

# The EU and transatlantic relations

By Rem Korteweg

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The UK considers its relationship with the United States as central to its foreign policy. Underpinned by strong historical links, the UK-US relationship covers economic ties, diplomacy and security co-operation. The EU also has important relations with the United States, primarily based on trade. Yet both sides of the Atlantic have aspirations for greater political co-ordination as well. While transatlantic co-operation still rests on strong bilateral ties, the EU-US relationship offers specific value to the UK. The UK may cherish its 'special relationship' with the US, but the EU-US relationship amplifies bilateral US-British relations and helps serve British interests.

## How does the EU add value and what are its comparative (dis)advantages?

Several permanent forums exist for transatlantic consultations between the EU and the US. At the expert-level, co-operation for instance takes place in the EU-US Energy Council and the Transatlantic Economic Council, which discuss common energy and trade issues. Negotiations at these forums are more effective than any bilateral consultation, as the EU is able to negotiate with the US as an equal, instead of a junior partner.

The ability to negotiate with the US on the principle of equality is one of the central benefits of EU-US relations. It however only takes place on those issues where the EU has full competence. This is the case for trade. Since EU-US trade represents the world's largest intercontinental commercial flow, the EU's negotiations with the US are essential to UK prosperity. This is particularly the case in light of on-going discussions over a transatlantic free-trade initiative.<sup>1</sup>

The aggregate size of the EU and the US is a crucially important force in global trade and development negotiations. In the WTO, transatlantic co-operation on trade disputes contributes to the defence of UK business interests. There is also untapped potential. Together, the EU and the US are the largest providers of development aid. Greater co-ordination of development priorities could benefit UK development objectives.

The UK believes in a 'special relationship' with the United States. Amongst others, this is expressed through the close military ties between the two countries. When it comes to military affairs, NATO remains the UK's preferred transatlantic platform. The collective defence organisation is the cornerstone of UK security policy, yet the EU's activities in the security domain can complement it. For one, NATO is not capable of undertaking civilian operations or mobilising other instruments of national power, such as development aid, to achieve certain objectives. For this, the EU remains a necessary instrument. Co-operation between the EU and the US in conflict prevention should be strengthened and should emphasize the use of 'soft power' tools of crisis-management.

The EU also plays an important role to protect the rights and privacy of European citizens, including those of the UK. Discussions over personal data protection – financial or otherwise – among 27 individual states would be time-consuming for the US, but also likely less beneficial to European, and UK, interests. Although seemingly very technical, such discussions have served the purpose of uniting 27 EU countries on issues of common interest.

At the political level, the annual EU-US summit is important on paper, yet disappoints in reality. The EU-US

1: Philip Whyte, 'Freeing the transatlantic economy – prospects, benefits and pitfalls', CER insight, 20 February 2013, <http://www.cer.org.uk/insights/freeing-transatlantic-economy-%E2%80%93-prospects-benefits-and-pitfalls>.

relationship suffered a blow when President Obama cancelled the summit in 2010. The relationship does not achieve its full potential because the United States sees the EU mainly as a trade bloc, not as a credible political actor. But both sides are to blame. The summit also fails to deliver due to a steadfast desire from EU countries to maintain exclusive bilateral relations with Washington, instead of working through Brussels. It also results from an unclear division of labour between the European Council and the Commission on transatlantic affairs. At the most senior level the EU sends three people to the summit – President Van Rompuy, President Barroso and High-Representative Ashton – while the US sends one, the President. In order to avoid Kissinger’s famous dilemma of ‘not knowing who to call in Europe’, the United States supports greater European integration. The dilemma however, has still not been satisfactorily resolved. In spite of positive developments, neither the EEAS nor its chief, Lady Ashton, have enough clout to cajole the EU member-states to exclusively defer to her and the bureaucracy she runs.

The EU-US summits have generally focused on trade and economic policy. While foreign policy issues are discussed – such as the Middle East Peace Process and the ‘Arab Spring’ – they receive less attention. There are no on-going strategic EU-US dialogues that deal with these issues. Nevertheless, the EU and Washington do co-operate on global issues, formulating common approaches on transnational issues such as human rights, internet freedom, non-proliferation and strengthening of international regimes. Their common weight is often instrumental in placing issues high on the international agenda. Common diplomatic positions yield the promise of greater achievement and forewarn a strengthened role of the EU on the international stage. For instance, the recent joint statement by then-Secretary Clinton and Lady Ashton on Asia-Pacific security at the Asia Regional Forum enjoyed strong UK support. London realises that its foreign policy interests are at times best served through the EU.

After such promising statements however, the EU often fails to follow-up with concerted action. EU-US relations would benefit from greater co-ordination among different EU member states on strategic foreign policy issues. This particularly requires greater co-ordination between Germany, France and the UK.<sup>2</sup> European discord over how to deal with Asia for instance, is impacting the ability of the EU to co-operate closely with the US on the rise of China; an issue the UK feels strongly about.<sup>3</sup>

Regarding security issues, bilateral relations usually take precedence over EU-US co-operation. Specific national security interests are not deferred to the European level. However, the EU has achieved some success in the foreign policy domain alongside the US. For instance, the EU and Washington worked together on Burma and the Iran sanctions regime. In an increasingly complex and multipolar world, co-operation among a united Europe and the United States has a better chance of defending British interests. Dissent between the EU and its member states and the US is usually a recipe for diplomatic failure, while common positions improve the prospects for success.

The UK however, is sometimes concerned that stronger EU-US co-operation will come at the expense of its bilateral dealings with Washington. For instance, plans for a permanent EU seat in the UN Security Council – which has some support in Washington – is met with resistance in London as it would probably replace the UK’s seat. Generally however, such zero-sum thinking is exaggerated. On his first trip overseas, Secretary John Kerry visited the UK, Germany, France and Italy, side-stepping Brussels. It signals that the United States continues to see bilateral relationships as the foundation for the transatlantic partnership. But the US does have outspoken views about UK membership of the EU. President Obama has made it clear he prefers that the UK play a strong role inside the European Union. Washington considers the UK a key ally capable of contributing to EU reform aimed at changing the organisation into a strong and capable partner of the US.

The US appears to be somewhat schizophrenic when it comes to the EU. On the one hand, it supports greater EU integration in the long term; on the other it prefers bilateral relations with nation-states in the short term. The euro crisis has increased US interest in the EU-US relationship. Yet this is a negative motivation for renewed transatlantic attention. A positive agenda on the topics the EU and the US should tackle together – aside from trade and economic issues – is missing.

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2: Charles Grant, ‘Transatlantic Rift: How to bring the two sides together’, CER, July 2003, [http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/p467\\_transatlantic\\_rift\\_cg-1655.pdf](http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/p467_transatlantic_rift_cg-1655.pdf).

3: Charles Grant, ‘How can the EU influence China?’, CER Insight, 7 January 2013, <http://www.cer.org.uk/insights/how-can-eu-influence-china>.

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## Additional information

For more information on relations between the EU and the US see:

'US foreign policy after the election: What should Europeans expect?' by Clara Marina O'Donnell, CER policy brief, 25 October 2012, <http://www.cer.org.uk/publications/archive/policy-brief/2012/us-foreign-policy-after-presidential-election-what-should-eur>

'Transatlantic Rift: How to bring the two sides together' by Charles Grant, CER report, July 2003, [http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/p467\\_transatlantic\\_rift\\_cg-1655.pdf](http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/p467_transatlantic_rift_cg-1655.pdf).

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