

Agenda 2021: U.S.-India-Europe Cooperation on Foreign Policy Challenges

What will be the key foreign policy priorities of the Biden administration and what will U.S. allies and partners be asked to deliver in return? Daniel Twining, Rosa Balfour, and Tanvi Madan examine challenges the United States, India, and Europe will have to navigate in their respective bilateral partnerships this year, including streamlining their approaches to an aggressive China, economic recovery in the aftermath of the coronavirus pandemic, and domestic turmoil including political polarization.

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The Urgency of a U.S.-Europe-India Democratic Entente to Sustain the Free and Open Order

Daniel Twining

There is good news with respect to the inheritance of President Joe Biden as regards U.S. relations with India and Europe. U.S.-India ties have consistently strengthened over the course of the past 20 years, successfully navigating the twists and turns of both countries' domestic politics and propelled by shared security interests, creating momentum for further progress. Transatlantic relations suffered under President Donald Trump, but a U.S. administration of an entirely different complexion and steered by Atlanticists allows both sides to turn a new page and collaborate in a transformed world. The challenge will be to craft and execute a forward-looking agenda for partnership that advances common interests with respect to three challenges: the rise of an autocratic and aggressive China, the dangers of malign technologies to democratic integrity, and the urgency of propelling global economic recovery from the displacements caused by the coronavirus pandemic.

The United States is emerging from a period of domestic turmoil induced by political polarization, dangerous forms of incitement and partisan agitation, and the shocking invasion of Congress by a mob of violent extremists whose purpose was to assault the institutions of U.S. democracy. Luckily, those institutions have held strong, demonstrating democracy's resilience and the prospects for renewal under fresh leadership. But it is not only the United States that has been buffeted by domestic stresses and strains. Despite the global focus (and blame placed) on Trump, domestic politics in Europe and India could impede cooperation with the United States under its renewed leadership. The United Kingdom has exited the EU, making NATO more central to the United States' objective to work more closely with Europe, since EU institutions no longer include the United States' closest European ally. Democratic backsliding, especially in Hungary, has placed pressure on democratic unity within the EU, while Turkey's neo-Ottoman pretensions and growing collaboration with Russia challenge NATO's unity in the face of continuing the latter's aggression. In India, growing concerns over ethno-majoritarianism, intimidation of free media critical of the government, and unequal protections for all Indian citizens call into question the health of the world's largest democracy.

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But the world cannot wait for India, Europe, or the United States to perfect their democracies. That struggle will never end, while security, technological, and economic challenges metastasize in ways that demand urgent attention. Under Xi Jinping's leadership, China is pursuing an increasingly aggressive campaign to weaken the West, assert its hegemony in Asia, and corrode the free and open world the United States and its allies built after 1989 in favor of a Beijing-centered international system that is safe for autocracy. Should the Chinese Communist Party (CCP) succeed in its designs, no democracy will be safe, as Australia has shown recently in the face of China's weaponization of trade and investment to demand political subservience. The EU's new investment treaty with China could be construed as making a separate peace with China, despite common concerns shared by the United States and India over predatory Chinese economic practices. The democracies will need to work together to prevent the further ascendancy of CCP norms in world affairs—including in forums like the Quad (for the United States and India), the United Nations Security Council (for the United States, the United Kingdom, and India given its current non-permanent membership), and a new D-10 grouping of democracies that includes the G-7 states as well as India, Australia, and South Korea.

They will also need to collaborate more closely to make technology work for democracy. U.S. social media platforms are all too belatedly coming to grips with their role in propagating extremist voices advocating political violence against the state—a red line in any democratic society. Europe has done a better job at balancing free speech and individual privacy rights without enabling authoritarian abuses of those rights—but at times the EU's heavy regulatory hand could be confused for an attempt to kneecap U.S. tech companies. Nor have European nations or the EU clearly broken with the Chinese telecommunications and technology companies that are known fifth columns of malign CCP influence that put Europeans' way of life at risk.

Meanwhile, India has taken the most hawkish approach to limiting online speech and to banning Chinese technologies as well as in rejecting China's Belt and Road ambitions to construct an alternative physical and digital infrastructure that tilts bilateral economic relations further in China's direction. European nations that have participated in China's 17+1 summits and whose leaders signed Belt and Road commitments welcoming questionable Chinese investments could learn from New Delhi that security is in fact priceless. A new D-10 forum would be the venue for a strategic and continuing U.S.-Europe-India conversation about how protect the free and open internet from Chinese control and surveillance, as well as to compare notes about the security dangers posed by domestic extremists mobilized by online disinformation.

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President Biden has pledged to host a Summit for Democracy during his first year in office, an initiative that has been welcomed in Europe and India. Democracies should convene to agree on a new agenda for global growth that is targeted directly at their middle and lower classes, whose economic aggrievement as a result of the global financial crisis, China's abuse of the open world trading system, and the pandemic has produced dangerous political instabilities that threaten the global order. At the summit, the United States, India, and Europe should recommit to protecting and deepening their open systems, since legitimacy and resilience are derived from effective self-government. They should rally for the contest of systems ahead, one that pits democratic governance against what U.S. Secretary of State Tony Blinken calls China's "techno-authoritarianism."

Leaders in Europe and India may welcome the Biden administration, but the hard work lies ahead: in forging a new compact for democratic collaboration in world affairs that protects the free and open world from foreign and domestic forms of malign influence. Strong and resilient democratic institutions provide a strategic advantage in world affairs, as attested by the varying attempts by the Kremlin and the CCP to assault and subvert them abroad. Perhaps the most important investments India, Europe, and the United States can make in their strategic competitiveness and capacity for partnership lie at home, so that each of their public supports the international leadership their countries must play to preserve the free and open world that is the truest source of prosperity and security.

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After Trump, the EU Stands between Transatlanticism and Strategic Autonomy

Rosa Balfour

December 2020 was a busy month for EU decision-makers. Following the presidential election, they put together a set of proposals to [relaunch the transatlantic relationship](#) after four devastating years. They secured at the eleventh hour an agreement with the United Kingdom on relations after Brexit that [minimized the damage for the EU and protected its core interests](#). At the same time, unexpectedly and opaquely, they closed a [six-year long negotiation with China by reaching a Comprehensive Agreement on Investments](#) (CAI).

These three events are telling of the EU's future direction. There are no doubts as to the EU being part of the transatlantic realm, but the Brexit experience and questions around the European integration project have led to a reflection on what its core interests are. The coronavirus pandemic and its economic impact only reaffirmed this. Divided on many matters, European countries from the Atlantic to the Black Sea converge around the defense of the Single Market as the prime source of growth for the continent. Defending it through the Brexit deal and seeking international opportunities to enhance growth through the CAI confirm a turn toward geoeconomics as a form of EU engagement with the world. EU-U.S. relations after the Trump era will be affected by the ways in which the EU will sharpen its competitive edge.

With President Joe Biden having repeatedly underlined the importance of rebuilding relations with allies, there is much scope for cooperation on a broad and significant agenda. The EU has proposed global health and post-pandemic recovery, climate, and technology as three areas in which the added value of cooperation would be most impactful. Through a proposed EU-U.S. summit as well as the scheduled meetings of the G7, G20, and UN climate conference during 2021, health and climate could see some quick achievements that can put the transatlantic relationship on a different plane by comparison to the past four years.

Rebuilding the broken trust between the two sides of the Atlantic through these achievable initiatives will be critical to start conversations on harder issues such as geopolitics, China, security, and emerging cross-boundary challenges.

These wins could also have positive ripple effects on the international system by promoting some reform in global institutions and undoing some of the many hurdles that have accumulated in past years in the World Trade Organization, the World Health Organization, and the Organization for Economic Co-operation and Development as well as bilateral trade disputes. For instance, a new consensus could emerge and trade spats, such as around Boeing and Airbus, and other irritants could be solved; the return of the United States to the World Health Organization gives new hope to global cooperation on dealing with the pandemic. The EU also stands committed to participating in Joe Biden's proposed Summit for Democracy.

Rebuilding the broken trust between the two sides of the Atlantic through these achievable initiatives will be critical to start conversations on harder issues such as geopolitics, China, security, and emerging cross-boundary challenges. Even on technology, where they are closer to each other in supporting an open and rights-based approach prioritizing the well-being of citizens, as opposed to China's techno-surveillance

authoritarian model, there remain wide differences between the EU's regulatory approach versus the United States' entrepreneurial governance of technology driven by the private sector.

It comes as no surprise that the [EU proposes to institutionalize the dialogue with the United States](#) on all matters related to technology—taxation, trade, innovation, regulation, cybersecurity, artificial intelligence, privacy, and data flows—through special task forces and platforms. The field is broad, already mined by irritants, and the EU and United States have different starting points—the former as a more advanced and regulated digital market but with little competitive edge on technological innovation; the latter where technological innovation has been driven by incentives financed with venture capital and startups that became technology giants. Another consistent feature of the United States' technological leadership is the role of military needs in pushing innovation. Seeking compromises and trade-offs to support a common position, especially vis-à-vis the technological and normative challenges posed by China's rise, will be a hard but necessary area for EU-U.S. cooperation.

How to deal with China's rise is widely acknowledged as the most challenging area for EU-U.S. relations. While in 2019 the EU came closer to the U.S. view of China as a “systemic rival,” the CAI suggests that the belief that China's rise can be reined in through greater commercial interdependence, by facilitating access in each other's markets, lingers on in the minds of European decision-makers, especially in Germany, which most pushed to reach the agreement. The deal has already raised eyebrows among Biden's advisers and will also face opposition within the EU on several counts, given the divergent positions of member states on China, human rights, and the primacy of the transatlantic relationship. The China dossier, in light of U.S.-China competition and the breadth of the agenda—from climate to human rights, trade, technology, Asian security, global health, and geopolitical competition in the Global South—will be fraught with conflict, making it hard to see EU-U.S. alignment.

The CAI also raises contradictions in the EU's declared ambition to be more geopolitical. Its implicit message is that the EU is investing in its “strategic autonomy.” Yet on security matters it remains highly dependent on NATO and U.S. commitments. And in dealing with the geopolitics of its neighborhood—from Mali to the East Mediterranean, from Syria to Belarus—the EU has been bereft of unity, strategy, and political commitment. Even through enlargement to the Western Balkans, Brussels been unable to counter the fragmenting trends in the regions surrounding the EU. Without U.S. engagement, the EU and its member states have proved unable or unwilling to address the geopolitics close to home.

While leveraging its economic strengths is an asset in building up the EU's international role, the bid for strategic autonomy through economic tools thus rings hollow, especially if justified by a decoupling of economics and politics. Also, it is questionable whether the EU can move in that direction without the United States. While the transatlantic relationship and a stronger European autonomy on the international scene are by no means incompatible, driving a wedge with one's closest ally may not be the wisest diplomatic move.

The debate between transatlanticism and strategic autonomy is likely to play out most emphatically with respect to China but will also impact how the United States and the EU engage with partners around the world. The EU has long sought to diversify its global partnerships and has been working to establish firmer ties in Asia—for instance with ASEAN—and with Africa, [with recent proposals for a comprehensive strategy](#)

[with Africa](#) to prepare for the EU-Africa Summit later this year. Biden too has announced commitments to allies and finding new ways to engage, such as through the Summit for Democracy, and will seek to build upon U.S. engagement with Asia.

The EU and the United States are seeking to redefine their respective partnerships outside the transatlantic framework while pledging cooperation when it comes to global health and supporting worldwide economic recovery, to fending off geopolitical rivalries with other actors keen to assert their presence in the developing world, and to engaging with a network of other partnerships around the world. In this complex landscape of multiple and overlapping arrangements between countries, which vary according to issues, interests, and geographies, the key question will be the degree to which the EU, the United States, and other partners will be able to forge an alliance to reform international governance to meet such complexity and manage future turbulence. For the EU, the ultimate goal is to support multilateralism; for the United States, the end goal may not be the same.

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India and the Biden Administration: Consolidating and Rebalancing Ties

Tanvi Madan

The evolution of the relationship between India and the United States over the next few years will take place as both countries face a trifecta of crises. Washington will be grappling with the coronavirus and vaccine distribution, the pandemic's economic fallout, and the consequences of political divisiveness. Delhi will also be dealing with the health crisis and its economic consequences while facing a national security crisis with an assertive China.

In this context, Prime Minister Narendra Modi will seek to consolidate and even expand ties with the United States, a partner he has called “indispensable.” Delhi will hope that Washington continues to be helpful to its interests, and—in part to ensure that—will try to be responsive to the Biden administration's priorities. Given that, India will likely focus in the near term on cooperating with the United States to ensure that a rules-based order and multipolarity prevails in the Indo-Pacific region, on global health security, and on climate change.

Over the last few years, intensified U.S. and Indian concerns about China paved the way for deeper and more institutionalized defense and security ties, new or revived mechanisms to engage each other and with partners (including the Quadrilateral dialogue), and consultation, coordination, or cooperation in third countries and regional or global institutions, as well as incentives for the two countries to manage differences on a range of issues. Significantly for India, this also resulted in diplomatic, military, and intelligence support in its ongoing border crisis with China.

Thus, the Modi government will closely watch the Biden administration's approach to the Indo-Pacific, and particularly China. It will hope that the United States continues to recognize the problem that China's behavior poses and to work with allies and partners like India to tackle challenges in the Indo-Pacific and beyond. The flip side will be concern that, instead of seeing China as a strategic competitor, the Biden administration will emphasize cooperation with it on climate change and health security in ways that will make China more assertive or brazen in the region and hinder Indian interests.

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As the two countries with the largest number of coronavirus cases in the world, global health security will likely be another key focus area for India and the United States. With both grappling with the challenge of vaccine distribution, India will seek to highlight its role as a responsible and reliable partner, including as a vaccine producer—and likely supplier to a number of other countries.

How the two countries deal with the economic fallout from the pandemic could have an impact on their economic engagement with each other and the world. As they seek to recover and rebuild, a crucial issue will be what combination of reshoring and diversification they believe will be required for a more resilient economy. If both seek an approach that emphasizes the former, this will likely exacerbate their trade, investment, and even immigration-related differences. Some of these questions might arise as the Biden administration decides whether to sign the U.S.-India mini-trade deal that is apparently ready, even if that leaves outstanding issues (particularly related to digital trade).

One can also expect a return to climate-change cooperation that had been complicated by a disinterested Trump administration. Given its ambitious renewable-energy goals, India will welcome the United States' reentry into the Paris climate agreement, and it will also likely seek conversations on clean-energy technology and capital. The challenge in this space, however, could come from the kind of commitments that Washington seeks and Delhi's response given its own preferences and constraints.

The Biden administration will likely want India to share the burden on all these issues. If India is seen as falling short in terms of its willingness and ability to deliver, that could pose a challenge. Another divergence could be on the subject of values, beyond their rhetorical invocation. This could play out in two ways. First, in the bilateral relationship with the Biden administration expressing concerns—or more—about domestic developments in India and the Modi government pushing back against comments or actions related to what it stresses are internal affairs. The second will be in terms of what the basis of like-mindedness will be in choosing partners. While many of India's partners are democratic, it also sees countries like Russia and Vietnam as important. The question will be how India and the United States will manage these divergent approaches.

There is also scope for the two countries to work together in this space, particularly in ensuring democratic resilience in the Indo-Pacific region and the resilience of the rules-based international order (India will be

chair of the World Health Organization executive board for the next few months, a UN Security Council member for the next two years, and chair of the G20 in 2023). There is also potential to enhance mutually beneficial people-to-people ties through, for instance, cooperation in higher education, facilitated by Indian reforms in this sector.

Beyond these issue areas, there could be some decision points in 2021 that have a broader impact on the relationship. These include a flare-up in tensions at the China-India boundary this spring and Russia's delivery of S-400 missile defense system to India that will raise the issue of whether or not the White House should grant a related sanctions waiver. If the United States continues the drawdown on its forces in Afghanistan and the Taliban does not follow through on any peace agreement with the government in Kabul (as India expects), that will require decisions from Delhi and Washington. There will also be the perennial problem of a potential terrorist attack in India traced to groups based in Pakistan.

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There will be also be questions around the structures of cooperation—bilateral and multilateral. India will hope that the Biden administration does not wholly jettison mechanisms (like the 2+2, Quadrilateral, or Quad-plus) that have proven to be useful during the Trump administration. But it will be comfortable with adapting these to new realities. India might even seek new or revived dialogues on climate change, strategic technology, higher education, or economic ties, as well as membership of the India-led coalitions like the International Solar Alliance.

India will also welcome a return by the United States to multilateralism, though it seeks reformed multilateralism. It will continue to be interested in working in issue-based coalitions with the United States and others, including in Asia and Europe. Such coalitions are preferable to the Indian government than alliances. They allow Delhi to pick and choose according to where its interests and approaches align (such as joining ones focused on regional security or critical technologies while staying out of trade coalitions). They reflect India's understanding that it does not have the capability to go it alone, but also that existing multilateral organizations can be ineffective or unrepresentative. And they fit with India's preference to maintain a diversified portfolio of partners to maintain its freedom of action and to hedge against uncertainty about—and the unreliability of—any one partner. And given the recent political crisis in the United States and the European Union's investment agreement with China, this instinct will only be reinforced.

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