



საქართველოს სტრატეგიისა და საერთაშორისო ურთიერთობების კვლევის ფონდი
GEORGIAN FOUNDATION FOR STRATEGIC AND INTERNATIONAL STUDIES

Security Review

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**AUKUS - A Harbinger of a New
Geopolitical Reality**

2021

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In September of this year, Australia, the United Kingdom and the United States announced the creation of a new defense pact in the Asia-Pacific region called AUKUS (which is an abbreviation for the names of the member states: Australia, the United Kingdom and the United States). This paper will discuss the objectives of this new tripartite pact as well as the rationale behind the reactions thereto vis-à-vis leading international players and how it reflects the current balance of power and security prospects in the world.

Ongoing processes in the world today, including the creation of AUKUS, indicate that China's power and influence have grown so much that the more or less stable world order may be radically altered if this is not balanced within the security sphere. The main task of the United States (the dominant power of the existing world order) and its allies is to prevent irreversible changes in world order; in particular, those that will accelerate the formation of Chinese hegemony in the Asia-Pacific region and the world at large.

Impact of the Balance of Power on World Order

Historically, the strengthening or weakening of the power of any great international player always precipitates significant geopolitical shifts. The strengthening of the individual state, be it as a result of rapid industrial and technological development or as a result of the unification of Germany in the nineteenth century, inevitably leads to the disruption of the equilibrium of forces as a basis for stability. At such times, the empowered party more often than not tries to utilize the gained advantage, resulting in a redistribution of control over access to territories, spheres of influence and resources. This may be done by force; that is, by war or more or less peacefully – through some agreement; however, a change in the balance of power always leads to large-scale geopolitical changes.

When a major player is weakened as a result of a defeat in a war (Germany, Austria-Hungary, the Ottoman Empire, etc.) or even due to an economic crisis (the example of the Soviet Union in the 1980s),¹ the consequences are similar. In each case, the vacuum created by the weakening of one state is filled almost instantaneously by other forces.

No matter what changes the existing balance – someone's strengthening or weakening – the prolonged transition period before the formation of a new order incites instability and conflict.

However, the reaction of representatives of the Democratic West to fundamental changes has not always been consistent. When the Cold War ended 30 years ago with the defeat of the Communist bloc and the collapse of the Soviet Union, the Western world was euphoric in its anticipation of a new, peaceful, democratic and sustainable world. We all remember the sensational article by the famous American scientist, Francis Fukuyama, entitled "The End of History." In his view, the victory of the West in the Cold War was a result of the superiority of liberal democracy and a market economy. And indeed, one by one the former Communist countries embarked on the path of political and economic reforms and soon absorbed Western liberal democracy and the principles of a market economy.

However, apparently the reason why this new historical age does not yet have its own name and is referred as the "post-Cold War period" is probably because the new world or even the European order have not spread everywhere. Even within Europe itself, the place where the major events that marked

¹ The collapse of the Russian Empire in 1917 and the dissolution of the Soviet Union in 1991 were preceded by the amalgamation of increased costs of expansionist wars and domestic socio-economic crises.

the end of the previous world order unfolded based on the struggle of two superpowers and the balance of power between them, the virtues of the new reality were not felt equally by all nations. Indeed, the Central European countries regained sovereignty and the former captives of the Communist regime acquired (or restored) independence on the ruins of the Soviet empire, although only three of them were able to enjoy the benefits of the new European order. The Baltic states soon joined NATO and the European Union; that is, they returned to the European family and gained economic prosperity and security guarantees. Others, especially Georgia, which sought to imbue its independence with a real sovereignty, have fallen victim to Russian aggression from the very first days of the Soviet Union's collapse. Ukraine was added to the number of Russian casualties in recent years.

Most importantly, if in the past Russia used to justify and disguise its imperialist behavior towards Georgia in various ways, imitating the implementation of democratic reforms and constructive cooperation with the West, all this has long changed and today it openly opposes the collective interests and values of the West. Stubbornly enough, the West did not see this for a long time - European and American politicians were extremely annoyed by any hint that Russia was acting in the spirit of the Cold War. Today, it is difficult to find anyone who does not understand that the adored "post-Cold War period" is over; however, the West has not been able to formulate a united and firm position against Russia and its actions against the rules based European order.

With its current composition, the creation of AUKUS shows that the Democratic West also does not have a uniform attitude towards the second international player, more consequential than Russia. China, since the Dan Xiaoping reforms, has steadily asserted its economic, political and military strength and is playing an increasingly important international role. According to the same Francis Fukuyama, Chinese state capitalism poses the greatest challenge to the Western development model. And most importantly, China has already begun to utilize relatively newly acquired power, both regionally and globally. It employs the power strategically and with patience – through the combination of economic and military means.

The Essence of AUKUS

Thus, AUKUS is the reaction of the United States and its two closest allies to the emergence of China's power and influence and aims to curb its global geopolitical expansion and actions directed towards dominance in the Asia-Pacific region. The actual content of the pact itself is relatively limited. Its main provision is to share US and British technologies with Australia on the basis of which Australia will replace its obsolete "Collins-class" submarine fleet with nuclear ones in the next two decades. The pact also envisions co-operation in the development of artificial intelligence and other technological fields and thus creates the framework for the most comprehensive defense co-operation among these countries.

There is no doubt that AUKUS was formed to contain China – the reaction of China to the tripartite pact attests to this as well. The joint statement by US President Biden, British Prime Minister Johnson, and Australian Prime Minister Morrison in the form of a video conference was immediately condemned by China as an "extremely irresponsible" move that "undermines peace and stability in the region and incites an arms race."ⁱ

The announcement of this new pact was followed by a sharp reaction from France as it was "considered a betrayal" and ambassadors were also recalled from Washington and Canberra, something which is an

unprecedented event in the relations between these countries. The reason for this is that Australia canceled an agreement to purchase a 12 diesel-electric submarine signed with France in 2016, initially valued at about USD 40 billion (EUR 34 billion) as a result of the cooperation with the United States and Britain. It is noteworthy that questions about the aforementioned deal arose in Australia from the outset vis-à-vis the fact that the contract price was soon increased to USD 60 billion, prompting the Australian Parliament to launch an investigation.ⁱⁱ Moreover, the lifetime of the agreement was at least 25 years and involved the construction of submarines with a technology that has long been considered obsolete and even less effective after 25 years.²

Motives of the Countries for AUKUS Membership

While US motivation for concluding the pact does not need particular justification - the rise of China, first of all, threatens its global position - the membership of Britain and Australia is quite multifaceted. Also noteworthy are the reasons why we have not seen other US regional allies in this alliance and especially those NATO members which have close political and military ties to Oceania (e.g., France with its 1.5 million citizens and seven military bases in the region).

As for the participants in the pact, it has already been said about Australia that its decision to break a multibillion-dollar contract has severely damaged relations with France. But perhaps more damaging to Australia is the EU's decision to suspend ongoing trade negotiations with it which the EU adopted on September 30 two weeks after the formation of AUKUS. This, undoubtedly, must be a show of revenge on the part of France (and also a sign that France is ready to abuse its influence in the EU).

More consequential for Australia are the possible complications of relations with China which has already been threatened. China remains Australia's largest trading partner to this day and it can do great harm with sanctions. It should also be noted that Australia's trade relations with China were already strained last year: at the beginning of 2020, China accounted for 31% of Australia's foreign trade but the trade volume fell by 3% in one year as a result of disagreements between the two countries.ⁱⁱⁱ As of today, the volume of this trade is USD 245 billion - so China can still inflict significant economic harm to Australia. In addition, China has indicated that it is considering Australia as a potential target, including for nuclear weapons, even though the possession of nuclear submarines does not automatically make Australia a nuclear state (AUKUS does not envisage the transfer of nuclear weapons to Australia).

Membership in AUKUS can be quite consequential for the United Kingdom as well. Aside from the inevitable negative reaction from China, with which a lucrative trade deal is one way to compensate for the negative effects of Brexit, the very same France has all the leverage to muddle Britain's relationship with the EU which remains its largest trading partner even after Brexit.

So why did Australia and the United Kingdom choose to take such a risk and inevitable losses by joining AUKUS? The answer is directly related to the perception of these countries about the current changes in the world and their own security priorities. It is important for them to maintain a strategic partnership

² While nuclear submarines have many advantages over diesel-electric ones, diesel-electric ships also have their proponents: some experts believe that their ability to completely shut off all power units (both diesel and electric motors and thus achieve complete silence) is a feature that ships with nuclear reactors do not possess as they cannot be switched off.

primarily with the United States and remain under its security umbrella. Thus, they consider the incurred economic losses which such a decision would entail as an acceptable price.

AUKUS as Asia-Pacific NATO?

A peculiarity of the current situation is that AUKUS does not include the countries of the region that have been cooperating with the United States in the field of security in recent years (some for decades). For example, the new pact does not include New Zealand as a member of the so-called "Five Eyes" Alliance. The "Five Eyes" Alliance was founded in the 1940s and involved close cooperation between the US, Canadian, British, Australian and New Zealand intelligence services during the Cold War. While Canada's non-participation can be explained by the geographical distance from the Asia-Pacific region, New Zealand's absence in AUKUS is quite significant. As early as 2020, New Zealand refused to join the statement of the other four partners of the "Five Eyes" which exposed and condemned China's treatment of Uighurs in Xinjiang province. At that moment, New Zealand put the interests of bilateral trade with China above the issue of human rights and solidarity with the allies. This is also evident by the fact that while China virtually declared a trade war with Australia (including a 96% reduction in wine imports from Australia), trade turnover with New Zealand increased.^{iv}

France has already been discussed; however, we might add that its inclusion in AUKUS would have been completely unrealistic even without opposition related to the submarine contract. France has long declared a sort of "middle path" policy of maximizing trade opportunities with China and, consequently, refusing to confront it. In the face of global confrontation, such a policy is by no means unprecedented: during the Cold War, a number of European countries cooperated economically with the Soviet Union. It was during the Cold War that Germany became the main buyer of Soviet natural gas which laid the foundation for the current strategic cooperation with Russia.

AUKUS also does not include two of the four members of the Quad created in early 2021 - Japan and India. The Quad is also seen as an alliance counterbalancing China and aims to ensure freedom of navigation in the Asia-Pacific region, although unlike AUKUS, it is not a strictly defense alliance. Given Japan's political realities, the country is less likely to participate in a NATO-like pure military alliance without significant geopolitical shifts. India is not ready for this either, despite the fact that it also perceives China as a growing strategic threat. India still pursues a multi-vector foreign policy and works closely with such countries (e.g., Iran), something which also makes it a not entirely trustworthy partner for the US as well.

All of the above does not mean that there is no possibility of creating the Asia-Pacific "NATO" in the future. If the current trends hold, countries without a definite or a "middle way" position will have to make a choice. As the Soviet Union's aggressive actions in the second half of the 1940s made it certain that the Western European countries would seek protection under the US-led security system, China's future behavior would also largely impact the strategic choices of the regional countries. Indeed, the United States, which takes the situation very seriously, may also push currently hesitant countries to make a choice.

Thus, AUKUS is definitely not NATO but the formation of a NATO-like organization in the Asia-Pacific region is quite possible.

Conclusion

The West has made a mistake twice since the end of the Cold War. The initial one was when it did not follow through and help those who sought to escape the Russian sphere of control after the collapse of the Soviet Union. As a result, the main benefit that came out of the end the Cold War - the real independence and democratic development of European nations - has not been fully dispersed throughout the shared neighborhood of Europe and Russia. At the time, this apparently was done to facilitate the ongoing democratization process in Russia and establish a Western ally in the form of a new Russia which soon was proved to be an illusion. At that point in time, the Western leaders chose the illusion over common sense. As far back as 1994, Henry Kissinger wrote: "But Russian reforms will be impeded, not helped, by turning a blind eye to the reappearance of Russia's historic imperial pretensions. The independence of the new republics, recognized after all by the United Nations, must not be tacitly downgraded by acquiescence in Russian military moves on their soil."³

The second mistake was made when Russian actions materialized as hybrid warfare and were either ignored or left without opposition. Moreover, even today not everyone in the West can agree on whether or not Russia is an adversary, despite the fact that the Kremlin has already a new anti-Western state ideology and is actively pursuing policies aimed at undermining the resilience of democratic states and particularly that of their alliances. Russia now openly challenges the rules-based international order, including the principle of the inviolability of international borders.

While for some time ignoring Russia's aggressive actions were justified (albeit erroneously) by the premise that its weakness would not allow it to seriously challenge the West,⁴ this similar argument would now no longer cross anyone's mind in relation to China.

In the case of China, the first signs of a containment policy indicate that the United States is now, albeit belatedly, taking the shifts in the balance of power seriously and is aiming to prevent China from using its growing power to facilitate irreversible geopolitical changes. Today, we see two closest allies - the United Kingdom and Australia - at the side of the United States but the number of potential candidates for an anti-China alliance with the United States is much larger in the region (and, for that matter, in the world). Aside from the traditional countries which have had special relations with the United States since the Cold War, the list of potential allies includes countries that feel threatened by China's growing power. First of all, these are the countries of the South China Sea region against which China is more actively using coercive means in numerous territorial disputes.

It has already been mentioned that not everyone perceives the steadily growing Asian giant as a threat to their own interests. Moreover, not everyone is willing to undermine their economic ties with China for the sake of their cooperation with the United States. Nonetheless, in the event of an escalation of the confrontation between China and the US, it is likely that many of those countries will have to choose a side. Most importantly, this choice will be largely influenced by China's own behavior; in particular, the extent to which it threatens countries of the Asia-Pacific region.

³ Henry Kissinger, *Diplomacy*, Simon & Shuster, NY, 1994, p. 818.

⁴ When Edward Lucas's book, *The New Cold War*, was published in 2007, the author was accused of being prone to sensationalism: some rejected Russia's hostile stance, others its military and economic ability to wage a new Cold War. In 2008, the world witnessed the Russian aggression dictated by the logic of the Cold War in Georgia, in 2013, the Chief of the Russian General Staff himself declared the principles of a hybrid war against the West.

ⁱ Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on September 22, 2021
2021/09/22) https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1908814.shtml

ⁱⁱ Reuters: "Australian Documents Showed French Submarine Project was at Risk for Years"
<https://www.reuters.com/world/asia-pacific/australian-documents-showed-french-submarine-project-was-risk-years-2021-09-21/>

ⁱⁱⁱ Data from the Australian Ministry of Foreign Affairs and Trade, China country brief
Bilateral relations: <https://www.dfat.gov.au/geo/china/china-country-brief>

^{iv} BBC News, "Five Eyes: Is the Alliance in Trouble over China?" <https://www.bbc.com/news/world-56970640>