only after the first-ever leader-level summit was held on March 12, 2021. With the release of a joint statement called ‘The Spirit of the QUAD’, member states set a clear agenda with a clear narrative. It highlighted that QUAD states are committed to ‘a region that is free, open, inclusive, healthy, anchored by democratic values, and unconstrained by coercion’. Responding to the COVID-19 pandemic, the climate crisis, and critical and emerging technologies dominated the first meeting and member states pledged to donate over 1.2 billion doses of vaccine globally, offering a coordinated and united response to one of the most pressing global problems. More recently, the four leaders have come together in the first in-person summit for six months in Washington, revealing the dynamism of the grouping and its relevance for the overall US strategy. Although the QUAD refrained from making direct reference to China, the issues that were discussed and highlighted were directly related to China and its policies in the region. As such, China criticized the grouping before the summit saying that the creation of ‘exclusive closed cliques’ is not compatible with the times and is ‘doomed to fail’.

The QUAD can be considered as one component of the ‘Free and Open Indo-Pacific’ (FOIP) vision proposed and advanced by like-minded countries. The term was promoted by then-Japanese Prime Minister Shinzo Abe in 2016 and then embraced by the Trump and Biden administrations as well as other regional and non-regional states. Although states who share this vision appears to have their own version of FOIP, they all promote, at minimum, upholding the rules-based regional order, open access to sea lanes and freedom from coercion. As such, the FOIP vision consists of a combination of infrastructure projects, coordination in technology and education and integration of economies across the region. In this sense, the concept of FOIP can be considered as an alternative to the Chinese version of regional order which is primarily grounded upon the Belt and Road Initiative (BRI).
Rather than being competing groupings, both the QUAD and AUKUS can be viewed as critical components of the overall Free and Open Indo-Pacific strategy to rally nations around the idea of maintaining the US-led regional order vis-à-vis China. Hence, while AUKUS is important for the security architecture of the region, the QUAD appears to be critical for the competition with China in fields of economy and emerging technologies where China seems to be gaining leverage through its enormous economic clout and technological edge. In this regard, the QUAD’s stated objectives of cooperation on infrastructure, education, space, cybersecurity and critical and emerging technologies such as semiconductors, 5G networks and biotechnology can be considered in this light. The fact that the four countries decided to regularize the summit meetings indicates that the grouping is here to stay, at least in the near term, and is set to increase its relevancy for the region.

France’s Anger at AUKUS

While Washington accelerates its efforts to counter China through strengthening partnerships with like-minded countries, in this particular instance, it came at the expense of alienating allies such as France. The signing of the AUKUS deal angered France given that the country has lost a $66bn contract with Australia for the building of diesel-powered submarines. Additionally, Paris was notified about the deal mere hours before its signing. Hence, the French foreign minister described the deal as a ‘stab in the back’ and Paris recalled its ambassadors from both Washington and Canberra. For France, thanks to its overseas territories, the Indo-Pacific is a key strategic and economic region that includes 1.5 million French citizens and 8,000 soldiers. Additionally, 93 per cent of France’s exclusive economic zones are in the Indo-Pacific. In this regard, the stability of the region, security of economic zones and protection of the maritime routes are key strategic interests for France. Thus, although France and the AUKUS countries share similar strategic interests in the region, the fact that France was not informed or consulted in the lead up to the signing of the security pact has created a sense of humiliation in Paris, which still considers itself as one of the great powers in the international system.

Although the reactions in Europe to the deal remained muted and limited despite France seeking their support, the rift might lead to a further disruption in the transatlantic relations, which had deteriorated during the Trump presidency. President Trump’s attitude towards multilateralism and international institutions, questioning of the value of NATO, harsh criticism of EU policies and persistent threats of economic coercion, all contributed to the erosion of trust within the transatlantic coalition. Hence, one of the first priorities of the Biden administration’s foreign policy was to restore ties with US allies and partners, particularly trans-Atlantic ties, and rebuild US credibility. In this sense, Biden set out to convince allied countries of Washington’s continued commitment to fostering shared interests and values. Additionally, Biden has previously contended that “the most effective way to meet that [China] challenge is to build a united front of U.S. allies and partners to confront China’s abusive behaviours and human rights violations”. However, despite the stated intentions, the recent move not only risks deepening the rift between the US and France but also damaging US credibility and its reputation of reliability in general. Washington’s decision to withdraw from Afghanistan without discussing the issue with its European allies had already increased concerns in European capitals regarding the reliability of the US administration. In order to assuage the French side, Washington increased its diplomatic outreach by engaging in high-level consultations with Paris. During a bilateral meeting with French President Emmanuel Macron, Biden expressed that his
administration had handled the situation clumsily, noting that he “was under the impression that France had been informed long before.” The two leaders also released a joint statement reaffirming their commitment to the closer bilateral and transatlantic cooperation.

Although the bilateral tension between the US and France appears to have subsided, this incident also showed that the rapidly shifting dynamics in the international environment might bring about a situation where states who have long enjoyed privileged status could face the reality that their status or relevance might become less relevant in the face of new challenges. In this regard, the way the US handled the AUKUS process can be considered as an indication of Washington’s changing strategic priorities and interests as well as shifts in the importance attached to certain partnerships, coalitions, and institutions. Hence, the fact that the US has reoriented its foreign policy towards the Indo-Pacific might engender new dissatisfactions in countries considered as traditional allies. The AUKUS episode also revealed that, as articulated by Liska in his Nations in Alliances book, “alliances are against, and only derivatively for, someone or something”. Hence, the determining factor for the emergence of an alliance is to counter a threatening state or coalition, not to please other actors or states. In this sense, the way the US dealt with France (i.e., did not prioritise how France might react) is a clear reflection of the nature of alliance politics. As put by Prof. Paul Poast, AUKUS is not about “who it is for but who it is against.”

**Implications for the Regional Balance of Power**

Before taking his post, Kurt Campbell, the Biden administration’s Coordinator for Indo-Pacific Affairs in the National Security Council, suggested in a co-authored Foreign Affairs article that “Rather than form a grand coalition focused on every issue, the United States should pursue bespoke or ad hoc bodies focused on individual problems”. He also acknowledged that this task will be one of the most challenging in recent history. Hence, AUKUS can be considered as one of the key components of the US Indo-Pacific strategy that primarily focusses on deterring China on the seas. Yet, it is noteworthy that the US strategy of forming separate groupings to address specific issues against China might require Washington to put extra efforts into managing, coordinating and integrating certain aspects of these groupings that might be joined by countries with divergent objectives or competing interests. This is in addition to the highly likely possibility that China will seek to form counter-balancing coalitions against the US-led ones. Beijing might also seek to drive a wedge between the members of the US-led coalition through a carrot and stick approach in order to render them neutral or even join the Chinese camp. Given China’s enormous economic resources and its geographical proximity, regional countries might be tempted to avoid countering China directly in the hopes that the US will do so on their behalf. Hence, how China reacts in the short and long run will be a determining factor for the trajectory of the US policy.

Although the nuclear submarines are not expected to be operational before 2040, once they are, they will become an important deterrent against the activities of China in the South China Sea. Yet, the main significance of AUKUS lies not in its military capabilities but in the signal of resolve sent by the US to commit itself to countering China. In this sense, other regional countries who are worried about China’s revisionism in the region but remain reluctant to stand up against its policies can start to join the US-led effort if the US passes the credibility test. Hence, convincing regional countries might require Washington to go beyond symbolic actions and undertake substantive initiatives such as empowering partners to meet their own security as well as collective security, developing an economic strategy that abandons protectionist tendencies at home and increasing military spending for the region. Relatedly, the legitimacy of the US-led regional order, hence its sustainability, will be contingent upon how regional countries will perceive the overall US efforts in the region. If US moves are considered to be the cause of the intensification of conflict in the region thereby leading to disruption of peace and stability, it can be expected that regional countries will seek ways to distance themselves from the great power competition as much as possible. In this regard, the reactions of regional countries varied in response to AUKUS. For instance, while the Philippines supported the defence pact, Indonesia and Malaysia raised concerns about the possibility of an arms race. Indonesia stated that it is “deeply concerned about the continuing arms race and power projection in the region” while Malaysia warned that the deal could “provoke other powers to take more aggressive action in this region, especially in the South China Sea”. Hence, in addition to possible Chinese countermeasures, the US strategy might also face a serious challenge if regional countries view Washington’s moves as being counter to their interests and disruptive of the existing regional order, which could result in a legitimacy crisis for the US-proposed regional order.