

US spotlight: The year in review and looking ahead

Nine Chatham House and foreign policy experts review the first year of the Joe Biden presidency and examine America's future place in the world.

EXPERT COMMENT

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Creating better global governance is possible

Dr Anne-Marie Slaughter

The Biden administration's foreign policy achievements can be divided into great power achievements and global achievements. In the great power category, the administration has shored up the military balance of power against China by strengthening the Quad – Japan, India, Australia, and the US – and creating a new military configuration of the US, the UK, and Australia, even as it created a serious rift with France. The Biden team is also pushing back hard against Russia, certainly in the cybersphere, and has reopened negotiations to stop Iran from becoming a nuclear power.

The administration's biggest win, however, is on the global side: the agreement by 136 countries – representing more than 90 per cent of the global economy – to impose a minimum corporate tax of 15 per cent. This is a people-centred more than a state-centred

accomplishment, for several reasons. To begin with, it is a down payment on Biden’s promise to orient his foreign policy toward the needs of the American middle-class rather than the American foreign policy elite.

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The agreement also holds out at least the possibility of filling government coffers worldwide in ways that could translate into increased benefits for their citizens. Finally, it makes it harder for individual governments to ‘beggar their neighbours’ in terms of reduced employment and tax income by creating tax havens to lure corporate investment.

The trick now is first to pass whatever domestic legislation is necessary in different countries to conform to the agreement – as countries can still set their own corporate tax rates – and then to monitor and enforce both the collection and the distribution of tax revenues to reduce corruption and increase government services.

Civic organizations such as Transparency International could work with the IMF, the Financial Action Task Force, and global accounting firms and consultancies to create an impact hub that would focus energy, resources and attention on compliance with global tax and finance

standards. The result could be an example of what UN Secretary General Antonio Guterres calls ‘networked multilateralism’ – a more open, inclusive, and effective model of global governance.

American global power needs stronger political leadership

Sir John Sawers

The Biden team have brought a degree of calm and predictability back to US foreign policy. They talk to allies and listen to their views, they are serious on climate, and they engage with great power rivals which contributes to strategic stability.

But President Biden has yet to make a positive mark on the world order. American power is less dominant. Both China and Russia believe democracies are struggling and that the US is in decline. The UK’s waywardness adds to the sense of the West being adrift. The unnecessary Afghan withdrawal was scarcely a demonstration of unity and commitment.

Resolve and consistency from Washington is essential and the US needs active support from Asian allies and from Europe – meaning that Biden and his successors must take allies’ concerns into account

Russia, China, and Iran are each throwing down a challenge but Biden's focus is domestic. He is keen to avoid conflict abroad which encourages Moscow, Beijing, and Tehran to ratchet up the pressure. The first big test is Ukraine – which will challenge the new German government too – and, although major war is unlikely, Putin is willing to take a risk to bring Ukraine to heel. It is crucial for Europe that Biden does not fall back to a new European security order more favourable to Russia.

China remains the biggest challenge. Xi Jinping wants to secure his third term before doing anything risky and a new Asian security order will take a decade or more to evolve. Resolve and consistency from Washington is essential and the US needs active support from Asian allies and from Europe – meaning that Biden and his successors must take allies' concerns into account.

Although Biden's national security team is experienced and capable, it lacks a political heavyweight. The vice-president has made no impact and the secretaries of state and defense carry little clout on the Hill. Biden himself is too tactical. He needs a powerful figure to re-model America's approach to global order.

Rebuild liberal democracy, but also work across ideological dividing lines

Professor Charles Kupchan

The Biden administration has made two essential course corrections to US statecraft. First, it has put democracy and multilateralism back at the centre of US foreign policy. Second, Biden is rebuilding the domestic foundations of American democracy by improving the competitiveness of the US economy and looking to economic renewal to both revive the nation's political centre and restore popular support for the nation's international calling.

One of the administration's main challenges is coupling its strategy of democratic renewal at home and abroad with successful efforts to advance cooperation across ideological dividing lines – a must in a globalized and interdependent world. Democracies need to demonstrate that they can not only get back on their feet and outperform non-democracies, but also work with them.

The US is again being governed by a president committed to the rule of law, the core traditions of liberal democracy, and the defence of human and civil rights. Washington has also rediscovered multilateralism and is working with like-minded allies to revitalize democratic societies and rebuild solidarity among democracies to address collective challenges. These course corrections put the US back on the right side of history, ensuring it again plays a leading role in bending the arc of history in a positive direction. It is no accident that international

approval ratings of the US have improved markedly since Biden took office.

There is no going back to the decoupled world of the Cold War. Facing this new reality necessitates a US strategy that is not just about containment but also leaves room for constructive engagement

Biden is simultaneously rebuilding the domestic foundations of US democracy through the big investment packages he has been guiding through Congress. These investments promise to make the US economy more competitive and improve the daily lives of working Americans, which in turn helps revive America's political centre and popular support for US internationalism.

Biden's 'foreign policy for the middle-class' also entails ending the 'forever wars' and downsizing the nation's military footprint in the Middle East. Americans want Washington to spend more time and resources addressing problems at home rather than abroad. Easing strategic overreach while investing in working Americans makes it more likely that Biden's brand of statecraft represents the new normal, not just a temporary detour from the isolationism and unilateralism of Trump's 'America First'.

Rebuilding the foundations of liberal democracy at home and abroad is the right way to go; it is imperative that the

world's liberal anchor holds firm and outperforms autocratic and illiberal alternatives. In the meantime, standing up to non-democracies is of course in order; China, Russia, and their like-minded partners do pose both strategic and ideological threats to the US and its democratic partners.

But Biden and his democratic allies must also do more to work across ideological dividing lines. Teamwork between democracies and non-democracies will be necessary to address numerous challenges, including tackling climate change, taming the current pandemic (and preventing future ones), promoting strategic stability, stemming nuclear proliferation, managing migration, and generating the global rules of the road to govern commerce and cybersecurity.

China will soon have the world's largest economy and some two-thirds of the countries of the world already trade more with China than with the US, so there is no going back to the decoupled world of the Cold War.

Facing this new reality necessitates a US strategy that is not just about containment but also leaves room for constructive engagement. Crafting a brand of statecraft that finds the right mix of containment and engagement will be no easy task – but it is a strategic necessity.

US must safeguard democracy from conspiracists

Suzanne Nossel

In the eyes of the world, the US suffers from a multiple personality disorder. Having weathered the shocks of the Donald Trump years, America's global allies want to believe Washington's return to normality under Joe Biden is permanent. But with state laws curbing voting rights, ambassadorships sitting empty due to a hamstrung Senate, and partisan warfare over gun violence and COVID-19 precautions, it is evident that despite a change in government, Trump's dark and erratic 'alt-America' lurks just under the skin.

The Biden administration's ability to exert influence in the global arena hinges on taming disorder at home because the world cannot unsee the spectacle of US-led diplomatic breakthroughs, institution-building efforts, and hard-won alliances being summarily undone – everyone knows it can happen again.

The greatest contribution Biden can make to improved global governance is to prove convincingly American democracy can be safeguarded from corrupt, dissembling conspiracists. For his version of America is to stick, Biden must demonstrate that the Democratic Party is unified and capable of governing, can improve Americans' lives enough to win re-election, and to make visible progress in healing the fissures tearing at American democracy.

On these crucial measures, judgement is premature – hairline legislative victories are better than nothing, but no-one watching a wire-walker can ever forget about the wire. But the Biden administration has taken some of the right steps in seeking to promote a form of governance suited to the 21st century.

This is a governance that consists of overlapping – and sometimes competing – policies structures that hedge one another. The Quad, AUKUS, the bilateral rapprochement with Beijing, reengagement at the United Nations (UN), and the Summit of Democracies are each distinct efforts to make common cause with others, set direction, and solve problems.

Amid a fluid global order, building a diverse and dynamic portfolio of governance mechanisms is the best defence against entropy, and can ensure the US will not be boxed out by its rivals. But ultimately, the Biden administration's contributions to stronger governance globally depends on its ability to govern at home.

Will world leaders accept or push back on the liberal values agenda?

Professor Alexander Cooley

Now is a vital time for the Biden administration and its vision for how to promote and update liberal values to reassert global leadership. It has announced a

groundbreaking strategy on countering corruption, and tackling kleptocracy will also feature prominently on the agenda at the signature inaugural Summit for Democracy. Both these ‘values’ initiatives are important as they double-down on and extend the role of liberal principles in US foreign policy and its leadership of global governance institutions.

However, both are likely to spur further illiberal backlash from state and non-state actors. Corrupt autocrats will view this anti-corruption policy as another attempt by the US – alongside its promotion of democracy – to threaten or destabilize regimes in the name of countering kleptocracy. Similarly, Russia and China have both publicly criticized the Summit for Democracy as a transparent US-led geopolitical initiative to ‘stoke up ideological confrontation’ aimed at curtailing Moscow and Beijing’s growing global influence.

In both cases, the US opens itself to renewed accusations of liberal hypocrisy given it continues to host many of the enabling services which facilitate grand corruption – such as shell company providers, lawyers, accountants, and luxury real estate – and its own democratic health is practically anaemic in the wake of the 6 January insurrection and seemingly irreparable polarization of its political institutions and bitter culture wars.

Biden administration officials may want to lead a re-invigorated global contest between democracies and autocracies but it is far from clear which set of political models and values hold the broadest appeal.

What America is and what it does remain essentials of power

Dr Leslie Vinjamuri

The world's reactions to the US continue to be defined by two very different measures of American power – what America is and what America does. Joe Biden's most ambitious goal has been on the first of these two measures. In his inaugural speech, the President made a plea for unity in America.

So far there is little overt sign of success in achieving this goal. America remains a highly polarized nation. The two political parties hold alternative conceptions of the ideal society, and the Republican Party continues to embrace those who rejected the most basic democratic norm – a peaceful transition of power.

Entrenched partisan narratives reinforce polarization in the US and these internal divisions are visible to the rest of the world. One year into Biden's presidency, even America's closest partners are hedging against America's uncertain future.

The president has also encountered great expectations for US leadership (what America does) beyond its borders. The world is struggling to cope with an ongoing pandemic, looming debt, and a climate crisis, and the US ability to tackle these challenges takes place alongside its efforts to deter and compete with China. The groundwork Biden has undertaken in his first year to restore America's commitment to multilateralism for delivering public goods and to invest in plurilateral initiatives that shore up US deterrence is important.

Ultimately, even America's power is limited and the Biden administration's effort to adjust to this fact has been politically costly. The US withdrawal from Afghanistan escalated a grave humanitarian crisis and came at a cost to the transatlantic partnership. And as the COVID-19 crisis continues, many people blame the US for the fact a significant proportion of the world's population remains unvaccinated and the virus continues to mutate.

In the year ahead, practical measures to help unify the nation are essential. The administration has succeeded in bringing evidence and science back into the policymaking process – it should now work to expand the circle of those actively included in this process by working across partisan lines with moderate Republicans, and beyond elite communities. This is critical to breaking down entrenched partisan narratives.

And, in its foreign policy, it is important the US can manage international expectations about the limits of its capacity to simultaneously deter China and Russia, deliver global public goods, and promote democracy and human rights.

Trade is Biden's Achilles heel

Marianne Schneider-Petsinger

The lack of a new and comprehensive trade policy for the Indo-Pacific region leaves a big gap in the toolbox to tackle the US's central foreign policy challenge – namely China. Biden has kept many of the policies introduced during the Trump administration as US tariffs remain on two-thirds of imports from China and the US-China Phase-One Deal from January 2020 is still in place.

Public attitudes towards trade plummeted in 2021 which raises questions about the administration's ability to rebuild an economy that works for everyone.

The US absence from key regional trade agreements in the Indo-Pacific has been highlighted by China's accession request to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). And the US continues to block appointments to the Appellate Body of the World Trade Organization (WTO) which could hold China more accountable for its trade practices.

Biden's actions on trade policy also do not fit entirely with the administration's rhetoric of a 'foreign policy for the middle class' or to 'build back better'. Efforts to promote a 'worker-centred trade policy' have only led to limited results so far, such as the enforcement of labour provisions in the United States–Mexico–Canada Agreement and elevating the issue of human rights and forced labour.

But the Biden administration admits keeping high tariffs in place contributes to higher costs for consumers – on top of Americans having to cope with ongoing supply chain disruptions. Not surprisingly, public attitudes towards trade plummeted in 2021 which raises questions about the administration's ability to rebuild an economy that works for everyone.

Trade policy will continue not to be a priority on its own, even though it is intrinsically linked to achieving key domestic and foreign policy priorities such as focusing on the COVID-19 pandemic and economic recovery, fighting climate change, and managing the relationship with China and key US partners.

While much progress has been made to end transatlantic trade disputes such as the Boeing-Airbus subsidies or the steel and aluminium tariffs, the US, EU, and UK still need to work towards a final resolution and find global solutions.

With mid-terms due in 2022, new US trade agreements – or even a renewal of the Trade Promotion Authority which expired in July – are off the table, and the only real prospect for movement is on digital trade agreements, starting with countries in the Indo-Pacific.

Advancing such agreements not only help the US counter China's influence but also build support domestically, given the economic benefits of digital trade. The Biden administration can prevent future Achilles injuries by strengthening its digital trade policy.

Washington must prioritize the JCPOA

Dr Sanam Vakil

With domestic pressure and geopolitical priorities having occupied most of the administration's time, a Middle East agenda has not received the attention many regional partners have been seeking from the US. Despite repeated protestations to counter these sentiments, the prevailing sense among Middle Eastern states is that the US is abandoning the region.

The poorly-executed withdrawal from Afghanistan further heightened regional anxieties about US commitments to regional security, while the administration's diplomatic and mediation efforts have been focused on reviving the

Iran nuclear agreement (JCPOA) after the 2018 withdrawal and ending the Yemen war.

But due to delays in Washington and in Tehran, the Vienna-based nuclear negotiations have yet to produce the sought-after results of reversing and constraining Iranian nuclear advances, while the Yemen-based and Iranian-backed Houthi group continues to advance its war effort with the intention of consolidating its control of North Yemen through the takeover of Marib.

In reaction to the US recalibration and diplomatic manoeuvring, regional states have led nascent de-escalatory hedging moves of their own, pursuing bilateral and multilateral dialogue which has seen a resolution of the Qatar conflict, tentative rounds of Tehran-Riyadh dialogue, and the August Baghdad regional summit which brought together outreach between the UAE and Turkey, Turkey and Egypt, and the UAE and Syria alongside the Abraham Accords.

But these patterns of regional stability remain hinged to progress made in the JCPOA nuclear negotiations, so prioritizing the JCPOA revival should remain Washington's priority. A deal is the only pathway to contain nuclear tensions with Tehran and lay the foundation for broader regional stabilisation efforts.

How far can the US leverage its Asia-Pacific relationships

Professor Rana Mitter

One repeated assessment of the Biden administration's China policy is it is essentially the Trump policy with fewer tweets. However, while there has been strong language from Washington on themes from Xinjiang to Taiwan, there are clear points of difference with the previous incumbent – there is a greater willingness to praise allies in public, as well as more effort to open up quiet channels of diplomacy with Beijing.

The latter has seen a few positive effects, such as the agreement to work together between US climate change envoy John Kerry and his Chinese opposite number Xie Zhenhua. But the Biden administration has defined its competition with China in ways that suggest red lines, particularly over Taiwan.

One of the most important issues now is how far the US can really leverage its potentially powerful alliances and pacts in the Asia-Pacific region. Japan has begun to use stronger language, making it clear it would regard the non-consensual unification of Taiwan and the mainland as a threat to its interests. But questions remain as to how solid the Quad agreement between Japan, India, Australia, and the US will be.

The AUKUS pact shows 'minilateral' deals are likely to increase, but the birth of this agreement was

overshadowed by the snubbing of France, which reacted angrily to its exclusion from the deal. But the bigger story is the continued lack of Chinese capacity to create reliable partnerships in the region.

This is leading to a hard question for the mid-2020s on whether China's undoubted strength in economics in the region and its growing military power can overcome the longstanding US security presence in Asia just as the latter slowly but steadily reduces in economic importance. New actors may play an intriguing role in this question, so watch out for new UK diplomacy in the region if it accedes to CPTPP in 2022.