



AUKUS' OPPORTUNITIES AND RISKS FOR INDIA

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While China's economic rise had been a reality for over a decade, its belligerence and assertive behavior has become prominent only in recent years. For India, China's aggressive tendencies, evident since 2017, came into sharper focus with the border clashes in Galwan valley in June 2020. In India's view, China planned serial incursions into disputed territory, taking advantage of New Delhi's (and the rest of the world's) preoccupation with the pandemic and its socio-economic fallout.

The bloody clashes in the Himalayas brought India face to face with China's new reality. The hope that carefully curated high-level political engagements, steadily growing economic trade, or even boundary agreements that maintained peace at the disputed borders since the 1990s could sustain a cooperative bilateral relationship quickly evaporated. A heightened threat perception of China today influences India's security strategy.

It is not surprising, therefore, that AUKUS, the trilateral security arrangement between Australia, the United Kingdom, and the United States is perceived through this prism. While the three allies have not mentioned China explicitly in the context of the new pact, concerns about China clearly motivated their taking of their relationship to a new level. AUKUS envisages sharing of information and knowhow in technologies like artificial intelligence, long-range strike capabilities, and transfer of technology to Australia to build and operate eight nuclear-powered

submarines (SSNs). Transfer of SSN technologies is typically avoided, even among allies, due to its proliferation risks. Even the [Russia-India deal](#) in this regard was for lease of an SSN, not transfer of its technology. AUKUS, therefore, is unique.

At first, the Indian government offered no comment on AUKUS when it was announced in September 2021. It was not until a week later, before the visit of the Indian prime minister to the United States for the first in-person summit meeting of the Quadrilateral Security Dialogue ("Quad"), that Foreign Secretary Harsh Vardhan Shringla [mentioned it at a press conference](#). When asked if it would cast a shadow over the Quad summit, Shringla said, "From our perspective, [AUKUS] has neither relevance to Quad, nor will it have any impact on its functioning." In truth, the implications of AUKUS have both positive and negative dimensions for India.

Positives

From an Indian perspective, there are two positives. First, AUKUS targets China's expansionist tendencies and aggressive behaviour. Anything that distracts China and complicates its security offers the potential to ease pressure on India. By equipping a Quad member with nuclear-powered submarines that have the advantages of greater stealth, endurance, and carrying capacity, AUKUS will strengthen overall military power projection in the Indo-Pacific. Therefore, in India's view, AUKUS will not diminish the role of the Quad; it will enhance deterrence.

Second is the precedent it sets on the transfer of naval nuclear propulsion technology. The Indian Navy is interested in designing and building modern SSNs. Upon a recommendation by the Indian Navy, a decision to this effect was made by the cabinet committee of security in March 2021, which amended the 30-year submarine-building plan to replace the construction of conventional attack vessels with SSNs. A foreign original equipment manufacturer for this project is yet to be identified. India's traditional partner for SSN lease has been Russia. A third deal to lease another *Akula* class SSN from 2025 onwards was [signed in 2019](#). US [sanctions](#) could complicate future Russia-India cooperation in this area, however.

France could be a natural alternative. Paris is furious at being cut out of the submarine deal with Australia and may not be averse to sharing nuclear submarine technology with India. The Indian Navy [is already working with](#) the French DCNS (Naval Group) for its P-75 Scorpene class of submarines, the last of which is being completed. A new deal with the French for SSNs would then build upon the existing partnership. Interestingly enough, the same French company is also constructing SSNs for Paris.

While help on naval nuclear propulsion could supplement India's indigenous efforts substantively, it is unclear whether any bilateral arrangement between France and India will emerge. Given the tradition of long-winding debates in the two democracies and the long-time need to reach decision points on military procurements in India, there is no certainty that India and France will use the precedent set by AUKUS.

Negatives

One negative aspect of AUKUS for India would be the use of this precedent by others, especially adversaries. The United States has described the tripartite deal as a "[one-off special arrangement](#)" for an ally with a good non-proliferation record (and implicitly directed against a common adversary). But that the common adversary, China, could make similar exceptions.

Beijing, which has strongly criticised AUKUS, may attempt to get back at the United States by making a similar offer to Pakistan. Given China's desire for parity with the United States as a global rule-maker, Beijing could use AUKUS as an opportunity to establish its own credentials as a great power. The defense relationship between the "iron brothers" China and Pakistan goes as far back as the 1980s; ties have only grown stronger since. Pakistan would be thrilled to equip its naval Strategic Forces Command with SSNs. As a matter of fact, Pakistan's National Institute of Maritime Affairs, a think tank conducting research on maritime issues, has already suggested that Islamabad should take advantage of AUKUS and [use it as a pretext](#) to build nuclear submarines with the help of its allies.

North Korea and Iran could also be potential Chinese customers. The irony would be that while AUKUS countries iron out the procedures of technology transfer, including safeguards arrangements with the International Atomic Energy Agency, China would settle for less cumbersome transfer agreements, even if its clients have poor nonproliferation records. Proliferation dangers, therefore, could increase in India's neighborhood.

The second negative dimension of AUKUS, from India's perspective, relates to its timeframe. The three countries will likely work out the details of the arrangement over the next 18 months. It will then take up to a decade or more for the first vessels to become operational, even though the threat from China is here and now. Therefore, there will be no real instantaneous dividends for India, except for some distractions and disturbances that the announcement of the deal has already caused China. Of course, China will likely respond by strengthening its own naval capabilities and presence in the region, in addition to using the precedent to its own advantage.

AUKUS has been crafted, primarily by Washington, to address its looming security concern vis-à-vis China. The intent is to strengthen the deterrent capability of allies. But the arrangement may open the possibility of new security dilemmas in the long term, including for India. New Delhi, however, should not hope for immediate help in addressing its China threat. It must continue to build its capability to keep both its flanks covered, in the Himalayas and at sea.

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