

The New Normal in Transatlantic Relations: The US and Europe Eye China

by Liselotte Odgaard

During the 2020 US presidential campaign, Europe placed its bets on the Democratic contender, former Vice-President Joe Biden. Now that the bet has paid off, Europe expects that Washington will stand shoulder to shoulder with Europe to challenge China's authoritarian coalition-building, promote democratic and market oriented principles and oppose China's efforts to undermine the liberal international order.

Chinese actions such as intellectual property theft, unfair state-supported competition and widespread censorship have been held out as direct assaults against the world order built by liberal states such as the US and European countries.

This hardly prevented President Donald Trump from including Europe in the group of culprits that were said to be free-riding on US contributions to uphold the post-World War II order. In his view, the differences between liberal

democratic allies from Europe and the authoritarian and antagonistic China mattered far less than their presumed similarities. Trump's trade war consequently targeted Europe as well as China because of alleged unfair trade practices such as state subsidies that undercut US competitiveness. Trump also questioned the US commitment to NATO's principle of collective defence, demanding that Europe 'pay back' the US for the cost of its own protection.

President-elect Biden has promised that he will reverse Trump's legacy by ceasing attacks on US allies and championing multilateral institutions. To what extent will Biden's promises succeed in altering the trajectory of transatlantic engagement on China?

I argue that the continuities between the Trump and Biden administrations on China will be substantial and that will mean less convergence between the US and Europe on China than many observers expect. Here is why.

*Liselotte Odgaard is Senior Fellow at Hudson Institute.
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President Trump drove the point home that China was never going to be socialised into internalising fundamental liberal principles and institutions. On the contrary, China is set on a course of a hundred-year marathon, in the words of Trump advisor Michael Pillsbury,¹ that seeks to outperform liberal states as the first among equals and reinstate China as the leading world power and civilisation. This alleged objective makes China a direct competitor and opponent to the US and sets the stage for a relationship marked by strategic competition.

Europe has embraced much of this criticism, but it maintains a more nuanced view of China compared to the US, based on economic interdependence with China. China is a major European trade partner,² as is the case for the US, but Europe's position in the world is not challenged in the same, direct manner as compared to the US. Hence, despite pressures from Washington, Europe prefers not to be forced to choose sides between its longstanding US ally and China, but to carefully balance its relations with both.

Europe prefers transatlantic cooperation to be developed across a wide range of security, economic and normative issues. At the same time, under Trump, Europe has worked with

China on preserving the central role of multilateral institutions and diplomacy at a time when the US is pursuing unilateral measures. Similarly, Europe works with China on maintaining climate issues high on the global agenda.

Europe has adopted a much more sceptical stance towards China on a wide range of economic, security and political issues. However, instead of duplicating the punitive responses of the US, Europe prefers more low-key diplomatic pressures. For this, Europe is relying on its position as a global economic heavyweight in dealing with Beijing. And to some extent it seems to be working.

For example, responding to European pressures, China has announced its plan to become carbon neutral by 2060, although Xi refrained from committing to reaching peak emissions by 2025 as Europe had wanted. However, Europe has taken the Trump administration's point on board that China is long on commitments but short on meeting them. Europe will watch closely if China honours its commitments in the future.

Yet, Europe does share US concerns about China's policies on civil and political rights and disputes on territorial and maritime jurisdiction. Europe has condemned China's oppression in Xinjiang and Tibet, its territorial conflicts in the Himalayas and the South China Sea and its military threats towards Taiwan. Like the US, in July 2020, the EU adopted sanctions on China over its crackdown in Hong Kong.

¹ Michael Pillsbury, *The Hundred-Year Marathon. China's Secret Strategy to Replace America as the Global Superpower*, New York, Henry Holt and Company, 2015.

² Max J. Zenglein, "Mapping and Recalibrating Europe's Economic Interdependence with China", in *China Monitor Reports*, 17 November 2020, <https://meric.org/en/report/mapping-and-recalibrating-europes-economic-interdependence-china>.

Europe and the US largely agree on the substance of their responses to illicit Chinese practices in the areas of trade, investment, human rights and territorial and maritime disputes. Indeed, Chinese efforts to undermine openness, transparency and accountability in institutions such as the World Health Organisation, the World Trade Organisation and the UN Human Rights Council meets growing resistance in Europe.³

However, growing US willingness under Trump to question the benefits of liberal mechanisms such as free trade, UN-based regulatory standards, strategic arms control and NATO's collective defence has prompted the emergence of independent European responses to China's challenges. Biden has vowed to recommit to free trade, multilateralism, allied cooperation and arms control. Undoubtedly, a return to standard diplomatic interactions are to be expected with Biden, who is a product of the US political establishment and very experienced in navigating domestic and international political deal making.

Ironically, however, Biden was elected on the promise of Making America Great Again 2.0. This promise means that domestic priorities are likely to guide his foreign policy, just as was the case under Trump. He will need to demonstrate that he can create jobs in the US manufacturing sector and

get the US economy back on a healthy footing.

Biden has chosen a foreign policy team of experienced foreign policy insiders such as Anthony Blinken, Jake Sullivan and John Kerry that see climate change as a threat and multilateral institutions as key to preserve international stability. However, they will continue the process of changing the US focus away from Europe and towards the Indo-Pacific, pivoting to Asia.

The strategic competition with China coupled with domestic industrial and economic demands are likely to take priority over multilateralism and the climate, resulting in continued scepticism towards international institutions with significant Chinese influence and reluctance to pay the cost of climate-friendly policies at a time when the US economic recovery will top the political agenda.

These priorities do not bode well for those Europeans who were hoping for a resurrection of transatlantic relations, with the US taking the lead in countering threats through NATO and working with Europe through multilateral channels to push back against a China that has already started to rewrite the rules of international politics from within international institutions.

On the contrary, the tendency for the US to retreat from shouldering most of the burden of allied security and for Washington to push for change in what the US sees as unfair transatlantic trade relations looks set to continue. Both Trump and Biden have focused on

³ Liselotte Odgaard, "Europe's Place in Sino-U.S. Competition", in Ashley J. Tellis, Alison Szalwinski and Michael Willis (eds), *U.S.-China Competition for Global Influence*, Seattle, National Bureau of Asian Research, 2020, p. 277-304.

the so-called alliance of democracies to push back against China's efforts to promote authoritarianism in the world. Yet, this focus does not imply that the US will foot most of the bill of alliance security and cooperation. If there is continuity in US foreign policy from Trump to Biden it is almost certainly to be found in a rather harsh competitive strategy towards China.

US foreign policy will likely center on economic and technological decoupling and hard power responses to China's military and strategic buildup in and beyond the Asia-Pacific. Even if Biden is planning for a milder version of these policies, ongoing Chinese efforts to decouple from the US and focus on military buildup will most likely force the US to go down the same path.

If the EU wants an independent policy towards China, rather than tagging along as the tail end of a forceful US, it will have to continue its approach of cautious and conditional cooperation with Beijing and include continuous reassessments of the benefits derived from this cooperation on selected issues. The policy coordination that took place between the US and Europe under Trump on establishing protective mechanisms against illicit Chinese practices such as export controls and connectivity programs with like-minded Asian powers in Southeast and East Asia is likely to continue, as is a more pragmatic and cooperative European policy towards China on issues of convergence.

Europe will also have to continue pursuing strategic autonomy. Europe is still in the early stages of developing

an independent security and defence profile. Minor skirmishes over the relative importance of inclusiveness versus ambition should not override the structural pressures for European countries to work together on independent defence capabilities.

Under Trump's presidency, France has taken the lead in adopting a hard power European response to China's growing presence in the Indo-Pacific. The French tradition of a strong and independent defence profile and the country's Indo-Pacific territories makes it well-positioned to develop a European defence footprint in the region. By joining forces with like-minded Asian partners such as India, Japan and Malaysia and include its overseas territories in base-sharing arrangements, France helps prove the point that European contributions to Indo-Pacific security are significant.

Germany's and the Netherland's publication of Indo-Pacific strategies in 2020, which both contain a military and security component, signal that France's initiative will gain traction in Europe. This policy has been supportive of US objectives of greater allied contributions to pushing back against China's growing military power in the Indo-Pacific. This policy is likely to be strengthened in coming years. However, as has been the tendency under Trump, Europe will increasingly emphasise its own interests and policies, such as using deployments to promote European arms sales and refrain from sailing within 12 nautical miles of territory in the South China Sea occupied by China.

In the wake of the dead and buried Trans-Pacific Partnership agreement negotiated under the Obama presidency, Europe has played a leading role in promoting free trade agreements in the Indo-Pacific, negotiating and renewing a number of agreements with like-minded Asian countries such as South Korea, Japan and Singapore, strengthening Europe–Asian relations independently of US policies.

The establishment of an independent European trade and defence footprint can easily be complementary to US efforts to counter an increasingly nationalistic and aggressive China, provided policy coordination is strengthened across the Atlantic. The right mixture of US punitive measures and European diplomacy may help preserve security and stability in the Indo-Pacific. Continued focus on more narrow US interests while competing with China calls for strong, independent allies that are able to contribute to both burden and risk sharing on international issues of concern.

In turn, should this more independent EU footprint materialise, the US will have to accept that Europe develops its own agenda with interests that do not always correspond to those of Washington. Focusing on the benefits of complementarity in transatlantic relations is key to effective cooperation on the common objective of demonstrating the superiority of liberal policies for promoting peace and prosperity compared to China's authoritarian model. The launch in October 2020 of a new US–EU bilateral dialogue platform to discuss the full range of issues related to China bodes

well for the establishment of a new normal for transatlantic cooperation vis-à-vis China, setting the stage for the incoming Biden presidency.

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Via dei Montecatini, 17 - I-00186 Rome, Italy

T +39 06 3224360

iai@iai.it

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