

European issues  
n°608  
28th September 2021

# The AUKUS agreement, what repercussions for the European Union?

Elie PEROT

On 15 September, Australia, the United Kingdom and the United States announced the formation of a partnership called "[AUKUS](#)", with the aim, among other things, of providing the Australian Navy with nuclear-powered submarines over the next few decades. This trilateral agreement, presented by US President Joe Biden as responding to "*the imperative of ensuring peace and stability in the Indo-Pacific over the long term*", serves the unstated but obvious purpose of counterbalancing an increasingly powerful, and sometimes aggressive, China in its neighbourhood and on the international scene.

As such, the AUKUS agreement is not in itself fundamentally opposed to the objectives and interests of the European Union and, in particular, of France - the Member State that had been until now most strongly engaged in the Indo-Pacific in response to the Chinese challenge. Yet the announcement of the trilateral partnership between Canberra, Washington and London led to a particularly severe crisis with Paris, with France losing a major deal it had had with Australia since 2016 for the supply of 12 conventionally powered (diesel-electric) submarines. With the [telephone exchange](#) between Presidents Joe Biden and Emmanuel Macron on 22 September, during which it was acknowledged that "*the situation would have benefitted from open consultations among allies on matters of strategic interest to France and our European partners*", it is possible that the worst of this diplomatic crisis is now over. The question now is whether this sequence, which at first sight was played out at the bilateral level between France and the three AUKUS states, could have wider and longer-term repercussions at the EU level.

With this in mind, this paper first proposes to understand the new AUKUS agreement in its proper perspective, since above all it signifies a reinforcement of military industrial

cooperation between Australia, the United Kingdom and the United States rather than a true diplomatic revolution with regard to China. The paper then looks at the French response to this new partnership, emphasising that it was first and foremost the secrecy surrounding the formation of AUKUS, and not so much the resulting breach of the Franco-Australian submarine contract, that led to such high levels of diplomatic tension. Finally, this paper seeks to assess the extent to which France succeeded in bringing this crisis to the European level, with what consequences, but also what limitations.

## 1) FACING CHINA: A STRENGTHENING OF MILITARY INDUSTRIAL COOPERATION BETWEEN AUSTRALIA, THE UNITED KINGDOM AND THE UNITED STATES RATHER THAN A DIPLOMATIC REVOLUTION

First of all, let us recall an essential point: despite the widespread media coverage of the creation of AUKUS since its announcement, little is actually known about the concrete consequences of this new trilateral partnership. Judging from the [joint statement](#) by Prime Ministers Scott Morrison and Boris Johnson and President Joe Biden, we know that their respective countries have agreed to consult over the next 18 months to determine the "*optimal pathway*" for providing a fleet of nuclear-powered (but conventionally armed) submarines to Australia over the next few decades. The communiqué also stresses that the collaboration between Canberra, London and Washington could also cover, among other things, "*cyber capabilities, artificial intelligence, quantum technologies and additional undersea capabilities*", without giving much more detail on this point. These are certainly ambitious political commitments, potentially linking Australia, the United Kingdom and the United States in key technological areas for several generations,

but they are still relatively vague at this stage. It is worth noting that in parallel to these announcements, the Australian government has also announced its decision – this one far more concrete – to purchase or develop a range of missiles from the United States, such as Tomahawk cruise missiles to equip its Hobart-class destroyers. In this regard, [Canberra](#) has indicated that the acquisition of such military capabilities will allow it to manage the transition to the acquisition of future nuclear-powered submarines, and that this issue should therefore be central to future consultations within AUKUS. Finally, the United States and Australia have announced that they will increase their joint military exercises and that Washington may be given greater access to Australian infrastructure to facilitate its military operations in the region.

If it comes to fruition, the AUKUS agreement will, in sum, lead to industrial cooperation, particularly in the military field, which is of course far from negligible. Strategically, nuclear-powered attack submarines would represent a critical capability to deter or even defend against China in a high-intensity naval conflict in the Indo-Pacific. However, the joint development of such vessels would raise considerable financial, technological, human and timing issues (the first nuclear-powered submarines would only be available by 2040, unless leased from the US or UK navies in the meantime), as well as non-proliferation issues – and it is unclear how Australia and its partners intend to address these issues[1]. It is also clear that industrial cooperation on this scale is not unimportant from a geopolitical point of view. On the one hand, AUKUS provides a core group of partners on which the United States can rely in its growing rivalry with China in the Indo-Pacific[2]. This agreement, on the other hand, would inevitably make Australia even more dependent on Washington (and London to a lesser extent) in the decades to come, thus reducing its room for manoeuvre on the international stage.

On this last point, however, one must be fairly understanding of the Australian choice. Indeed, if Australia is accepting through AUKUS a reduction of its strategic autonomy – an autonomy that was offered to it, in contrast, by the partnership with the French arms industry – it is because it considers in all probability that

the threat posed by China is much greater than it was before. This reassessment of the threat follows a series of diplomatic confrontations between Canberra and Beijing over the past few years, such as the Chinese economic retaliation imposed on Australia after its call for an international investigation into the origins of the Covid-19 pandemic. This growing tension seems to have led Australia to downgrade the value it places on preserving its autonomy over the need to ensure its security – a goal Canberra believes it can better achieve by forging even closer industrial and technological relationships with the US and UK. Thus, industrial and technological defence integration with America promised by AUKUS is a conscious choice for Australia, even though such dependence could set a number of political constraints in the long run.

That being said, one should not misunderstand the scope of the AUKUS project either: it does not perform, in the face of China, one of those diplomatic revolutions or reversals of alliances that were customary in the system of European States until the middle of the 20th century, and this for two reasons.

First, AUKUS is not, strictly speaking, a new '*alliance*'. While this term has been used by many journalists and commentators to describe the agreement, it is mainly a linguistic convenience: AUKUS does not involve a collective defence commitment as may be the case, for example, under Article 5 of NATO. In this regard, Theresa May's question to Boris Johnson in the House of Commons about the possible implications of AUKUS in the event of an invasion of Taiwan is both relevant and off-topic[3]. While it is indeed far from pointless to ask how the UK – or any other European country – should react in such a scenario[4, the AUKUS agreement is not intended, at least not as such, to respond directly to this type of challenge (apart from the fact that Taiwan is obviously not a party to AUKUS).

Secondly, this partnership between Australia, the United Kingdom and the United States does not fundamentally alter the current geopolitical configurations. First, it should be recalled that the United States and Australia are already formally bound by a collective defence clause in a tripartite agreement with New Zealand (ANZUS),

[1] See for example Ewen Levick, "No end to questions as Australia chooses nuclear submarines", 17 September 2021. Regarding questions of non-proliferation, see: Sébastien Philippe, "The new Australia, UK, and US nuclear submarine announcement: a terrible decision for the nonproliferation regime"; Bulletin of Atomic Scientists, 17 September 2021; James Acton, "Why the AUKUS Submarine Deal Is Bad for Nonproliferation—And What to Do About It"; Carnegie Endowment for International Peace, 21 September 2021.

[2] Céline Pajon, "AUKUS, the Indo-Pacific, and France's Role: Fluctuat nec Mergitur"; Russian International Affairs Council, 22 September 2021.

[3] Dan Sabbagh, "Theresa May questions whether Aukus pact could lead to war over Taiwan", The Guardian, 16 September 2021

[4] On this issue see: Antoine Bondaz, Bruno Tertrais, "Europe Can Play a Role in a Conflict Over Taiwan. Will It?" World Politics Review, 23 March 2021.

while Washington and London are obviously allies within NATO[5]. Furthermore, beyond formal alliances, AUKUS members already work closely together under a number of security and defence agreements, the best known of which is undoubtedly the so-called 'Five Eyes' agreement (which also includes Canada and New Zealand) concerning cooperation in signals intelligence. Finally, on a broader level, Canberra, London and Washington share a number of features – a tradition of being 'maritime democracies' as stated in the AUKUS joint communiqué, the English language, the memory of the sacrifices and efforts made side by side during the two world wars and the Cold War, etc. These common political, cultural and historical references facilitate a convergence of views between these countries on the international scene as well as their mutual trust.

Consequently, the AUKUS agreement mainly represents a project to deepen existing geopolitical lines through enhanced defence industrial cooperation between countries that are already very close. Yet, while it was well understood by Australia, the United Kingdom and the United States that this partnership would only really have an impact in the long term, the leaders of these countries probably had no idea of the severe crisis that the birth of AUKUS would immediately cause with one of their closest allies and partners.

## 2) THE MAIN REASON FOR THE FRENCH ANGER AGAINST THE AUKUS AGREEMENT: THE SECRECY MAINTAINED AND NOT THE BROKEN CONTRACT

It is easy to understand the French disappointment with AUKUS. In a direct way, for France, this pact means the loss of the largest arms export contract in its history - €56 billion in total. Even though French companies would only have received a fraction of this amount, as the production of the Franco-Australian submarines would have been carried out mainly in Australia and using local partners such as Lockheed Martin Australia, and even though Canberra has promised to reimburse the expenses already incurred (several hundred million euros), the economic failure is undoubtedly bitter. Above all, and more globally, this episode is a serious blow to the Indo-Pacific strategy patiently developed by France over the past several years, which has sought to build

partnerships with middle powers around a Paris-New Delhi-Canberra axis, as outlined by President Emmanuel Macron during [his speech in Sydney](#) (Garden Island) in 2018. The main purpose of these partnerships was, and still is, geopolitical, in a region that is now the centre of gravity of the world economy and where military tensions are increasing. The idea guiding the [French strategy](#) was that the military industrial partnerships, in particular the sale of Rafale aircraft to India and submarines to Australia, would anchor State-to-State political cooperation in the long term - or so it was thought until recently in Paris.

Some observers felt that the French fury that immediately followed the AUKUS announcement was exaggerated, or even opportunely staged to gain some advantage in return. The reason is that the reaction of the French authorities was at first essentially one of words and symbols: denunciation of the "backstabbing" by the French Minister of Foreign Affairs, Jean-Yves Le Drian, recall of the ambassadors posted in Washington and Canberra for consultations (while denying London this "honour" so as to indicate its role as a secondary actor), cancellation of a gala dinner that had been planned to celebrate the deep and long-standing friendly relations between the United States and France. It was also pointed out, as reported repeatedly in the Australian press, that the Franco-Australian submarine contract faced significant difficulties in terms of costs and delays[6]. However, as the French Ministry of Defence spokesman explained (so far without any denial from Canberra), Australian officials in charge of the submarine programme were sufficiently satisfied with the progress of the project to give the green light for work to continue - and this in a letter received in Paris on exactly the same day as the AUKUS announcement[7]!

This point goes to the heart of the crisis. It was inevitable that the loss of the Australian submarine contract and the resulting geopolitical setback would cause teeth to grind in Paris. But it is the way in which this whole sequence has unfolded that has led to the crisis between partners and allies. It seems that at no time did the Australian authorities inform their French counterparts of their wish to change the specifications to nuclear propulsion (a type of propulsion used by the *Suffren* class submarines operated by France, which had been changed to conventional propulsion at Australia's own request), nor

[5] Perhaps a lesser-known fact, is that these three countries are also bound (along with France, New Zealand, the Philippines and Thailand) by a collective defence clause under the South-East Asia Treaty - the 'Manila Pact', signed in 1954. This text is still formally in force despite the dissolution of the related organisation during the Cold War.

[6] For an insight see: Zoya Sheftalovich, "Why Australia wanted out of its French submarine deal", *Politico*, 16 September 2021.

of their parallel negotiations with the Americans and the British. The latter apparently did not think it necessary to inform the French leaders directly, for example during the G7 summit in Cornwall in June. Worse still, two weeks before the announcement of AUKUS and thus the break-up of the Franco-Australian partnership, the Australian Defence and Foreign Ministers signed a [joint press release](#) with their French counterparts (2+2) in which they stressed "the importance of the Future Submarine programme". The anger of the French leaders can therefore be explained first and foremost by a feeling of betrayal, leading Jean-Yves Le Drian to speak of "*lies*", "*duplicity*", "*major breach of trust*" and "*contempt*". [He then met his American counterpart](#).

It is quite possible that the effects and impression of secret negotiations behind the back of a European ally such as France were miscalculated, especially on the US side. Indeed, it is highly likely that the small number of people who have been at the helm in Washington regarding AUKUS did not take into account the full implications of such an initiative, focusing narrowly on regional issues and rivalry with China[8]. Intentional or not, the diplomatic damage is nonetheless real and has had wider repercussions since France has sought to enlist the support of the rest of the European Union, i.e. to 'Europeanise' the submarine crisis.

[7] « Crise des sous-marins : quelques heures avant la rupture du contrat, les Australiens envoyaient à Paris un courrier 'satisfait', selon l'armée », *Le Monde*, 21 September 2021.

[8] François Heisbourg, « AUKUS lessons: policy objectives and secrecy », *UK in a Changing Europe*, 22 September 2021.

[9] « Crise des sous-marins : Charles Michel dénonce le "manque de loyauté" des Etats-Unis », *RTBF*, 20 September 2021.

[10] Elian Peltier, « A top European official calls for a 'pause and reset' in the U.S. relationship », *New York Times*, 21 September 2021.

[11] « L'autonomie stratégique : le grand défi de l'UE », *Deutsche Welle*, 22 September 2021 ; « Sous-marins : Berlin juge le comportement de Washington 'irritant' et 'décevant' », *Le Figaro*, 21 September 2021.

### 3) A EUROPEANISED CRISIS?

From the outset, the French authorities sought to place the dispute with Australia, the United Kingdom and the United States within a European framework, with the [first communiqué](#) issued by French diplomacy in response to AUKUS stating that the pact "*only heightens the need to raise loud and clear the issue of European strategic autonomy*". It was all the easier for France to make the link with the European Union from the beginning since the latter found itself publishing its [own strategy for the Indo-Pacific](#) the day after the surprise and unconcerted announcement of the new trilateral partnership between Canberra, London and Washington.

Thus, despite the initial scepticism of some commentators, European support for France has gradually been forthcoming, particularly from the EU institutions. The

President of the European Commission, Ursula von der Leyen, said in an [interview on CNN](#) that the way France had been treated by its partners was "*unacceptable*". Similarly, the President of the European Council, Charles Michel, denounced a "*lack of loyalty*" on the part of the United States, calling for a "*clarification*" to "try to better understand the intentions behind" the AUKUS announcement.[9]

Following [an informal meeting of the 27 foreign ministers](#) on the side-lines of the UN General Assembly, High Representative Josep Borrell expressed Member States' "*disappointment*" at the lack of consultation on AUKUS and their "*solidarity*" with France over the sudden termination of the contract with Australia. Finally, Internal Market Commissioner Thierry Breton regretted that "*there is a growing feeling in Europe [...] that something is broken in our trans-Atlantic relations*", calling for a "*pause*" and a "*reset*" of the relationship between the EU and the US.[10] The responses from European chancelleries were, however, much more discreet. In Germany, meanwhile, the State Secretary for European Affairs, Michael Roth, saw the Australian submarine affair as "*an alarm signal for everyone in the Union*", while the German Foreign Minister, Heiko Maas, said he "*understands the anger of our French friends*", because "*what has been decided - and the way it has been decided - is irritating and disappointing, not just for France*[11]".

The question is obviously, beyond the words, to what extent this apparent solidarity can be translated into action. It is notable in this regard that the postponement of the first meeting of the Trade and Tech Council (TTC) agreed with the US, to be held in Pittsburgh on 29 September, was first [mentioned](#) as a possible response, only [to be dropped](#) a few days later.

It was also noted that France wanted to re-engage and reduce tension first with the United States rather than with Australia and the United Kingdom. The joint communiqué issued after the telephone conversation between Presidents Macron and Biden states that "*the United States reaffirms the strategic importance of French and European engagement in the Indo-Pacific region, including in the framework of the European Union's recently published strategy for the Indo-Pacific*". Moreover, Washington also recognises "*the importance*

*of a stronger and more capable European defense, that contributes positively to transatlantic and global security and is complementary to NATO".* This declaration, if followed up, will certainly not remove all obstacles to an EU defence, but it will at least have the advantage of clearly placing the Member States before their own responsibilities in this respect[12].

In fact, it is more likely that concrete repercussions at the European level will occur mainly with regard to Australia and, to a lesser extent, the UK. Indeed, it cannot be said that at present the anger has really subsided towards Canberra - the main culprit in this affair from the French point of view. It is thus likely that the free trade agreement being negotiated between Australia and the European Union will have difficulties in moving forward[13]. Finally, as far as the United Kingdom is concerned, this episode only adds another layer of mistrust with London, which is likely to make the current discussions on the implementation of the Brexit and, in particular, that of the Northern Ireland Protocol, even more tense.

### Better showcasing European solidarity

The AUKUS agreement does not mean the disengagement of France and the European Union from the Indo-Pacific. Nor does it mean a complete break with Canberra, London or Washington, even if the distrust it has created might have a corrosive effect on the cohesion of

Western democracies. Beyond the diplomatic mess that it represents and which one can only regret, this episode must however lead Europeans to question how their political community and, in particular, the solidarity that it implies, are perceived - or rather misperceived - by the outside world.

Countries outside the Union tend to be surprised, even irritated, by the solidarity that can be shown within it. Thus, when engaged in a dispute with one of the Member States, third countries often criticise attempts to Europeanise a dispute which, in their view, should remain bilateral. This was the case when Europeans stood in solidarity with Ireland in the context of Brexit or Cyprus and Greece against Turkey last year. However, if third countries had a better understanding of European solidarity, they would be more reluctant to attack the interests of individual EU Member States. It is therefore urgent for European leaders to reflect on how to better showcase their solidarity, not only to strengthen the European Union as a political community, but simply because it is in their best national interest.

**Elie Perot**

Researcher at the Vrije Universiteit  
Brussel (VUB)

[12] Max Bergmann, « [The Biden administration needs to act fast to reset relations with France](#) », *War on the Rocks*, 21 September 2021.

[13] Patrick Wintour, « [France tries to delay EU-Australia trade deal amid AUKUS fallout](#) », *The Guardian*, 20 September 2021.

You can read all of our publications on our site :  
[www.robert-schuman.eu](http://www.robert-schuman.eu)

Publishing Director : Pascale JOANNIN

**THE FONDATION ROBERT SCHUMAN**, created in 1991 and acknowledged by State decree in 1992, is the main French research centre on Europe. It develops research on the European Union and its policies and promotes the content of these in France, Europe and abroad. It encourages, enriches and stimulates European debate thanks to its research, publications and the organisation of conferences. The Foundation is presided over by Mr. Jean-Dominique Giuliani.