



AUKUS: Implications and the Ways Forward for Cambodia

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What exactly is AUKUS?

First announced in September 2021, AUKUS is a trilateral security pact between Australia, the United Kingdom, and the United States.¹ The purpose of the agreement is primarily to promote peace, stability, and security in the Indo-Pacific area through enhancing defence cooperation and coordination between the three countries. In fact, the primary purpose of the accord is to aid Australia in purchasing nuclear-powered submarines to strengthen its naval capabilities in the face of rising geopolitical tension, a contentious undertaking viewed as such by many, including China.² Despite the debate, on 13 March 2023, US President Biden, British Prime Minister Sunak, and Australian Prime Minister Albanese reached a historic trilateral agreement to deliver a new model developed submarine known as SSN-AUKUS based on the United Kingdom's next-generation design that incorporates technology from all three nations, including cutting-edge U.S. submarine technologies and weapon system.³ The programme is expected to cost Australian taxpayers between \$268 billion and \$368 billion over the next three decades.⁴

This programme is irreversible. It would significantly impact the regional balance of power, necessitating a reevaluation of Cambodia's foreign and defence strategies. While the direct impact of AUKUS on small states like Cambodia may not be immediately apparent, the country should examine three potential consequences derived from the new pact.

The weakening of regional stability

Many countries, including Cambodia, have expressed trepidation over the possible influence of AUKUS on regional stability in the Indo-Pacific. China passionately opposes the partnership, considering it as a direct threat to its regional interests. This recent development has escalated tension between China and the AUKUS nations. Chinese authorities have criticised AUKUS as a "Cold War Mentality" and a "dangerous Move" that will exacerbate regional tensions and jeopardise regional stability.⁵ In addition, they have accused the United States and its allies of

¹ 'Joint Leaders Statement On AUKUS | Prime Minister of Australia', accessed 15 March 2023, <https://www.pm.gov.au/media/joint-leaders-statement-aukus>.

² Oxford Analytica, 'AUKUS Agreement Deepens Confrontation with China', *Emerald Expert Briefings*, no. oxan- (2021).

³ Ibid.

⁴ 'Aukus: Nuclear Submarines Deal Will Cost Australia up to \$368bn | Aukus | The Guardian', accessed 15 March 2023, <https://www.theguardian.com/world/2023/mar/14/aukus-nuclear-submarines-australia-commits-substantial-funds-into-expanding-us-shipbuilding-capacity>.

⁵ Aruna Jayathilaka, 'Are China and the USA Heading for a War?(Can They Avoid the "Thucydides Trap"?)', *Can They Avoid the "Thucydides Trap"*, 2022.

attempting to establish a "mini-NATO" in the Indo-Pacific area, which they perceive as a direct threat to China's sovereignty and security.⁶

China has intensified its military activity in the region in reaction to the announcement of AUKUS, including conducting military exercises and boosting its presence in disputed territories. In addition, Premier Li Keqiang recently said that China will increase its defence spending by 7.2% this year to 1.56 trillion yuan (\$230 billion), according to a Ministry of Finance.⁷ This has caused anxiety among China's neighbours, especially Cambodia, which has complicated relations with China.

China has historically provided Cambodia with economic and military support, and China is Cambodia's top trading partner. Cambodia has also strived to strike a balance in its relations with regional powers, such as the United States and other ASEAN nations. The announcement of AUKUS and the following tensions between China and the AUKUS countries may have an impact on Cambodia's ability to maintain this equilibrium and may have repercussions for regional stability.

A Possible Arms Race

Some commentators are concerned that the AUKUS alliance may result in Australia having secret nuclear weapons facilities. The Australian government has indicated that it has no plans to develop nuclear weapons, and the AUKUS agreement contains protections and constraints to prevent the sharing of sensitive technology for nuclear weapons purposes.⁸

Yet, if Australia were to obtain nuclear weapons, this might have ramifications for regional stability and security, particularly for Cambodia. The acquisition of nuclear weapons by any nation in the region might spark an arms race and exacerbate regional tensions and instability. In addition, the use or threat of nuclear weapons might have catastrophic effects on the entire region. Sadly, the emergence of an arms race in the region has already manifested indistinct signs. Many analysts see China's recent announcement that it intends to increase its nuclear arsenal from 400 to 1,500 warheads by 2035 as hazardous.⁹

In addition to China, the potential arms race sparked by the AUKUS alliance may also impact the most powerful nation in ASEAN—Indonesia. Indonesia had warned in September 2021, when the AUKUS agreement was first announced, that Australia's acquisition of nuclear-powered submarines could spark a regional arms race that would exacerbate tensions in the Indo-Pacific.¹⁰ The changing security environment in the Indo-Pacific could intensify strategic competition among major powers. As a key player in the region, Indonesia may feel compelled to increase its military capabilities to ensure its security and preserve a balance of power.

Due to Indonesia's proximity to the South China Sea and its vital shipping lanes, increased military activity by China or other regional powers may be perceived as a threat. For instance, a senior

⁶ Weixing Hu and Weizhan Meng, 'The US Indo-Pacific Strategy and China's Response', *China Review* 20, no. 3 (2020): 143–76.

⁷ 'What Does China Really Spend on Its Military?', 28 December 2015, <https://www.csis.org/analysis/what-does-china-really-spend-its-military>.

⁸ 'Nuclear Weapons', Australian Government Department of Foreign Affairs and Trade, accessed 15 March 2023, <https://www.dfat.gov.au/international-relations/security/non-proliferation-disarmament-arms-control/nuclear-weapons>.

⁹ 'China Likely to Have 1,500 Nuclear Warheads by 2035: Pentagon | Reuters', accessed 15 March 2023, <https://www.reuters.com/world/china-likely-have-1500-nuclear-warheads-by-2035-pentagon-2022-11-29/>.

¹⁰ Chris Barrett Rompies Karuni, "'AUKUS Created for Fighting': Push for Indonesia to Refuse Access to Subs', *The Sydney Morning Herald*, 14 March 2023, <https://www.smh.com.au/world/asia/aukus-created-for-fighting-push-for-indonesia-to-refuse-access-to-subs-20230314-p5crzz.html>.

Indonesian official asserts that Australian nuclear-powered submarines should not use Indonesia's sea lanes because "AUKUS was designed for combat."¹¹ Indonesia, therefore, might seek to increase its defence budget and capabilities in order to deter potential aggression and protect its interests, as outlined in its National Defense White Paper calls for increased spending to modernise the military, improve readiness, and address capability gaps.¹² Indonesia, as a nonaligned nation, seeks to maintain positive relations with both China and the AUKUS partners. Nevertheless, the evolving security environment may exert pressure on Indonesia to align more closely with one side or the other, possibly luring it into the arms race.

Cambodia, like other countries in the region, has an interest in the stability and security of the Indo-Pacific region. Any government, including Australia, that acquires nuclear weapons might undermine these efforts and risk the security and stability of Cambodia.

Risks to ASEAN's centrality in the South China Sea Conflict

The relationship between Australia, the United Kingdom and the United States might also undercut the role of the Association of Southeast Asian Countries (ASEAN) in settling territorial conflicts in the South China Sea. ASEAN has been pursuing a peaceful and diplomatic resolution to territorial conflicts in the region; nevertheless, the AUKUS collaboration could undermine ASEAN's efforts and lead to a militarization of the region.

AUKUS is a relationship between the United States and its non-ASEAN allies Australia and the United Kingdom. ASEAN's participation in settling territorial disputes in the South China Sea may be hampered by the partnership's military emphasis and the development of modern military technologies. In addition, the AUKUS cooperation may adopt a more militarised approach to the problems, undercutting ASEAN's efforts to find a peaceful and diplomatic resolution. Other regional actors, particularly China, could respond to the perceived threat posed by AUKUS's increased military presence by bolstering their own military capabilities and fortifying their claims in disputed areas. This turn of events may destabilise the region further and impede diplomatic efforts.

In addition, ASEAN has been working to establish a Code of Conduct in the South China Sea in order to handle conflicts and prevent future escalation. However, the AUKUS cooperation could possibly undercut ASEAN's efforts to draught the Code of Conduct by granting AUKUS members greater influence in the area. Notably, the three foreigners are the champions of freedom of navigation and overflight operations in the South China Sea, and with this new AUKUS project, the region could see a rapid expansion of the process, which could lead to diplomatic or military miscalculations.¹³

As a regional organisation, ASEAN seeks to preserve unity and cohesion among its member states in order to effectively address regional challenges, such as the South China Sea disputes as articulated in the ASEAN Charter.¹⁴ As a result of the AUKUS partnership's emphasis on military cooperation and deterrence, there may be divergent perspectives among ASEAN member states regarding the partnership's implications for regional security.

While some may endorse the initiative, others may view AUKUS as a destabilising factor that exacerbates regional tensions and undermines ASEAN's pre-eminence in regional security matters. To illustrate, a country like Singapore has close ties with the United States and has

¹¹ Ibid.

¹² 'Indonesia: Defending the Country Entering the 21st Century', n.d.

¹³ Sam Bateman, 'Some Thoughts on Australia and the Freedoms of Navigation', *Security Challenges* 11, no. 2 (2015): 57–67.

¹⁴ 'ASEAN Charter', ASEAN Main Portal, accessed 20 March 2023, <https://asean.org/about-asean/asean-charter/>.

consistently supported a strong American presence in the region in order to maintain stability and balance.¹⁵ It may view AUKUS as a positive step towards regional security. Another case in point is Vietnam which has been locked in an odd relation with China over territorial claims in the South China Sea.¹⁶ Despite its traditional nonaligned policy, Vietnam may view AUKUS as a counterbalance to Chinese influence, given its concerns about China's growing assertiveness. On the contrary, Myanmar, Laos, and Cambodia, which have close ties to China, may be more inclined to adopt China's position on AUKUS.¹⁷ They may be wary of any initiative perceived as a counterbalance to China's regional influence. These divergent viewpoints could weaken ASEAN's cohesion and make it more difficult for the organisation to present a coherent and collective response to the disputes in the South China Sea.

If ASEAN's unity is compromised, it may become more difficult for the organisation to engage in productive dialogue with external powers, such as the AUKUS partners and China, in order to promote the peaceful resolution of disputes. Moreover, a fragmented ASEAN could be less effective in advocating for a rules-based order and promoting regional stability, further complicating efforts to resolve disputes in the South China Sea.

What preparations should Cambodia make?

As a member of ASEAN and a small state, Cambodia should be prepared for the potential regional effects of the AUKUS cooperation. Cambodia could take the following steps to prepare:

1: In response to the news of the AUKUS cooperation, Cambodia could consider bolstering its military capabilities. This is because the agreement involves collaboration on military technologies and defence, which could lead to an expansion in military presence and operations in the region. So, the potential for armed conflict in the region is highly unclear and unexpected, necessitating military preparation to defend one's own interests.

Cambodia's capacity to respond to future security threats and defend its national interests might be improved by bolstering its defence capabilities. This may mean investing in cutting-edge military technology and equipment, upgrading the training and preparedness of its armed forces, and enhancing border security. With its current Defense budget of around \$700 million in 2023, Cambodia ranks seventh among ASEAN members, which is far below the regional average.¹⁸

Given the limited budget, Cambodia should invest more in the most crucial areas, namely naval capabilities, as the majority of Cambodian naval facilities and equipment are out of date in relation to the geopolitical significance of the surrounding environment. For example, most Cambodian naval fleets are comprised of small patrol boats used to combat illegal activities such as smuggling, illegal fishing, and piracy rather than for warfare purposes.¹⁹

Assessing the degree of militarization and potential threats in the region is essential for determining whether modernisation is required. In recent years, tensions have increased in the South China Sea due to territorial disputes and competition for resources among several nations. Many of Cambodia's exports and imports travel through the Gulf of Thailand and the South China

¹⁵ Ja Ian Chong, 'Diverging Paths? Singapore-China Relations and the East Asian Maritime Domain', *Maritime Awareness Project* 26 (2017): 1–9.

¹⁶ Mengzhen Xia and Dingding Chen, 'China and the US: Who Has More Influence in Vietnam', *The Diplomat*, 2021.

¹⁷ Edgar Pang, "'Same-Same but Different': Laos and Cambodia's Political Embrace of China', no. 2017 (2017).

¹⁸ 'PM: The 2023 National Budget Serves the People', EAC News, accessed 15 March 2023, <https://eacnews.asia/home/details/19094.X>

¹⁹ 'Cambodia - Major Naval Equipment', accessed 21 March 2023, <https://www.globalsecurity.org/military/world/cambodia/navy-equipment.htm>.

Sea.²⁰ Modernizing naval capabilities could assist in defending these trade routes and guaranteeing the safe passage of goods.

To preserve its sovereignty over its territorial waters and Exclusive Economic Zone (EEZ), Cambodia may need to invest in naval monitoring and control capabilities. According to this statement, the Cambodian Prime Minister recently, in a speech regarding the accusation of allowing Chinese naval presence at the REAM naval base, indicated that REAM modernisation could pave the way for Cambodia to acquire standard naval ships in the near future.²¹ If this comes to fruition, it will significantly enhance the nation's naval capabilities.

However, in accordance with international law and human rights norms, Cambodia's defence capabilities must be strengthened in a responsible and transparent manner. In addition, Cambodia should continue to prioritise diplomatic solutions to regional security concerns and avoid any acts that could contribute to an increase in regional militarization or tensions.

2: Cambodia should be apprised of the AUKUS partnership's evolution and its possible impact on the region. Cambodia must be informed to comprehend the consequences of the AUKUS cooperation and its possible impact on the area's political, economic, and security landscape. Cambodia should consider the following methods to remain informed:

Cambodia should keep abreast of news and analyses pertaining to the AUKUS cooperation, its objectives, and its possible influence on the area. This may involve monitoring international news sources and publications that cover partnership-related topics. Cambodia must be well-informed about the AUKUS partnership and its potential effects on the region. Cambodia can better understand the objectives and implications of the cooperation if it stays abreast of the latest news and analyses, enabling it to make informed decisions and develop appropriate policies.

Cambodia could participate in regional conferences and forums to explore the implications of the AUKUS cooperation and its possible effects on the area. Participation in ASEAN-led meetings and activities and engagement with other stakeholders, such as civil society organisations, think tanks, and academics, may be required. International relations, security, and regional affairs-focused think tanks and research institutions frequently publish analyses and reports on significant geopolitical developments.²² The Council on Foreign Relations, the Lowy Institute, the Center for Strategic and International Studies, and the East-West Centre are examples of such organisations.

Furthermore, Cambodia might consult with other ASEAN member states to gain a better understanding of their perspectives on the AUKUS cooperation and its potential effects on the region. This may involve coordinating postures and responses and sharing information and ideas. Cambodia, for instance, should consider with its member to accept the AUKUS discussion at the upcoming ASEAN summit, as this would strengthen its international voice.²³

Cambodia, therefore, could conduct an independent study and analysis to gain a better understanding of the potential ramifications of the AUKUS relationship for its interests and goals.

²⁰ Chap Sotharith, *Maritime Security in Cambodia: A Critical Assessment* (Cambodian Institute for Cooperation and Peace, 2007).

²¹ (ប្រសាសន៍ដើម)៖ សម្តេចតេជោស្តីពីកិច្ចសហប្រតិបត្តិការសមុទ្រកម្ពុជា-ចិន ក្នុងកិច្ចប្រជុំកម្ពុជា-ចិន លើវីដេអូសង្ខេបសម្រាប់ទូរទស្សន៍, 2023, <https://www.youtube.com/watch?v=wujSKX-NIdA>.

²² Andrew Rich, *Think Tanks, Public Policy, and the Politics of Expertise* (Cambridge University Press Cambridge, 2004).

²³ Mingjiang Li, 'ASEAN's Responses to AUKUS: Implications for Strategic Realignment in the Indo-Pacific', *China International Strategy Review*, 2022, 1–20.

This may involve procuring papers or studies and undertaking research through academic or policy organisations.²⁴

Cambodia can create appropriate reactions and plans to address the opportunities and challenges posed by the AUKUS collaboration if it remains informed about its possible influence on the area.

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²⁴ 'The Importance of Promoting Research for the Future of Cambodia', *Cambodian Education Forum* (blog), 13 February 2022, <https://cefcambodia.com/2022/02/13/the-importance-of-promoting-research-for-the-future-of-cambodia/>.