

M d lina Laura CUCIURIANU
SOP HRD/159/1.5/133675 Project
Romanian Academy Iasi Branch

THE US-EU RELATION. COMPETITION OR COOPERATION

Theoretical
article

Keywords

Competition policy
Transatlantic relation
International cooperation
Transatlantic partnership

JEL Classification

F13; F53; F59; F63; F68

Abstract

The United States and the European Union are considered, by the analysts, to be the most strategic partners in the international system nowadays. Because of their common interests, these two world powers are in constant competition and cooperation. For this reason, this paper emphasizes the most important aspects of the US-EU competition and cooperation policy in a multipolar world. The study includes also the analyze of domestic and international sources of the US-EU cooperation. In order to find out and to explain the sources of the US-EU cooperation, it is necessary to focus on exploring the causes of the international cooperation. Another direction of the analysis is to explain the importance of cooperation in transatlantic competition policy by investigating the negotiations of the transatlantic partnership between the United States and the European Union.

Introduction

The importance of the US-EU relation in a complex international system is reflected in the US-EU cooperation in different areas. In order to have a clear image on the transatlantic cooperation, this paper explores the most important aspects of the US-EU relation in the context of international cooperation. In a competitive world, dominated by conflicts of interests, the attention of the specialists is concentrated on the politics that created the general framework for transatlantic cooperation in a competition policy. Given to the historical background of transatlantic relations, it is also necessary to find an answer and an explanation to the question why did the US and EU created a formal framework for cooperation in competition policy? In order to find some answers to this question, this paper emphasizes the linkages of domestic and international cooperation process and the nature of competition in the international system.

This article has two main parts: the first one is concentrated on the importance of the US-EU relation in the international cooperation process with focus on the main documents elaborated since the formal transatlantic cooperation has begun until the negotiations of the Transatlantic Trade and Investment Partnership. The second part of this article focuses its attention on the domestic and international sources of the US-EU cooperation in order to see how and why are working this type of cooperation in a competitive world.

The United States and the European Union are considered to be the two largest economies in the world which have been negotiated the biggest trade and investment partnership, so they became allies with global responsibilities (European Commission, 2006). By working together, the US and the EU want to promote their common values, goals and interests all over the world. These two powers have common belief in democratic government, human rights, free market economics and security. In the context of globalization, the US and the EU have to confront global challenges such as terrorism, threats to the security and stability of the world, weapons proliferation and many others. In order to face these challenges, a solid relation and a long-standing partnership was the appropriate solution.

The importance of the US-EU relation in the international cooperation process

The relation between US and the EU is very important in the international system and the nature of this relation depends on their common interests (Peterson, Pollack, 2003). It is known the fact that Europeans and the Americans share common values and has connections on cultural, economic, social and political areas and this is reflected in close transatlantic relations.

The formal relation between US and the EU started in 1953 like a traditional one, with diplomatic exchanges of ambassadors and delegations (Kegley Jr., Wittkopf, 1995). In order to develop and to maintain the transatlantic cooperation, European Union and the United States initiated the idea of presidential summits (European Commission, 2004). Those summits were the result of the Transatlantic Declaration from 1990 (Transatlantic Declaration, 1990) which formalized the USA's contacts with the European Community.

Due to the international challenges created by the process of globalization, the European Union needed to readapt and to redefine its foreign policy. The concretization of these processes was designed in the creation of the European Common Foreign and Security Policy (CFSP) (Council of the European Union, 2010) and the European Security and Defense Policy (ESDP) (Grevi, Helly, Keohane, 2009) so the EU became an important international partner in many areas. This matter raised the interest of US on the EU and a strong transatlantic relation was necessary in the international system in order to face the external challenges.

The Transatlantic Declaration from 1990 was not the single document with major importance for the US-EU relation; it contained clauses which allow further development of this relationship in order to promote democracy, open market economy and cooperation (Elles, 1993).

Another document that defines and describes the US-EU relation is the New Transatlantic Agenda (New Transatlantic Agenda, 1995), signed in 1995. This type of document was considered by the leaders to be the starting point for the institutionalization of an economic transatlantic relation. Among others, the most important objectives of the New Transatlantic Agenda are the development of the international trade, closer economic relations, the promotion of concept such as security and economic competitiveness (Barber, 1995). This document was accompanied by the Joint Action Plan (Joint Action Plan, 1995) with concrete actions in the process of US-EU relation of cooperation like liberalization of financial services, implementation of intellectual property rights, creation of additional market opportunities with jobs and economic growth. The Joint Action Plan was structured on four directions (European Commission, 2006) in order to provide a new framework for a partnership of global significance. Those four directions were: the promotion of peace and stability, democracy and development all over the world, the need to face global challenges, the expansion of world trade and the creation of closer economic relations, the need of building bridges across the Atlantic.

The intensification of economic relation US-EU has been continued by the elaboration, in

1998, of the Transatlantic Economic Partnership (Transatlantic Economic Partnership, 1998). Its major objective is the expansion of the multilateral and bilateral cooperation in the field of trade and investment. In 2002, The Positive Economic Agenda (The Positive Economic Agenda, 2002) was continuing also the process of institutionalization and expansion of transatlantic economic cooperation. These two important documents lead to the need of building a strong partnership, with mutual benefits, which enable the US and the EU to contribute to increased security, stability and welfare at global level (European Commission, 2004).

Furthermore, the US-EU economic summit in 2005 launched the so called the EU-US economic initiative to enhance transatlantic economic integration and growth which was marking the fact that the cooperation US-EU covers a large area and at the core of this cooperation is the promotion of economic integration and the economic growth on the both sides of the Atlantic.

Nowadays, the most important document that reflects the strong transatlantic cooperation is the Transatlantic Trade and Investment Partnership (European Commission, 2013), launched in 2013, and considered, by the scholars, to be the most strategic partnership. The negotiations of this transatlantic partnership show the interests of both economic blocs involved, in order to be a world power. Even if in the economic field the fight for the final gains is competitive, United States and the European Union concluded that the solution for the economic crisis and for economic growth is to cooperate. The TTIP has benefits for both sides of the Atlantic by removing the trade barriers and by trying to work together on customs procedures.

The regulatory barriers have been, for a long time, the impediment to trade and investment between EU and the US. The regulatory cooperation is an important element in the fight for the elimination of unnecessary trade barriers, in order to create a barrier-free transatlantic market (Paemen, 2005). This is the purpose of the US-EU economic cooperation.

The importance of the US-EU relation in international cooperation is reflected on the impact of US-EU cooperation on the global community. Being powers of global significance, EU and the US have the responsibility to cooperate in order to provide leadership in the world and to promote democracy. The cooperation agenda between United States and the European Union is ambitious and requires an intensive dialogue, even beyond government level. The relation between European Union and the United States is not limited only to contacts at government level; their connections involve also the Europeans and the Americans. The fundamental aim of this kind of relation is to

establish an important link between communities on both sides of the Atlantic.

The transatlantic economic relation has grown in the past few years and its benefits were mutual. Both, the US and the EU are the main partners in the international trade and they create the largest bilateral trade relationship in the world (Quinlan, 2003). This relationship has a big influence on the global economy and the huge amount of bilateral trade and investment illustrates the interdependence of the two economies.

Finally, the United States and the European Union need to readapt their agenda (Lipstaite, 2009) and to reorganize it in order to face the international threats and crisis management.

It must be mentioned that the Transatlantic Trade and Investment Partnership is not a traditional trade agreement which was designed only to reduce trade tariffs on imports between trading partners because the trade tariffs between the US and the EU are at minimal levels. The main aim of the TTIP is removing the regulatory barriers which restrict the potential benefits and profits to be made by transnational corporations in US and EU markets (Hilary, 2014). TTIP is trying also to create new markets by opening up public services and government procurement contracts to competition from transnational corporations, in order to fulfill its purpose of removing regulation on both sides of the Atlantic so that business has a free hand to operate and to do its job.

Domestic and international sources of the US-EU cooperation

Due to the way in which the development of US-EU relation evolved, it was natural for greater cooperation on prevention, stabilization and reconstruction to begin. The collaboration between the United States and the European Union on time of crisis presented an opportunity to advance their agenda on future transatlantic relations.

In order to discuss about the domestic and international sources of the US-EU cooperation it must be seen which was the most important events in the history that determined US and the EU to think that a relation of cooperation in the international system (Korski, Serwer, Chabalowski, 2009) is better than one of competition and the benefits are bigger.

In the late 2004, the US officials started to think that the US had to improve its capacities for stabilization and reconstruction. One of the reasons for this idea was the US-led invasion in Iraq. This kind of invasion was moving from a conventional success to irregular warfare with US plans and resources held up as inappropriate for the mission. The decision of the need to find new allies in order to help finishing its own post-conflict tasks was a heavy blow for the US foreign policy.

The national-building, peace-building and stabilization operation has become the dominant paradigm of the post-Cold War world and the US needed to solve its international and national capabilities problems and this fact raised a framework for the US-EU collaboration. The first step was made by the US during three successive EU presidencies - those of Britain, Austria and Finland – their main purpose being to advance the build-up of civilian ESDP for their own reasons (Derks, More, 2009). The collaboration between the United States and the European Union on crisis management represents an opportunity for all those three countries to develop their own agenda. The creation of EDP and the US-EU security closer collaboration was a sign that the EU became an important world actor.

The domestic and also the international sources of the US-US cooperation can be observed in the way that this kind of relationship evolve. The need of US to solve its internal problems and to maintain its role of an important world power and the need of the European Union to solve its crisis of identity and the desire of becoming a global actor are some of the internal sources that determined both, the US and the EU to collaborate in the international system.

The international sources of the US-EU collaboration are more complex. There are at least three factors that can be considered as catalysts of this relation of collaboration, especially on the security agenda. The first one is the cooperation after the post 9/11 against terrorism. The 9/11 moment was crucial for the United States and they needed an important ally to fight against this global threat.

Another international source of the US-EU collaboration is the institutional common interests of the US-EU leaders (Grant, Leonard, 2005). This type of institutional collaboration had a main aim and that was the international political stability that was needed. The invasion of US in Iraq and its consequences can be considered to be another source of the international collaboration. The policy-makers on both sides of the Atlantic need to show to the domestic stakeholders that transatlantic cooperation is necessary and must be maintained. The international sources of the US-EU cooperation can be observed also on the US-EU summit declaration in 2005: This cooperation between the United States and the European Union – from prevention to stabilization and reconstruction – is founded on shared values, the indivisibility of our security and our determination to tackle together the challenges of our time.

Nowadays, the domestic and the international sources of the US-EU cooperation can be seen in their common interests manifested in different areas. Being two dominant actors in the world, their interests are in the economic, political

and also in the military areas. Beside the economic and political interdependence that has always been at the core of the US-EU relations, the security field is also in the center of the transatlantic partnership attention.

In order to find out what is the reason that maintains the US-EU relation of cooperation in a competitive world it must be observed the negotiations of the transatlantic partnership and the attitude of both powers, the US and the EU, on different areas of interest negotiated.

Conclusions

Analyzing transatlantic economic and trade relations, it can be drawn some features of state of these relations. The status of EU of an 'economic global power' has forced the US to deal with it in terms of dialogue and negotiations. The economic partnership US-EU, correlated with strong economic interdependence was and is always stated and extended, despite tensions in the political and security.

This paper tried to find out why is so important the US-EU relation of collaboration in a competition policy which dominates the world and which are the reasons to maintain the collaboration of these two partners. The most important domestic and international sources of US-EU cooperation process were also in the center of this article.

The transatlantic relations between the Unites States and the European Union are experiencing a new phase with the launching of negotiations of the TTIP due to the fact that this partnership brings high gains for both, the US and the EU as well as for their strategic partners and therefore its implications must be analyzed at global level.

In order to make prospects for the future of transatlantic relations, the next analysis should concentrate on the elements of coordination and cooperation of the transatlantic dialogue. The Transatlantic Trade and Investment Partnership can be considered a successful partnership if it provides jobs and economic growth. The goal of the transatlantic cooperation is to make a partnership with mutual benefits, to increase security, stability and prosperity at global level.

The transatlantic partnership has an ambivalent character, being called the competitive cooperation . This is due to the fact that this type of relationship is characterized by ambiguities, beginning with the internal evolution of both parties and ending with their role and importance in the international system. The United States are seen like representatives of the hard power while the construction of the European Union was rooted in the predominant soft power. This is the reason why raised questions regarding the nature of the US-EU relation: it is defined by cooperation or by competition?

ACKNOWLEDGEMENT

This paper is supported by the Sectoral Operational Programme Human Resources Development (SOP HRD), financed from the European Social Fund and the Romanian Government under the contract number POSDRU/159/1.5/133675

References

- [1] Barber, L. (1995) The New Transatlantic Agenda, in *Europe*, no. 369, September.
- [2] Council of the European Union (2010). *Annual report from the High Representative of the Union for Foreign Affairs and Security Policy to the European Parliament on the main aspects and basic choices of the CFSP in 2009*. DGF Publications.
- [3] Derks, M., More, S. (2009) The European Union and Internal Challenges for Effectively Supporting Security Sector Reform: An overview of the EU's set-up for SSR support year spring 2009. Clingendael: Netherlands Institute for International Relations, June.
- [4] Elles, J. (1993) Towards a New Transatlantic Relationship, in *European Business Journal*, London, vol. 5, no. 3.
- [5] European Commission (2013). *Transatlantic Trade and Investment Partnership*, The Regulatory Part, September.
- [6] European Commission (2006). *The European Union and the United States. Global partners, global responsibilities*, Publication Office.
- [7] European Commission (2004). *The European Union and the United States. Global partners, global responsibilities*. Publication Office.
- [8] Grant, C., Leonard, M. (2005). What New Transatlantic Institutions?, *Bulletin 41*, London: CER, April/May
- [9] Grevi, G., Helly, D., Keohane, D. (2009). *European Security and Defense Policy: The First Ten Years (1999-2009)*. Paris: Institute for Security Studies.
- [10] Hilary, J. (2014). *The Transatlantic Trade and Investment Partnership*. Brussels: Rosa-Luxemburg-Stiftung, February.
- [11] Korski, D., Serwer, D., Chabalowski, M. (2009). *A New Agenda for US-EU Security Cooperation*, Working Paper, November, FRIDE Publications
- [12] Kegley Jr., C. W., Wittkopf, E. R. (1995). *World Politics. Trend and transformation*. New York: St. Martin's Press.
- [13] Joint Action Plan (1995). Retrieved from http://eeas.europa.eu/us/docs/joint_eu_us_action_plan_95_en.pdf
- [14] Lipstaite, S. (2009). EU-US Cooperation in International Peace and Security: Bilateral versus Multilateral Dialogues, Bruges Regional Integration & Global Governance Papers 2.
- [15] Paemen, H. (2005). The US-EU economic relationship, in Michelle P. Egan, *Creating a Transatlantic Marketplace: Government Policies and Business Strategies*, Manchester: University Press.
- [16] Peterson, J., Pollack, M. (2003). *Europe, America and Bush. Transatlantic Relations after 2000*. New York: Routledge.
- [17] Quinlan, J. P. (2003). *Drifting apart or growing together? The primacy of transatlantic economy*. Washington DC: Center for Transatlantic Relations.
- [18] Transatlantic Declaration (1990) Retrieved from http://eeas.europa.eu/us/docs/trans_declaration_90_en.pdf
- [19] Transatlantic Economic Partnership (1998). Retrieved from http://trade.ec.europa.eu/doclib/docs/2003/october/tradoc_111712.pdf
- [20] The Positive Economic Agenda (2002). Retrieved from http://trade.ec.europa.eu/doclib/docs/2006/june/tradoc_114066.pdf
- [21] The New Transatlantic Agenda (1995). Retrieved from http://eeas.europa.eu/us/docs/new_transatlantic_agenda_en.pdf

