

The AUKUS Partnership: A Wake-up Call for Europe

by Gabriele Abbondanza

Now that some dust has settled over the surprise announcement of AUKUS on 16 September, it is possible to analyse the implications of this partnership not just for its members, but for Europe as well.

Firstly, despite numerous incorrect headlines, AUKUS is not a formal alliance: it is an enhanced strategic partnership between Australia, the UK and the US. The most widely-discussed result of this partnership (though not the only one¹) is that Australia is set to acquire at least eight nuclear-powered submarines, developed from the US Virginia Class, the UK Astute Class or a hybrid design.²

¹ Guy Boekenstein, "AUKUS and Beyond – Managing the Messaging with our Indo-Pacific Partners", in *Asia Society Analysis*, 16 September 2021, <https://asiasociety.org/node/30806>.

² Malcolm Davies, "AUKUS Should Prompt a Shake-Up of Australia's Strategic Mindset", in *The Strategist*, 23 September 2021, <https://www.aspistrategist.org.au/aucus-should-prompt-a-shake-up-of-australias-strategic-mindset>.

Understandably, the announcement received mixed reactions. On the one hand, key Indo-Pacific allies and partners of the signatory parties openly welcomed it, with a view to cement regional balancing against China. They moreover hope to intertwine AUKUS with other multilateral forums such as the Quad (the US, Japan, Australia and India) and the Quad Plus, Five Eyes (the US, Canada, the UK, Australia and New Zealand), ANZUS (the US, Australia and New Zealand) as well as a series of bilateral alliances revolving around Washington (the so-called "Hub and Spokes" system).³

On the other, a number of significant actors displayed wariness, resentment or outright irritation (apart from China's predictable anger) about the announcement. The former comes mainly from ASEAN countries, who feel

³ Gabriele Abbondanza, "L'Australia e le implicazioni internazionali del partenariato Aucus", in *AffarInternazionali*, 27 September 2021, <https://www.affarinternazionali.it/?p=89437>.

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they are increasingly side-lined in their own region.⁴ France is resentful due to Australia's decision to scrap its previous contract with Paris, which sought to provide Canberra with 12 conventional (diesel-electric) submarines at a cost of over 55 billion euro. The decision was allegedly kept secret until the very last minute and a diplomatic row ensued between French President Emmanuel Macron and Australian Prime Minister Scott Morrison, as well as with US President Joe Biden (France recalled its ambassadors from both countries).⁵

Finally, the EU kept neutral tones throughout, but could not hide its irritation and paused its free trade talks with Australia until 2022.⁶ The announcement of AUKUS came on the very same day in which the EU had scheduled to unveil its Indo-Pacific strategy,⁷ which ended up being overshadowed by the new partnership instead. In other words, this incident was only the latest in a series of developments that have caused consternation in transatlantic relations, following the US's unilateral withdrawal

⁴ Susannah Patton, "Australia Must Take Southeast Asian Reactions to AUKUS Seriously", in *The Strategist*, 22 September 2021, <https://www.aspistrategist.org.au/australia-must-take-southeast-asian-reactions-to-aukus-seriously>.

⁵ "Australian PM Says He Won't Take 'Sledging' from France over Submarine Deal", in *Euronews*, 3 November 2021, <https://www.euronews.com/2021/11/02/australian-pm-says-he-won-take-sledging-from-france-over-submarine-deal>.

⁶ Colin Packham, "Australia Says EU Has Postponed Free Trade Talks for Second Time", in *Reuters*, 22 October 2021, <https://www.reuters.com/world/europe/australia-says-eu-postpones-trade-talks-second-time-2021-10-22>.

⁷ European Union External Action (EEAS), *EU Strategy for Cooperation in the Indo-Pacific*, September 2021, <https://europa.eu/!HN43qM>.

from Afghanistan and the many hopes that Biden would reset EU–US relations after the tensions witnessed during Trump's tenure.

Ultimately, this tighter security cooperation within the Anglosphere should prompt Europe and its member states to raise the bar of their somewhat indecisive Indo-Pacific policy, otherwise it risks being relegated to a secondary actor navigating between more assertive Chinese and US counterparts, despite its comparable global capabilities and interests.

Europe and the Indo-Pacific

This dilemma is directly linked to broader debates on the risks and benefits stemming from a stronger European engagement in the Indo-Pacific. Those who want the EU to focus on issues closer to home point to a number of reasons that would justify a narrower focus on Europe's direct neighbourhood.

First, a point has to be made on EU foreign policy. Even a benign assessment cannot hide the many unresolved challenges that Brussels and EU member states are facing, both internally (uncertainty surrounding the end of the "Merkel era"; legal challenges between Brussels and a number of member states; efforts to reform the unanimity rule in foreign and security policy decision making) and externally (instability in the MENA region, Afghanistan, irregular migration, Turkey's unpredictability, Russian interferences and the rise of China, among many).

The Union's unflattering record in this respect – further exacerbated by recent tensions with Washington over burden-sharing within NATO, elusive strategic autonomy and the Covid-19 pandemic – may well be a silent warning against new commitments that could potentially result in strategic overstretch.⁸

Second, and directly linked to the above point, there are doubts concerning what the EU can actually do amidst superpower competition on the other side of the world.⁹ Such doubts do not concern the material capabilities to play a role in the Indo-Pacific: after all, once combined, EU countries have top-tier armed forces and the 2nd largest economy globally. Rather, what is being questioned is Europe's capacity to devise an effective China policy that is neither too accommodating for trade interests nor too aggressive vis-à-vis Beijing and its political will to pursue and sustain such a determined policy for years, if not decades to come.

While such uncertainty lingers, the other side of the debate has advanced a number of counter-arguments. To begin with, geographical distances matter much less than in the past due to globalisation and technological advancements. Therefore, the argument that the Indo-Pacific is far away from Europe does not hold much value in the 21st century.

⁸ Rory Medcalf, *Contest for the Indo-Pacific. Why China Won't Map the Future*, Melbourne, La Trobe University Press, 2020, p. 169-170.

⁹ Michael Cox, "Europe – Still between the Superpowers", in *Global Policy*, Vol. 8, No. S4 (June 2017), p. 9-17, <https://doi.org/10.1111/1758-5899.12427>.

Moreover, interdependence is an undeniable driver of international relations, and states and organisations like the EU who wish to remain influential ought to maintain (or improve) their active role in global affairs, even in challenging circumstances.¹⁰ This applies equally well to groups of countries who share similar values and adopt common policies to uphold the rules-based international system. Strategic isolation – or Europe's "holiday from history", as Medcalf put it¹¹ – may have been a viable option in the 20th century, but is largely self-defeating in today's interdependent and chaotically multipolar world.

What lies ahead?

All of this brings us to more practical questions: what options does Europe have? Arguably, there are three main paths the EU and key member states could follow, as well as some combinations between them.

A first pathway is to narrow down and better define the EU's strategic sphere of interest. This would mean renouncing global aspirations in hard-power terms, with significant implications for the future. Yet, it would also give more impetus to its challenging regional agenda and, in time, could result in more focused policies and potentially a more impactful foreign policy, if steadily pursued.

¹⁰ Nathalie Tocci, *European Strategic Autonomy: What It Is, Why We Need It, How to Achieve It*, Rome, IAI, February 2021, <https://www.iai.it/en/node/12819>.

¹¹ Rory Medcalf, *Contest for the Indo-Pacific*, cit., p. 169.

The second option is to approach the Indo-Pacific with means that are complementary to those of the Anglosphere and its regional allies and partners. This would entail resorting predominantly to economic governance and trade in developing the statecraft of the EU as a supranational entity and its largest trading countries (in ascending order: Germany, the Netherlands, Italy, France, Belgium and Spain).¹² To wit, Europe could draw on its growing trade flows with the Indo-Pacific region to foster closer diplomatic ties and, in time, exploit them for political goals and a normative agenda.

A third possibility is that of supporting Europe's key allies and partners in the Indo-Pacific without risking strategic overstretch or excessive deterioration of relations with Beijing. This slightly-firmer policy would not openly balance against China, but would nevertheless seek to uphold international norms where these are being challenged.

By way of example, engaging in freedom of overflight and freedom of navigation operations (FONOPs) in the South China Sea would not necessarily support a more aggressive balancing act as implemented by AUKUS and Quad countries, but would signal that Europe wishes to actively support the rules-based order it often refers to.

Similarly, the establishment of new strategic partnerships between like-minded European and Indo-Pacific

¹² Eurostat, "Euro Area International Trade in Goods Surplus €7.3 bn", in *Euroindicators*, 15 November 2021, <https://ec.europa.eu/eurostat/web/products-euro-indicators/-/6-15112021-ap>.

states – generally cementing regional and global strategies, strengthening trade, scientific cooperation and defence procurement – would reinforce multilateralism without inevitably exacerbating regional tensions, as other types of policies devised by Washington tend to do.¹³

To that end, those European states that have not yet developed a clear Indo-Pacific strategy (such as Italy and Spain), and those who have only recently produced one (Germany and the Netherlands)¹⁴ could be easily adapted to accommodate what are symbolic gestures if taken separately (such as one-time FONOPs), but significant indications of a broad foreign policy alignment if implemented jointly.

Additionally, Europe could pursue hybrid policies by combining the second and third option discussed above. In essence, while avoiding unnecessarily-confrontational stances against China, it is entirely feasible – if not desirable – for the EU and its largest members to advance new forms of economic statecraft with the Indo-Pacific, including Beijing, while exercising freedom of overflight and navigation rights in conjunction with partners in the region.

This approach would bridge a growing foreign policy gap between

¹³ By way of example, see Gabriele Abbondanza, "Italy and Australia: Time for a Strategic Partnership", in *IAI Commentaries*, No. 20|87 (December 2020), <https://www.iai.it/en/node/12470>.

¹⁴ Lisa Louis, "The Outlines of a European Policy on the Indo-Pacific", in *The Interpreter*, 26 November 2020, <https://www.lowyinstitute.org/node/369316>.

the Anglosphere and continental Europe, advance European interests in an interdependent world in which the status quo is being increasingly challenged, and not compromise the regional security landscape or excessively deteriorate European-Chinese relations.

It is understood that many of the doubts mentioned previously still linger. Moreover, the EU and member states have taken a number of steps recently to strengthen their China policy, albeit with mixed results. These policies include the recent EU Indo-Pacific Strategy, light sanctions over human rights abuses in the Xinjiang Uygur Autonomous Region, the freezing of the ratification of the Comprehensive Agreement on Investment (CAI) and official delegations of MEPs visiting Taiwan. Yet, from the perspective of Indo-Pacific countries, Europe appears divided and ineffective on the issue of how to address China's rise. More pragmatic policies jointly developed with other Asian democracies are therefore called for.¹⁵

Ultimately, however, if Europe is to remain relevant in 21st century it needs to find a route that sits in-between US interventionism and disinterested *laissez-faire* approaches. Paraphrasing Trotsky "You may not be interested in the Indo-Pacific, but the Indo-Pacific is interested in you".

¹⁵ Mohan Malik, "China and India: Nautical Games in the Indian Ocean", in Ash Rossiter and Brendon J. Cannon (eds), *Conflict and Cooperation in the Indo-Pacific. New Geopolitical Realities*, London/New York, Routledge, 2020, p. 133-155.

To that end, European countries with large navies such as Italy and Spain¹⁶ could join Germany, who despite smaller capabilities has recently deployed a frigate in the South China Sea to complete a FONOP.¹⁷ Such states – as well as others – could act jointly with key European and Indo-Pacific allies and partners with a more definite regional strategy, and cooperate where shared interests lie.

A combination of economic statecraft and ad-hoc military presence in the region – specifically to preserve the international rules-based system while exercising freedom of overflight and navigation – would restore Europe's presence in the world's most contested region with a distinct normative and trade agenda, thus at least partially differing from (and complementing, as opposed to mimicking) the explicit containment goals of the US and its key regional allies.

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¹⁶ Italy ranks 9th globally by warship tonnage and has two light aircraft carriers, Spain ranks 12th and operates an amphibious assault ship capable of launching and recovering jet-powered combat aircraft, Germany's navy ranks 18th but has no such expeditionary capabilities. See Fandom, *List of Countries with Warships*, https://military-history.fandom.com/wiki/List_of_countries_with_warships; International Institute for Strategic Studies, *The Military Balance 2021*, London, Routledge, 2021, p. 117, 145, 107.

¹⁷ German Ministry of Defence website: *Indo-Pacific Deployment 2021*, <https://www.bundeswehr.de/en/organization/navy/news/indo-pacific-deployment-2021>.

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