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Biden's First 100 Days:
Prospects for Transatlantic Cooperation on Policies Toward China

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As we approach the first 100 days of the Biden administration, it is a good time to take stock of the new direction in U.S. foreign policy and to assess the prospects for Transatlantic cooperation on China. It is especially important that like-minded allies pool efforts in our strategies toward China in the Indo-Pacific, given the absence of durable security architecture there and in the face of challenges to the region from a more powerful, assertive China. In the absence of such joint efforts, the leverage of like-minded countries is diminished and the field is left open for China to exploit the seams among would-be partners. We have seen this over the past four years and the results in terms of increased Chinese muscle-flexing and influence on the global stage speak for themselves.

"America Is Back"

It has been gratifying to see the quick moves by the Biden team to reach out to close U.S. allies, including especially our partners in Europe. To repair the damage wrought by the Trump administration's isolationist policies, the Biden team embarked on a listening tour and has let it be known that it is seeking real partnerships. European and other allied colleagues and counterparts have welcomed this change and America's return to diplomacy relying on dialogue and negotiations.

Given the priority that Europe and other American allies place on multilateralism, they have welcomed the restoration of U.S. membership and participation in a number of important multilateral organizations and agreements. These include rejoining WHO, the Paris Climate Accord and the UN Human Rights Council, restarting talks to restore the JCPOA on the Iran nuclear program, renewing the New START Treaty, canceling sanctions on the ICC and approving the new head of the WTO. The announcement of the departure of U.S. and NATO forces from Afghanistan is also welcome. These moves all support the frequently-touted Biden team assertion that the United States will be a supporter of, and be working with its allies to strengthen, the rules-based international order.

But It's Complicated

Biden has also personally stressed the need to show that democracies can deliver results, particularly in the wake of the last year of COVID and political turmoil in the United States. The

new President has insisted that he will hold a summit on democracy at some point during his first year and that his outreach to allies is based on shared commitment to democratic values. Biden's national security team has stressed the importance of values to U.S. foreign policy and has clearly made human rights protection a priority of U.S. policy once again.

These are all laudable moves that not only help align the U.S. approach to the world with our traditional national identity, values and comparative advantages, but help make clear that the U.S. administration understands that the international system is undergoing structural changes. As we come out of the unipolar order (which many would argue ended with the 2008 financial crisis and the creation of the G20) and transition to a multipolar world, the United States under Biden realizes that it can no longer merely assert dominance but must work with others to achieve its objectives and strengthen the international system to preserve stability and prosperity.

But there are some inherent contradictions between the above and other elements of the Biden approach to foreign policy that have implications for American cooperation with Europe on China. As Biden has frequently noted, his top priority is to repair and heal American society, strengthen our democracy and economy, and reengineer competitiveness at home, hence the stress on a "foreign policy for the middle class." Biden's National Security Advisor Jake Sullivan has repeatedly emphasized domestic employment creation and innovation as essential parts of this calculus, which appears to mean continued support for protectionism and expanded investment and export controls, especially in technology-related industries, and the absence of any U.S. agenda to promote trade liberalization. These are major departures from traditional U.S. foreign economic policy that has emphasized free and open markets and liberal principles, and it remains to be seen how sweeping or successful this will be in practice. The absence, so far, of a compelling U.S. trade agenda with either Europe or Asia leaves a big question mark over prospects for cooperation on China in this area. Indeed, the United States seems eager to have others adopt its avoidance strategy toward trade and investment with China, and regards recent trade agreements such as RCEP and CAI with skepticism.

A second aspect of this domestic renewal focus is that the administration will lean heavily on an anti-China narrative in order to galvanize bipartisan support and American public opinion toward the allocation of major government investments in infrastructure, technology and human capital from federal government resources. This is partly due to the phenomenon, widely remarked, that China has become the object of bipartisan derision on Capitol Hill and that, in an era of extreme political divisions, it is almost the only issue on which lawmakers can agree. A number of administration sources have mentioned parallels with the presidency of Harry Truman, who similarly sought to galvanize resources for a Cold War military buildup when domestic constituencies were clamoring for demobilization after WWII. Such an effort and its invocation of China—however legitimate—will push U.S. foreign policy toward a Cold War footing that inevitably paints everything China does as inimical to U.S. interests and cause the U.S. public to view China in starkly negative terms. In fact, this is already happening. According to Pew Research polling, unfavorable views of China in the United States have gone from a fairly stable 50 percent to almost 90 percent in the course of the last five years. This is no doubt

partly due to the identification of China with the COVID-19 pandemic, but the negative rating has increased under Biden. These factors, and administration worries about the opposition looking to capitalize on any potential "softening," leave little political space for the United States to pursue any policy that could be construed as constructive or mutually beneficial with China.

This particular trend lays bare another aspect of Biden's approach to China that may present a test for U.S.-EU collaboration on China issues. The Biden administration has been quite clear that it views the relationship with China as one of strategic competition, that China cannot be allowed to displace the United States as the global leader and that Washington will fight back as necessary to preserve its position, reinforcing bipolarity and zero-sum perceptions. Biden's team has also stressed values and international rules and institutions, but the focus on geopolitical competition will likely further inhibit the prospect of badly needed reforms to these rules and institutions and may even further undermine them. The politicization of the WHO's COVID response and lack of interest/progress in WTO reform are only two examples. It is imperative that other powers, in particular Europe, work to generate consensus around reforms for a strengthened rules-based system. In some cases, this might provide a platform for cooperation with the United States, but in other cases it may not.

View from Beijing

For its part, China is increasingly convinced that the United States seeks to undermine China's interests and limit its advancement. It sees the Biden administration continuing many of Trump's policies, and believes it needs to more aggressively counter such efforts. So far, it is doing so by turning inward, preparing options and punishing those who side with the United States in perceived "China containment" efforts, whether they be allies, companies, organizations or individuals. It is also stepping up propaganda efforts to discredit the United States and play up what China persistently refers to as "double standards."

The EU has declared China a "negotiation partner for cooperation, an economic competitor and a systemic rival," outlining a multi-faceted approach that avoids calling for confrontation or naming China as an adversary. It faces difficulties similar to those of the U.S. approach in balancing rivalry and competition with cooperation, but it rejects the notion of containing China's rise in favor of stressing adherence to international rules, inclusiveness, and a level playing field. The EU agenda with China is also more focused on global issues with cooperation potential than the U.S. agenda with its heavy security overlay and military/intelligence focus. It's fair to say that both the United States and EU believe the other party is misreading the situation to some extent.

So where does this leave us today in terms of the most fruitful areas for Transatlantic cooperation on China policy? In an earlier paper my co-authors at the Yale Paul Tsai China Center and I had proposed that the areas of trade and investment, technology standards, human rights, climate change, COVID-19 pandemic recovery and reforming the international system would be appropriate areas for priority coordination. It is still very early in the Biden

administration, but in light of new data and recent developments, I would make some adjustments and qualifications to this list.

Urgent Coordination Priorities

First, given administration foreign policy priorities and the glaring need to reinforce stability in the Middle East, the most obvious pressing area for cooperation is on Iran. Deputy Secretary of State Wendy Sherman will take an interest in Iran-related issues and will likely lead the U.S.-EU Dialogue on China for the U.S. side, so this is a natural early focus for cooperation. China is involved in the discussions with Iran in Vienna, has an important role to play, and will look to work with Europe and, more skeptically, with the United States to get progress. Europe can certainly be helpful to bridge US-China difficulties and to keep China constructively engaged.

Another important and urgent area that dovetails with the European Council's recent conclusions on its Indo-Pacific strategy is in the area of expanded and secure digital networks and high-standard regulatory norms for emerging technologies such as AI. The United States and EU should work together to promote security and resilience of critical infrastructure, including the security of 5G network supply chains, and a global, open, free, stable, and secure cyberspace. They should also work together in international institutions such as the Group of Government Experts (GGE) under the umbrella of the UN or ad-hoc groupings of like-minded countries that can push forward agreed norms of behavior for states in cyber space.

Trade and investment, as indicated above, may be further down the Biden team's priority list. It is very difficult, however, to disaggregate the issues of trade, investment and technology regulation when discussing priorities with China, and technology is an urgent and fraught issue. Some discrete and fruitful areas could be pursued fairly quickly. For example, for the member states who have concerns about Chinese M&A in sensitive advanced technologies (principally Germany, France, Netherlands), regular coordination channels with U.S. counterparts on the Committee on Foreign Investment in the US (CFIUS) could be established. Departments of Trade and Commerce could collaborate to monitor China's enforcement of technology transfer provisions from the Phase One trade deal. And clearly better coordination on export controls will be necessary if these are to be at all effective. This will require work to define the scope and purpose of new export controls, which could be quite complicated. Some in the Biden administration are advocating a reprise of the COCOM system during the Cold War with the Soviet Union. It is not clear what this means in practice, but such a system is useless without the participation of other advanced economies.

Climate change, happily, is now a major priority for Europe, China and the United States under Joe Biden. As such, it should be a natural issue for U.S.-EU coordination with respect to China. The fact that the EU has been working closely with China on climate for the past several years while the United States has been absent complicates the dynamic, though. As occured with the French-German-Chinese leaders' virtual "climate"meeting, we may see Europe playing a bridging role on this issue of grave importance, as the United States and China regard each other with suspicion. One area to watch is the likely emergence of tension between the desire

to spur green technology innovation and the need to make such technology widely and quickly available. If the experience to date with COVID-19 vaccine patents and distribution in the developing world is any guide, there is reason to be worried about protectionism, technology nationalism, and political pressures getting in the way of optimal climate results.

Cooperation on COVID-19 between the United States and China appears extremely unlikely, and international regard for both China and the United States will be diminished in the wake of the pandemic. Global health cooperation with China must continue, however, and perhaps Europe can play a role in getting this back on track. Most critically, though, the United States and Europe would certainly be well-positioned to work together to try to strengthen the WHO, which must be done before the next pandemic.

Human rights protection has already proven to be a clear area for fruitful cooperation with respect to China policy, as a joint message of alarm over abuses in Xinjiang was effectively delivered with the recent coordinated announcement of sanctions. While this is a good opening and certainly got Beijing's attention, a considered strategy on human rights will be required. Sanctions are not a panacea and can be very addicting. Both Europe and the United States are dedicated to continuing to stand up for values and human rights, but they must take care to avoid the appearance of the West vs. China or of weaponizing these issues for geopolitical point scoring. They should work jointly through UN institutions to shore up the consensus for the Universal Declaration of Human Rights and enlist support for transparency and other mechanisms to be used in the case of China. Of course, they will continue to raise issues privately and speak out as appropriate, but they need to strike an effective balance that will bring progress.

Shoring Up the International System

Given the importance of international rules and institutions for both Europe and the United States in dealing with China, shoring up and reforming the system should be a key focus of Transatlantic work. This effort should start with an in-depth audit of what works, what rules are generally observed, and which institutions function well and why. This assessment will be crucial for planning changes and getting buy-in. Many of the priority areas for cooperation listed above will also have the effect of strengthening the international system. A successful Iran nuclear negotiation will help the non-proliferation regime. The development of norms protecting critical infrastructure from cyberattacks will further the arms control regime. Trade agreements and export control schemes can also help to support the international system and global health. Climate change mitigation and human rights protection are fundamental international responsibilities. Focusing Transatlantic efforts in these areas will help to balance major power competition with an emphasis on the restraints and rules provided by the international system and can help to keep the competition from spiraling into confrontation, which will be in no one's interest. But effective work to bring relations with China to a sustainable, steady, and constructive path will require more work to align U.S. and EU positions and approaches and a more realistic examination of goals and methods for achieving them.