

# Three views on the US election

Blog post by the Global Counsel team, 6 November 2020

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## UK - Joe Armitage, Senior Associate

At this point - with Joe Biden likely to win the presidency - the UK government has probably started to build and strengthen relationships with individuals in Biden's team who are set to lead the transition process. However, given that President Trump still has a slim chance of successfully contesting the outcome in key states and remaining in office, any such outreach to Biden's court will remain discreet.

A key barrier to a positive relationship between a Biden presidency and prime minister Johnson is the perception that the latter is a personal ally of Trump whose Brexit-supporting government supports his worldview. Johnson will likely seek to use climate change policy - which Trump has dismissed the importance of - to demonstrate to Biden and his team that the two leaders are aligned. The UK assuming the presidencies of both the United Nations Climate Change Conference and the G7 in 2021 are powerful tools that Johnson can use at the outset of Biden's presidency in an attempt to build a strong personal rapport.

The UK's departure from the EU and the perception that Johnson has a lukewarm view of multilateralism will be a challenge. Biden's stated objective of returning to multilateralism and strengthening the rules-based international order will likely involve a return of close relations between the EU and US. This could result in the US-UK relationship becoming a second order issue and potentially lead to the side-lining of negotiations on a US-UK FTA, especially if the UK overrides provisions on Northern Ireland in the EU Withdrawal Agreement. The UK government can again use its 2021 presidency of the G7 to demonstrate its alignment with the EU and US on key strategic multilateral objectives, perhaps involving the pursuit of CPTPP membership to advance China containment efforts, but this will require delicacy. The UK acrimoniously exiting the EU transition period without a deal at the end of the year would certainly reduce the achievability of this.

At an operational level, the relationship between the US and UK is unlikely to change, regardless of the dynamic between Biden and Johnson. The militaries and intelligence agencies of both countries will still work together symbiotically in areas and US state officials will continue to oppose the UK's Digital Services Tax and advise the UK against allowing Chinese investment in certain infrastructure projects, all of which remained constant under the Obama and Trump administrations.

## Brussels - Ana Martínez, Practice Lead, EU Policy

The heads of the EU institutions - Ursula von der Leyen, Charles Michel and David Sassoli - are refusing to take sides until all the ballots are accounted for. They want to avoid past mistakes, notably that of former European Council president, Donald Tusk, who openly supported Hillary Clinton during the 2016 US election. His famous "one Donald is enough" tweet sparked criticism.

The same cannot be said for all EU leaders and given the diversity between the 27 member states, views differ. While the Slovenian prime minister, Janez Janša, prematurely declared Trump's victory on Wednesday, others, including the head of the Socialists and Democrats group in the European Parliament, Iratxe García Pérez, have come out in support of the democratic candidate. However, an increasing number of voices are warning that a Biden administration will not bring the transatlantic relationship back to the good old times. The French finance minister, Bruno Le Maire, said that the

result will not shift European commercial interests, adding that “it is time for Europeans to assume their responsibilities”. The justice commissioner, Didier Reynders, echoed Le Maire’s views, arguing that the EU’s role should be to “promote multilateralism in the face of American retreat”. Martin Selmayr, former secretary general of the European Commission and current head of the Commission’s representation in Austria, added that the EU must “take its destiny into its own hands”. MEPs in the liberal Renew Europe group, such as Sophie in ‘t Veld or Guy Verhofstadt have also echoed this sentiment.

There is hope in Brussels that a Biden victory could increase cooperation on the WTO and on climate policy. But many acknowledge that disagreements will prevail in crucial areas for the bloc, including the EU’s relationship with China, defence policy and digital policy. The EU’s push for own resources (i.e. EU taxes) will not disappear and Washington’s position is unlikely to shift regardless of who wins the election. Perhaps the area that might not garner as much support from member states under a Biden administration is this concept of “open strategic autonomy”. France, which is the driving force behind it, will want to ensure that other EU capitals and in particular Germany continue to work towards this objective. And lastly, a question that will also be present in the minds of EU leaders is the future of the republican party. Unfortunately for some, more time will be needed to answer that question.

#### Singapore - Andrew Yeo, Senior Associate

Singapore is host to a diverse population and is itself a metropolis which has deeply benefited from the rules-based international order. While this and a cultural tendency towards decorum has somewhat nudged residents towards a Biden administration, there is also a sense of broad indifference. A part of this is jadedness at the theatrics of the last four years, but it is also far harder to ignore the conversations deriding the idea of Western exceptionalism these days. The consecutive spectacles of BLM and then the West’s response to covid-19, and its impact on the psyche of an economically rising Asia is potentially indelible.

Then there is the fact that the impact of US-China tensions has yet to draw countries in the region into making dichotomous policy choices. Indeed, capital flight and the pursuit of politically neutral venues has benefitted Singapore, while the emerging recognition that supply chains should diversify beyond China has broadly benefitted other parts of Southeast Asia. Unlike Japan, Australia, or India, which have either lowered regulatory approval thresholds or adopted a de facto blacklist approach to Chinese capital, Southeast Asia has not tweaked foreign direct investment regimes in response to geopolitical tensions. The result has been an increase in investment in the region as companies increasingly adopt a China Plus One strategy. A signal well worth paying attention to will be whether the next administration escalates or deescalates its currency undervaluation charge on Vietnam under Section 301, which is the same section it used to trigger the ongoing economic conflict with China.

Obama’s Indonesian roots and frequent attendance at ASEAN meetings engendered warmer US-ASEAN ties, but policymakers with long memories will also remember his administration’s apathy even as China reneged on key South China Sea agreements while North Korea persisted on its nuclear program. Today, the South China Sea remains an arena of economic and territorial competition, while North Korea is on track to becoming a nuclear-weapon state. An emerging arena of strategic competition is the Mekong delta, which the Trump administration recognised by launching the Mekong-US Initiative. Pompeo’s recent trip to Vietnam also discussed Chinese development activities along the Mekong River which has affected the access of Vietnamese to freshwater. While it is unclear how a Biden administration plans to engage with the region, a narrow win scenario means domestic priorities will likely take precedent. Biden is also unlikely to fundamentally differ from Trump on China, leaving pragmatic countries in the region adopting a stance that is more wait-and-see than enthusiastic.