TRANSATLANTIC
RELATIONS SINCE 1945

Beyond the Cold War: Change and Continuity in Transatlantic Relations since the Collapse of the Soviet Union

The Post-Cold War World
Chronology & Themes

2. Since September 11: Unilateralism, Multilateralism, and the War on Terror
3. Future: An Indispensable Relationship?

KEY ISSUES
• US: Indispensable Nation?
• The New Europe and its Role in the world
• September 11, 2001 – Watershed?
• With Obama a bright future ahead?

Outline
• United States: The indispensable nation?
• EU: A multinational empire?
• Transatlantic Economic Structures
• Transatlantic Security Issues
• European Solutions
• American Solutions
• Values Gap?
• Obama’s promise: Change, Continuity, A New Beginning?
UNDER STRAIN?

• The transatlantic relationship is under serious strain. The end of the Cold War, Europe's continuing integration, and the new array of threats confronting the West have led Americans and Europeans alike to question the durability and utility of the Atlantic alliance. The transatlantic rift that opened over the war in Iraq significantly intensified these concerns.

• -- Council of Foreign Relations, 2005

INDISPENSABLE NATION

• ¼ of world economic output
• Unemployment in 40 year lows (4% in 1999)
• But: massive trade deficit, exposure, inequality
MILITARY SUPERPOWER

• 2/5 world’s military spending (more than next 14 together)
• ½ world military production

EU: MULTINATIONAL EMPIRE

Population development of the European Union affiliated with the Enlargement Process

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>+29.87%</th>
<th>+3.74%</th>
<th>+17.63%</th>
<th>+6.14%</th>
<th>+19.22%</th>
<th>+6.68%</th>
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<tbody>
<tr>
<td>1950</td>
<td>231,528,636</td>
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<td>1973</td>
<td>300,806,913</td>
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<td>1981</td>
<td>312,153,031</td>
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<td>1986</td>
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<td>1995</td>
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<td>2004</td>
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<td>2007</td>
<td>494,206,078</td>
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</tbody>
</table>

Total Population:
1950: 231,528,636
1973: 300,806,913
1981: 312,153,031
1986: 366,667,431
1995: 398,362,716
2004: 454,205,901
2007: 494,206,078
TRANSATLANTIC ECONOMY

- The EU-US economic relationship is the largest in the world.
- 40% of world trade, with exchanges worth over €1.7 billion a day.
- Framework for advancing Transatlantic Economic Integration, signed 30 April 2007.
- Enhanced regulatory cooperation, further removal of barriers to trade and investment, and enforcement of intellectual property rights abroad, transatlantic investment and integration of capital markets.

TRANSATLANTIC TRADE (Goods and Services)

<table>
<thead>
<tr>
<th></th>
<th>1960</th>
<th>1980</th>
<th>2010</th>
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<tbody>
<tr>
<td>US Expts to EC/EU</td>
<td>7.2 bn $</td>
<td>70.3 bn $</td>
<td>Ca. 400 bn $</td>
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<tr>
<td></td>
<td>36 %</td>
<td>32.3 %</td>
<td>29 %</td>
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<tr>
<td>US Impts from EC/EU</td>
<td>4.2 bn $</td>
<td>48 bn $</td>
<td>Ca. 365 bn $</td>
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<tr>
<td></td>
<td>29.1 %</td>
<td>19.6 %</td>
<td>16.6%</td>
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</table>
US-EC/EU Annual Foreign Direct Investment

<table>
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<th></th>
<th>1960</th>
<th>1980</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC/EU FDI in US</td>
<td>4.1 bn $</td>
<td>40 bn $</td>
<td>66.1 bn $</td>
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<tr>
<td>(% total FDI)</td>
<td>47.1 %</td>
<td>58.5 %</td>
<td>ca. 64 %</td>
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<td>US FDI in EC/EU</td>
<td>6 bn $</td>
<td>79.9 bn $</td>
<td>93 bn $</td>
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<tr>
<td>(% total FDI)</td>
<td>18.3 %</td>
<td>37.4 %</td>
<td>(2004) 45 %</td>
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Security Issues in Transatlantic Relations Since 1991

MIDDLE EAST (Broader or Greater)
BALKANS
RUSSIA
NUCLEAR POLIFERATION
INTERNATIONAL TERRORISM
ENVIRONMENTAL ISSUES
GLOBAL HEALTH
EUROPEAN SOLUTION I: COMMON FOREIGN AND SECURITY POLICY

- “The Union and its member states shall define and implement a common foreign and security policy, governed by the provisions of the Title and covering all areas of foreign and security policy.”
- From the Maastricht Treaty/Treaty on European Union (TEU)

EUROPEAN SOLUTION II: ENLARGEMENT

- “On each separate security issue, individual states may have concerns of their own that are not shared by their fellow EU members. To try to form a single ‘European’ policy on such issues, whether by unanimity, consensus, or majority voting, is to guarantee at best ineffective compromise and at worst self-paralysis.”
- Noel Malcolm, 1995
AMERICAN SOLUTION I: PFP TO NATO ENLARGEMENT

AMERICAN SOLUTION II: UNILATERALISM
A NEW PEARL HARBOR?

"Nous sommes tous Américains," Le Monde, September 13, 2001

« WE ARE ALL AMERICANS »

• "Nous sommes tous Américains," Le Monde, September 13, 2001
SECURITY POLICY: PARTNERS OR ANTAGONISTS

- 70,000 European troops deployed on various peace support missions across the globe (Lebanon, Kosovo, Afghanistan)
- EU as a whole is the biggest aid donor in the world; USA is the biggest single aid donor
- Middle East Peace Process
- Afghanistan
- reconstruction in Iraq.
- Iran and WMD
- democracy and human rights...

‘Softer side’ of Transatlantic Relations: A Values Gap?

*Americans tend not to see any source of democratic legitimacy higher than the constitutional democratic nation-state. (…) Europeans, by contrast, tend to believe that democratic legitimacy flows from the will of an international community much larger than any individual nation-state… Like former smokers, they want everyone else to experience their painful withdrawal symptoms from sovereignty.*

*Americans believe in the special legitimacy of their democratic institutions and indeed believe that they are the embodiment of universal values that have a significance for all of mankind. This leads to an idealistic involvement in world affairs, but also to a tendency for Americans to confuse their national interests with universal ones.*

• F. Fukuyama, 2002
2008: THE CHOICE

BUT, WHAT REALLY COUNTS NOW?

- "My first priority and my first job is to get us on the path of economic recovery, to create 2.5 million jobs and to provide relief to middle class families".
  -- Barack Obama, November 26, 2008

- "If we had a coordinated response to the financial crisis in Europe, should not we have a coordinated response to the economic crisis in Europe?"
  -- Nicolas Sarkozy, October 16, 2008
CHANGE AND CONTINUITY

- Europe has transformed since 1991
- Internal politics on both sides of the Atlantic have changed
- Relative economic strength of EU and USA
- “Rise of the Rest”
- Disagreements over security issues in ‘out-of-area’ questions
- US militarily dominant
- US a unitary actor; EU a divided one
- Strong common economic interests
- Institutionalized cooperation

TRANSATLANTIC RELATIONS, 2009…

- People of Berlin - people of the world - this is our moment. This is our time.
- I know my country has not perfected itself. At times, we've struggled to keep the promise of liberty and equality for all of our people. We've made our share of mistakes, and there are times when our actions around the world have not lived up to our best intentions.
THE CONTINUITY OF...

• Conflict:
  • ‘Out-of-area issues’
  • National interests
  • Economic competition
  • Values gap (but how real is it?)

• Community:
  • A Transatlantic economic, cultural and political space
  • Institutional links (NATO in particular)
  • ‘West’ and the ‘Rest’