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WHY THE UK WAS THE BIG WINNER OF AUKUS

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The diplomatic and media spat has only now begun to die down since the announcement on Sept. 15 of the AUKUS security partnership between Australia, the United Kingdom, and the United States. While the agreement has been presented as allowing Australia access to sensitive US technology to acquire eight nuclear-powered hunter-killer submarines, the agreement also involves cooperation in other sensitive areas. AUKUS meant the concomitant cancellation of Australia's contract with the French Naval Group to build 12 conventionally-powered submarines.

For the United States, the strategic benefits of AUKUS are symbolically important, but otherwise modest. Upon celebrating the 70th anniversary of the ANZUS alliance with Australia and New Zealand, the United States extolled Australia as its historic partner, the only country that has been involved in every war—from the justified to the ill-considered—that Washington has fought since 1917.

Today, Australia is completely on the US side in its rivalry with China. Having a fellow member of the Five Eyes intelligence-sharing arrangement (dating from World War II) and, more recently, a member of the Quad as an even closer ally in the Indo-Pacific is a plus for Washington. More concretely, having an Australian submarine force of some eight vessels as an auxiliary fleet to the US Navy in the South China Sea makes good, if marginal, strategic sense for the Pentagon.

However, whether the perceived loss of autonomy and sovereignty is in Australia's own interest is a cause of some debate Down Under. While supporting, in principle, the acquisition of nuclear-powered submarines under AUKUS, the opposition Labor Party has criticized the government for the 10-year gap in submarine capacity that will result from waiting till 2040 for the first of the yet-to-be-designed vessels to arrive.

It is also unlikely that the submarines will be built in the United States for two reasons. On the one hand, as things stand today, the specialized US shipyards already have their order books full over the next decades producing vessels in much larger numbers—and in absolute priority—for the US Navy. On the other, Australian requirements would seem to be for a smaller hunter-killer submarine than those produced for the US Navy, and rather for something akin to the Royal Navy's existing Astute-class submarine.

US manufacturers such as Lockheed Martin were already set to provide the weapons systems for the 12 Australian submarines commissioned under the aborted project with the French; they will now do so for the eight vessels planned under AUKUS. US companies will, however, more fully benefit from other aspects of AUKUS with the development and manufacture of high-technology weaponry. Still, these cooperative arrangements were already underway prior AUKUS. For example, the emblematically named Loyal Wingman unmanned aerial vehicle developed by a subsidiary of Boeing in Australia had its first flight in February of this year.

So, if in economic terms the United States is not the major beneficiary of AUKUS, this leaves the United Kingdom. Somewhat surprisingly the role and, above all, the economic interests of the United Kingdom in the pact have been left unexamined. Britain has not suffered from any of the diplomatic blowback that has occurred since Sept. 15. For example, while Paris recalled its ambassadors from Canberra and Washington, its ambassador in London remained in place. At the time this was interpreted as a subtle way of pooh-poohing the importance of the United

Kingdom. Perhaps, also, given the parlous state of relations across the Channel as the unfortunate but predictable consequences of Brexit are worked through, it may have seemed unhelpful to add another area of contention.

Most commentators have essentially highlighted the symbolic value of AUKUS for London. At worst, this means reviving a kind of Anglosphere with echoes of Churchill and Roosevelt or even shades of a return of the British Empire in the Indo-Pacific. At best, it involves giving some substance to the post-Brexit trope of a Global Britain, returning as a major security actor in the region almost 60 years after the withdrawal from "east of Suez." From this perspective, the timing is not inconsequential. The AUKUS announcement was made the day before the presentation by the president of the European Commission, Ursula Von der Leyen, to the European Parliament of a Franco-German-inspired major policy paper on the EU Strategy for the Indo-Pacific.

The timing of the announcement may have been prompted by London to eclipse any European foreign policy grandstanding. If so, it was quite effective: the EU Strategy went largely unreported. However, for Canberra it seems not to have been clever to offend a key European country while in negotiations for an EU-Australia free trade agreement.

Beyond the symbolism, and the post-Brexit one-upmanship, the importance of AUKUS for Britain lies elsewhere. A recent post from International Institute for Strategic Studies in London traces the genesis of AUKUS to a request made by the chief of the Royal Australian Navy to his British counterpart. This request is understandable: Historically the Australian submarine fleet has been dependent on expertise from the Royal Navy and several senior officers are from Britain. But other than questions of comradeship, for very rational reasons, the British seemed to have jumped on this opportunity. At a practical strategic level, AUKUS will enable Britain to have more permanent basing rights for its own nuclear-powered submarines in Australia. This would enable a more sustained naval presence in the Indo-Pacific rather than the fleeting deployment, as at the moment, of a naval group around the Royal Navy's flagship, HMS Queen Elizabeth.

Nevertheless, the most important benefit of AUKUS for Britain is for what former US President Dwight Eisenhower famously described as the military-industrial complex. A mere two days after AUKUS was announced, the British government awarded two contracts to BAE Systems and Rolls-Royce for initial design work on a new generation of nuclear-powered hunter-killer submarines for the Royal Navy. It makes a great deal of industrial sense to share design costs with a reliable partner-client, i.e., Australia, especially as BAE Systems already has a significant presence there.

Given the issues of technical specifications and industrial capacity mentioned above it would appear that, by default at least, most of the production will occur in the United Kingdom. This would involve a lower level of local production in Adelaide compared to that under the contract with the French. Moreover, the yet-to-be designed class of submarines for Australia would enter service in the 2040s, the same timeframe as that mooted for the British subs. This is a decade after both the next generation of US nuclear-powered hunter-killer submarines, as well as the initially planned entry into service of the conventionally powered submarines envisaged in Australia's contract with the French. Thus, a major motivation for Britain is in the industrial logic of economies of scale. Such economies would benefit most of all the United Kingdom.

Beyond this understandable industrial logic, there are also electoral concerns that underpin the AUKUS announcement. In his short declaration on Sept. 15 with the US president and his Australian counterpart, British Prime Minister Boris Johnson insisted on the jobs that would be created in his country. He somewhat heavy-handedly insisted these industrial jobs would be created in those poorer, pro-Brexit constituencies in northern England that swung to the conservatives in the 2019 elections, but which cannot be considered as permanent Tory territory.

As European middle powers and important arms manufacturers, France and Britain share a similar approach. While appealing to historic ties, such sales

of weaponry are designed to tie the buyer into a degree of international partnership. The difference, however, is that France, unlike Britain, is a resident middle-power in the Indo-Pacific. The French territory of New Caledonia is Australia's closest eastern neighbor, so in that sense France's now much-damaged partnership with Australia also has a domestic dimension.

It is therefore not surprising that the loss of the submarine contract has engendered not merely recriminations, but a concerted reevaluation in the last two months of French—and even European—strategy in the Indo-Pacific, and the place of Australia within that framework. It remains to be seen whether Canberra's decision to throw in its lot with the United States, to the detriment of damaging relations with other partners, is in the county's national interest.

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