



The EU and the US in search of Common Ground: Extending the Transatlantic to an Indo-Pacific Partnership?

By [Ramon Pacheco Pardo](#) | 14 April 2021
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Key Issues

- Return to alliance thinking by the US could lead to enlarging the EU-US transatlantic partnership to the Indo-Pacific in order to rebuild trust and stay relevant, meet the challenge posed by China, provide a framework for partners in the region, and contribute to the security of citizens.
- Enhancing security cooperation in and with Asia, focussing on comprehensive connectivity and contextualising it with an Indo-Pacific Strategy will allow the EU to sit at the head table devising, cooperating, and complementing the strength of strategic partners in the region and the US. To this end: set up a task force for policy planning and implementation, devise cooperative post-COVID recovery policies within a strengthened multilateral system including the WTO, lead in connectivity planning and standard setting, and assure widespread support through an accompanying track 1.5 process.

Introduction

While Europeans are enchanted that President Biden is ready to take the head seat at the table with the United States' alliance partners, but with the clouds of America First, the domestic crises (the storming of the Capitol and the disrepair of the country's infrastructure) and the prospect of Trumpism to remain, this leadership cannot be taken for granted but has to be proved. The United States' present outreach centres on what it sees as a fundamental threat to stability and security in international politics: an increasingly assertive China. The EU now needs to demonstrate that it is ready to respond.

At first glance, the EU and the US have similar views on China. They acknowledge China as more assertive and threatening than it was ten years ago, willing

to flex its economic, diplomatic, and military muscles, unwilling to level the playing field in terms of market access, unconcerned with human rights, and destabilising the multilateral post-World War II system. Both Brussels and Washington have moved beyond the liberalism-informed thinking that China will open up and change having benefited from the liberal economic order. If anything, European and American thinkers believe, China is seeking to build an alternative order based on authoritarianism and state interventionism.

But in reality, the EU and the US do not entirely see eye to eye when it comes to China. The US, as part of its great power competition, focuses more on containment, seeing multilateralism as a means to keep China in the existing liberal order to which it owes its successful development. The EU sees multilateralism

and unilateralism as means for cooperation and inclusiveness. Needless to say, the EU and the US are also economic competitors with differences in areas such as the digital economy, taxation of CO2 and tech companies. These differences would need to be factored into developing a common approach towards China.

These differences with the United States are embedded in Brussels' circles calls for a "more geopolitical" or "strategically autonomous" EU. The EU High Representative and Vice President Josep Borrell and some Member States – chiefly France – continue to emphasise the need for European strategic autonomy to be a stronger player. If anything, post-COVID uncertainties have further compounded the EU's geopolitical and strategic autonomy agenda.

The EU is already in the premier league with the US and China in terms of economics and has good cards to play. But "economics only" is no longer a viable policy. Geopolitics has entered the scene. Security has gone global, there is no longer a European, Asia or US version. The EU has consequently redefined its relationship with China, spelling out the need for security cooperation in and with Asia. This has made the EU a more interesting security partner for countries in Asia, seen in the strategic dialogues that now accompany long-standing trade relations. Secretary Blinken visiting Brussels twice within a few weeks and President Biden dropping by virtually at a meeting of the European Council indicated that the US is ready to accept the invitation set out in the Transatlantic Agenda for a multidimensional framework of cooperation in promoting common interests and values.

There is now an urgent need to sit down, define the rules of the game and – after all – win. There is an urgent need for comprehensive security policy-making with trusted partners – the EU and the US are in the same boat, a boat that has to be ocean-going on the Atlantic, Pacific, and Indian Oceans. Sailing these oceans, the EU wants its partners Japan, India, South Korea, ASEAN, and – when appropriate – China to join.

The EU and these like-minded Asian partners share many, albeit not all, concerns with the United States

regarding China's trajectory. Taking up President Biden's offer to work with allies would facilitate a step-by-step approach in developing remedies and common policies that would stabilise the international system and avoid falling into the Thucydides trap. A strengthened transatlantic partnership, combining the strength of both partners, could become the nucleus of such comprehensive policy (see last section for concrete proposals).

Europe in and with Asia

The EU's resurrected strategic approach towards Asia and the Indo-Pacific is spelt out in the 2018 'Enhanced EU Security Cooperation in and with Asia'; the 2019 'Connecting Europe and Asia – Building Blocks for an EU Strategy' (known as the 'Connectivity Strategy'); and the upcoming Indo-Pacific Strategy, resting on a set of strategic partnerships with key partners. Unsurprisingly, the list of EU priorities and partners across Asia mirrors that of the US. Security, connectivity, and economic cooperation are three pillars on which the EU and the US can build.

In the security realm, the EU remains attached to its experience in soft power and use of diplomacy and crisis prevention. However, since 2009 the EU's readiness to deploy hard power elements has also been seen, most visibly in naval deployments to prevent piracy and protect international shipping lanes in the Gulf of Aden and more recently in deployments of EU Member States' assets for naval operations in the South China Sea.

A new project, Enhanced Security Cooperation in and with Asia, effective since April 2020, looks at building cooperation in maritime security, counter-terrorism, crisis management (peacekeeping/CSDP), and cyber security. While multilateralism and cooperative approaches are high on the agenda, the EU looks to five pilot countries – India, Indonesia, Japan, South Korea, and Vietnam – to support its growing footprint in the region.

The EU's Connectivity Strategy fits within this cooperative and multilateral approach, focusing on the promotion of sustainable, comprehensive, and rules-based connectivity. Priorities include

transport (i.e. infrastructure), energy, digital, and human connectivity where the value-based approach can foster socialisation. Digital and transport, in particular, are two areas that the EU believes are ripe for cooperation with like-minded Asian partners in the near future as interests overlap and joint actions produce better results.

In terms of the Indo-Pacific, the EU's own strategy should be ready any time soon. But the French, German, and Dutch Indo-Pacific strategies already point out commonalities among the three Member States that are driving the process. This includes greater assertiveness in calling out China when it engages in actions contrarian to the international rules-based order; cooperation with like-minded partners and other countries in the

This hardening of views towards China has come in steps by EU Member States, including the limiting of Chinese investment in 5G networks and limits on Chinese investment in strategic industries. Although EU Member States sometimes hold different views on how to balance Chinese assertiveness and human rights violations with the EU's interest in close economic relations, they agreed recently to sanction Chinese individuals and entities for human rights abuses, including ones committed against China's Uighur minority (category rival). China's crack-down on Hong Kong and bellicosity toward Taiwan add to this skepticism.

These measures contrast with constructive cooperation in the form of the EU-China Comprehensive Agreement on Investment (CAI),

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region that might share Europe's concerns; the use of all tools available to the EU and its Member States; and a comprehensive focus on essentials such as peace, security, the rule of law, human rights, technology, climate change, connectivity, and public health.

Along came China

The 2019 EU-China Strategic Outlook is clear: the emerging Asian superpower is a competitor and rival, but also a partner. The perception of China has become more negative in Europe, due to its often undiplomatic COVID diplomacy and the implementation of the Belt and Road Initiative. The unravelling of the 17+1 Dialogue is a clear indication of this trend.

signed in December 2020. The agreement locks in progress made over the last two decades, which should prevent unilateral rollback by China. Short of a free trade agreement which is not feasible at this stage, CAI is an important step towards more predictability and security, investment protection, and dispute settlement, as well as the application of existing rules and regimes. Furthermore, Most Favoured Nation application is in line with applied multilateralism and also benefits the US, unlike the strictly bilateral Phase 1 trade deal concluded by the Trump administration. In this sense, the EU believes that CAI is testimony to the benefits of dialogue and cooperation with Beijing. However, China's countermeasures in sanctioning individuals, including members of the European Parliament and think tanks, put the ratification process at risk.

Transatlantic relations and the Indo-Pacific: deeds not just words

In any case, the EU's push to become more active and assertive in Asia and now the Indo-Pacific is here to stay.

While recognising differences in the appreciation and interests of the EU and the US, the commonalities outperform the differences widely. Enlarging cooperation from the Asia-Pacific to the Indo-Pacific will challenge the transatlantic partnership. In order to meet the challenge concrete steps need to be taken quickly to combine forces in light of the power competition in the region.

1. Establish an Asia-Pacific and/or Indo-Pacific working group or task force for policy development and coordination. The working group/task force should be set up at the level of senior officials (Managing Director of the European External Action Service and Department of State Under-Secretary) plus the working level to follow up. It would focus on discussing a coordinated approach to the Indo-Pacific and China to reach a common stance, focusing on three categories: security, trade and economics, and connectivity. The group could be enlarged to include Japan and South Korea on a 'regular ad-hoc' basis to show the importance of working with partners in the region and to avoid giving the impression the EU and the US are imposing their views. Because it is an open group Australia, India, Indonesia, or New Zealand could also join on an ad hoc basis. This working group or task force could feed into the necessary high-level consultation at the level of High Representative/Secretary of State.

2. Address shared economic concerns bilaterally and through multilateral institutions. Responding to the urgent need to avoid a lose-lose trade war the EU and the US should develop a common approach in addressing China's alleged trade-distorting practices. Arguably it was the EU's economic and trade might and Washington's realization that the competition goes beyond the military realm that first made the US think about cooperation with the EU. Brussels and Washington should lead the discussion of regional free trade agreements at the WTO to assure they are trade creating and not discriminatory. Joint

initiatives to reform and empower the WTO should start immediately in support of the newly appointed Director General. Restarting international trade will play a crucial role in the post-COVID recovery efforts. Tech trade, health and climate-change related goods and services, e-commerce, and digitalisation are some of the prime areas where the EU and the US could lead standard-setting while assuring non-discrimination. Bilaterally, the US could come closer to the EU's position in areas such as data protection, while the latter could implicitly accept the former's push for tech decoupling as long as Chinese firms do not adhere to strict standards.

3. Engage and cooperate in the area of connectivity. The EU has an increasingly well-defined connectivity strategy which can become a building block for the Indo-Pacific Strategy, where the EU could take the lead: Japan, which inspired the open Indo-Pacific vision, runs its own multi-billion Dollar Partnership for Quality Infrastructure with synergies to reap from the Partnership on Sustainable Connectivity and Quality Infrastructure. The US added the Blue Dot Network certifying projects as market-driven, transparent, and financially sustainable. ASEAN is operating its 2025 Master Plan on Connectivity. South Korea is also interested via its New Southern and Northern cooperation policies. Digital and transport/infrastructure are the two areas in which the EU, the US, and their allies and partners share a common interest. Searching for common ground with China's Belt and Road Initiative and offering cooperation could become a real win-win situation, as long as Beijing adheres to strict norms and standards not only that the EU and the US support, but that Asian governments also believe in. This is a leadership opportunity for the EU not to miss.

4. Introduce a 'friends of partnership' track-1.5 grouping. An EU-inspired and -led platform with the US and Indo-Pacific and connectivity partners like India, Japan, South Korea, ASEAN, Australia, and New Zealand could feed into the deliberations of the EU-US Asia and/or Indo-Pacific working group/task force. The purpose of making the EU the focal point would be to socialise Brussels into existing discussions and developments in the region, as a latecomer into Asian and Indo-Pacific geopolitics, and build on the 'Brussels effect'. Furthermore, an EU-centred grouping built on multilateralism and

openness could also facilitate China's participation at least on an ad hoc basis, since it is also an EU strategic partner. Preparing in track-1.5 is respecting the Asian way.

Conclusions

There is a need for the EU and the US to cooperate on Asian and Indo-Pacific affairs now if they want to find common ground on China. Furthermore, there is sufficient convergence between Europe and the US in terms of security, economic, and connectivity strategies to establish cooperation. Therefore, the transatlantic partners should action concrete steps in the coming weeks rather than months, also in light of the pandemic and the need to join forces and plan post-COVID recovery.

Time is a factor: Asia and the Indo-Pacific are not going to wait for the EU to come up with its Indo-Pacific Strategy, the Biden administration to think through its policy towards the region while planning to improve ailing domestic infrastructure, and the two of them to come up with a common transatlantic approach. China has already used the Trump years to i) zoom in on the South China Sea, Hong Kong, and Taiwan; and ii) advance a Sino-centric system building on its economic and political might and influence. If there is no alternative for Asian countries to count on or hedge upon the project

will succeed. North Korea has already taken again its well-trodden path of provocations, raising the risk of confrontation and escalation further – either a challenge or opportunity for its protector China. Also, the US is not waiting for the EU to get its act together: Biden organised a Quad Summit, presented EU leaders his ideas of a transatlantic partnership in his virtual participation in a European Council, and Prime Minister Suga was the first foreign leader to visit the White House. Secretaries Blinken and Austin have travelled for 2+2 meetings to Japan and South Korea, and then continued on separate paths to India and Alaska for a meeting with China. President Biden has convened a Leaders' Climate Summit for April 22 – an area where the EU was upholding the flag during the dark Trump years.

While the EU can draw on various elements of its Global Strategy and the mentioned policy papers on Asia and the Indo-Pacific, it needs partners to ensure its interests – including solving its China conundrum. It will gain these partners only if it walks the talk of the indivisibility of security and the interdependence of the globalised economy. A geopolitical Commission with the unwavering support of Member States has to provide the framework and the tools to make the EU an attractive partner complementing the US and for the partners in the Indo-Pacific region. Otherwise, the EU will not have the desired seat at the table.

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